NAIC
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
OUR MEETING WILL BEGIN SHORTLY

WELCOME TO THE

Joint Meeting of the Catastrophe Insurance (C) Working Group and the NAIC/FEMA (C) Advisory Group

IN-PERSON ATTENDEES
Wi-Fi Network: NAIC2023; Password (case sensitive): Summer2023

VIRTUAL ATTENDEES
• Audio will be muted upon entry
• If virtual attendees would like to speak, please use the "Raise Hand" feature and we will let the Chair know you'd like to speak
• Enter with video on or off (your choice)
• Use the “Chat” feature for questions, comments, or assistance
• If you have joined by phone, to mute and unmute your line, press *6
• For additional help, please contact NAIC Technical Support team at MeetingTechHelp@naic.org or call (866) 874-4905
Joint Meeting of the Catastrophe Insurance (C) Working Group and the NAIC/FEMA (C) Advisory Group

August 13, 2023
3:30-5:00 p.m. PT
Seattle Convention Center
Signature Room—Level 5
Agenda:

1. Consider Adoption of Its Spring National Meeting Minutes
   —Director Chlora Lindley-Myers (MO)

2. Hear an Update on the Progress of the Catastrophe Modeling Primer
   —Sara Robben (NAIC)

3. Hear from Alabama, Louisiana, and Minnesota About Their Mitigation Programs—Commissioner Mark Fowler (AL), Commissioner James J. Donelon (LA), and Peter Brickwedde (MN)

4. Hear a Presentation from the Federal Alliance for Safe Homes (FLASH) on Resources Available to States for Mitigation Grant Programs
   —Leslie Chapman-Henderson and Eric Vaughn (FLASH)

5. Discuss Ways to Create an Efficient Process About Proof of No Insurance to FEMA for Individual Assistance—Steve Simkins (State Farm)

6. Hear from the Center for Insurance Policy and Research (CIPR) Center of Excellence (COE) Regarding Its Available Programs
   —Jennifer Gardner and Shaveta Gupta (CIPR)

7. Hear a Recap of the FEMA Region 1 Event Held in Maynard, MA
   —Director Chlora Lindley-Myers (MO)

8. Discuss Any Other Matters Brought Before the Working Group and Advisory Group—Director Chlora Lindley-Myers (MO)

9. Adjournment
Agenda Item #1
Consider Adoption of the Working Group’s 2023 Spring National Meeting Minutes
Agenda Item #2
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Agenda Item #3
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- 1998 – Volunteer committee of emergency managers, insurers, meteorologists, risk communicators, and organizations dedicated to strengthening homes and safeguarding families.

- Today – Nonprofit coalition of more than 100 academic, corporate, nonprofit, and government partners.
Commissioners – A Legacy of Resilience Leadership

- Building Code Leadership
- Retrofitting Initiatives
- Advancing Resiliency Value
Building Code Leadership
• Educate thought leaders regarding the link between code adoption and consumer safety and savings
• Lead/support public awareness campaigns (Building Safety Month)
• Analyze and track state and local building code adoption status

• Include building code activity in legislative portfolio and priorities
  • Support statewide adoption of current model codes with no weakening amendments
  • Support efforts to maintain three-year code adoption cycles
  • Support efforts to preserve state building code commission powers
Building Codes Save: A Nationwide Study
Losses Avoided as a Result of Adopting Hazard-Resistant Building Codes
November 2020

Building Codes Strategy
Federal Emergency Management Agency
March 2022

Building Codes Adoption Playbook
For Authorities Having Jurisdiction
FEMA P-2196 / August 2022
Building Code Policy Leadership – Big Data Resources

How strong is my building code?

Modern building codes ensure that your home is built using the latest practices and standards to protect against natural disasters like earthquakes, floods, hurricanes, and wildfires. Find the current building codes adapted in your local area.

Enter an address or zip code

What you’ll learn

- Renovations, retrofits, and upgrades to make your home safer and stronger
- If your code is up to date
- Your community’s disaster history

See why building codes matter in A Tale of Two Towns

National Building Code Adoption Tracking Portal

Select tabs below for jurisdictional building code adoption status organized by hazard.

Legend

2021 Q2 Combined Hazards

One or more hazard risks is a comprehensive hazard view that combines the individual hazards: flood, damaging wind, hurricane wind, tornado, or seismic. See BCAT Glossary for more information on one or more hazards risk and resilience.

Based on best available data. Confirm with your state or local building code authority prior to reliance on the data.
Retrofitting Initiatives
The U.S. owner-occupied housing stock is aging rapidly…, as the residential construction continues to fall behind in the number of new homes built.

With a lack of sufficient supply of new construction, the aging housing stock signals a growing remodeling market, as old structures need to add new amenities or repair/replace old components.

Rising home prices also encourage homeowners to spend more on home improvement. Over the long run, the aging of the housing stock implies that remodeling may grow faster than new construction.

*Source: NAHB February 2023*
Supporting state insurance departments in retrofitting older building stock to allow residents to recover more swiftly from natural disasters
Research Questions

1. What resource and knowledge gaps impede widespread retrofitting program implementation?

2. What are the benefits/barriers for insurance departments to implement a retrofitting program?

3. Can a losses avoided model focused on mental health, injury, and death be further refined for use by stakeholders?
**Research Methodology**

**Literature**
- Measured current perceptions & barriers
- Identified & reviewed 14 state/local programs
- Used results for gap analysis

**Interviews**
- Measured current perceptions & barriers
- Conducted 17 staff and commissioner interviews
- Established baseline data & information for ideation

**Survey**
- Collected data on grant requirements, staffing, budgets, etc.
- Sample size = 20 programs
- Created retrofit matrix & programmatic crosswalk

**Ideation**
- Drove product/service design
- Included 17 stakeholders
- Group discussion led to the Resilience Hub
Research Answers

1. What resource and knowledge gaps impede widespread retrofitting program implementation?

- Funding Models
- Operational/Administrative
- Stakeholder Identification
- Model Language and Policies
- Fraud Prevention
- Outreach/Education
What are the benefits/barriers for insurance departments to implement a retrofitting program?

Benefits

• Improve Insurance Availability/Affordability
• Overall State Economic Stability
• Improved Building Performance
• Losses Avoided/Reduced
• Shorter Recovery Period
• Safer Communities Overall
2 What are the benefits/barriers for insurance departments to implement a retrofitting program?

**Barrier(s)**
- Funding Availability/Sustainability
- Administrative Complexity
- Workforce Availability (Departmental/Inspectors/Contractors)
- Nontraditional DOI Role?
Research Conclusion – *What Departments Want*

- Compendium of funding resources
- Best practices/case studies/research
- CAT modeling alignment/enhancement
- Model policies/endorsement language
- Active Support
  - Licensing or training programs for contractors, inspectors, and staff
  - Support for IT platforms etc.
  - Outreach and communication strategies/assets
Resilience Services HUB

Suite of support tapping into wider community and program data

- FLASH, IBHS, et al
- Suppliers / Contractors
- Finance Help

NAIC Engagement Team

- Resources
- Partnerships
- Advocacy
- Community of Practice
- Customer Relationship Management
- Innovation Lab
- Data gathering, analytics, evaluation
- CAT Center of Excellence

- Guides
- Templates
- IT platform / support
- Federal-level interface
- Best practice research

- Peer champions
- Support orgs
- Experts

State insurance commissioner

2023 SUMMER NATIONAL MEETING
Advancing Resiliency Value

Leveraging a Community of Practice

• Stakeholders with shared goals connected and working collaboratively

• The Vision
  • Safe citizens
  • Healthy insurance markets

Policyholder Protection
• Disaster-resilient communities
What’s Next

- *Playbook and Resource Guide* – September 2023
- Building and launching the prototype HUB
- Growing and sustaining the community of practice
Leslie Chapman-Henderson
President/CEO
Federal Alliance for Safe Homes (FLASH)

Leslie@flash.org

Connect on LinkedIn
Agenda Item #5
Discuss Ways to Create an Efficient Process About Proof of No Insurance to FEMA for Individual Assistance
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Hear from the Center for Insurance Policy (CIPR) Center of Excellence (COE) Regarding its Available Programs
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Jeff Czajkowski, Shaveta Gupta, Jennifer Gardner
Center of Excellence – National Association of Insurance Commissioners
Key Points:

• CAT COE officially operating for one year - fully staffed with CAT modeler & industry (RAA, ISCM) relationships solidified

• Work moving forward across all three pillars with state insurance regulators and NAIC committee engagement* Of note for CAT Insurance (C) Working Group:
  - CAT Modeling 101 (link to CAT model primer)
  - Memorandum of Understanding (MOU) with the Insurance Institute for Business & Home Safety (IBHS)
  - Research Collaboration with the Federal Alliance for Safe Homes (FLASH)

• Continued development of regulator-oriented tools, training, and research => Help us, Help you
Access to Model & Other Related Information

**Completed**
- Regulator Only Sharepoint COE site
- NE and SE zone trainings

**Ongoing**
- Compendiums of regulatory action and requirements
- Peril model cards

**On the Horizon**
- Market Insight Briefs
- Model Vendor Highlights
- Collaboration with FLASH
- Coordination with various NAIC Committees
Regulator Access to Catastrophe Modeling Information - **CAT COE SharePoint**

- Access is restricted through a permissioned site and all regulators who wish to obtain access must sign a data use agreement.

**SharePoint Access Statistics**
- Signed contracts with 7 catastrophe model vendors and added available technical documentation to the SharePoint site
- Shared with 200 (+) identified regulators
- 34 States/Territories have obtained access to the site

Regulators who would like access to the material should send an email to Amy Lopez at alopez@naic.org requesting a link to sign the COE data use agreement.

Repository of model documentation, training materials, research papers and other tools for regulators. **NEW - Research from the Insurance Institute for Business & Home Safety**
**Education and Training**

**Completed**
- Catastrophe Model 101 in person – CO, MA, NY, PR
- RAA CAT Risk Management Conference
- RMS Exceedance
- S.O.F.E. engagement

**On the Horizon**
- Cat Model 101 virtual offering, pilot Aug. 21 - Sept. 5, opening virtual offering Oct. 1
- Cat Model 201 development
- Insurance Summit 2023
- NAIC Western Zone

**Ongoing**
- Access to International Society of CAT Managers (ISCM) training
- **On the Horizon**
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**Applied Research Updates**

**Completed**
- Wind Hail Insurance Market Incentives Study
- SE Zone meeting in January 2023
- Regulator IBHS Visits in February and July 2023

**In Progress**
- Colorado wildfire risk assessment and mitigation research
- Co-producing research with the Society of Actuaries regarding Climate Risk Disclosures – focus on modeling and mitigation insights

**On the Horizon**
- Insurance Summit 2023
- Earthquake Research in conjunction with Central U.S. Earthquake Summit
- Extreme Heat Research with Praedicat
- Severe Convective Storm Research with Midwestern States
Mark Your Calendars

NAIC Insurance Summit, September 11-14
https://content.naic.org/events/insurance-summit.htm

FLASH National Disaster Resilience Conference, November 6-8
https://nationaldisasterresilienceconference.org/

Earthquake Summit, November 13-14
http://centralusquakesummit.org/
Registration set to open August 24th
Catastrophe Modeling Center of Excellence

Providing regulators with technical expertise, tools, and information to effectively regulate their markets.

https://content.naic.org/research/center-of-excellence

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