



Date: 7/14/22

*2022 Summer National Meeting
Portland, Oregon*

**JOINT MEETING OF THE CATASTROPHE INSURANCE (C) WORKING GROUP
AND THE NAIC/FEDERAL EMERGENCY MANAGEMENT AGENDA (FEMA) (C) ADVISORY GROUP**

Tuesday, August 9, 2022

3:30 – 5:00 p.m.

Oregon Convention Center—Portland Ballroom 252-253—Level 2

CATASTROPHE INSURANCE (C) WORKING GROUP

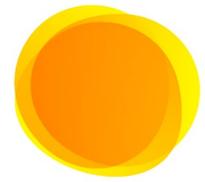
David Altmaier, Chair	Florida	Mike Chaney	Mississippi
Mike Causey, Vice Chair	North Carolina	Jo LeDuc	Missouri
Jimmy Gunn/Brian Powell	Alabama	Carl Sornson	New Jersey
Chad Bennett	Alaska	Tom Botsko	Ohio
Jimmy Harris	Arkansas	Cuc Nguyen	Oklahoma
Lucy Jabourian/Lynne Wehmueller	California	David Dahl/Ying Liu/Raven Collins	Oregon
George Bradner	Connecticut	David Buono	Pennsylvania
Colin Hayashida/ Kathleen Nakasone	Hawaii	Glorimar Santiago	Puerto Rico
Judy Mottar	Illinois	Beth Vollucci	Rhode Island
Travis Grassel	Iowa	Will Davis	South Carolina
Julie Holmes	Kansas City	Vickie Trice	Tennessee
Joy Hatchette	Maryland	Mark Worman/J'ne Byckovski	Texas
Jerry Condon/Matthew Mancini	Massachusetts	David Forte	Washington
		Allan L. McVey	West Virginia

NAIC Support Staff: Sara Robben

NAIC/FEMA © ADVISORY GROUP

Glen Mulready, Chair	Oklahoma	James J. Donelon	Louisiana
Carter Lawrence, Vice Chair	Tennessee	Joy Hatchette	Maryland
Brian Powell	Alabama	Jo LeDuc	Missouri
Shauna Nickel	Alaska	Alex Cheng	Oregon
Lucy Jabourian/ Deborah Halberstadt	California	Elizabeth Kelleher Dwyer/ Beth Vollucci	Rhode Island
George Bradner	Connecticut	Larry D. Deiter	South Dakota
Susanne Murphy	Florida	Marly Santoro	Virginia
Amy L. Beard	Indiana	Matt Stoutenburg	Washington
Travis Grassel	Iowa	Allan L. McVey	West Virginia
Julie Holmes	Kansas		

NAIC Support Staff: Aaron Brandenburg/Sara Robben



AGENDA

1. Consider Adoption of its May 24 and April 19 Minutes
—*Commissioner David Altmaier (FL)*
2. Hear an Update on Federal Legislation—*Brooke Stringer (NAIC)*
3. Discuss *Catastrophe Modeling Primer* Updates—*Aaron Brandenburg (NAIC)*
4. Hear an Update on NAIC Private Flood Insurance Data
—*Aaron Brandenburg (NAIC)*
5. Hear an Update from the New Mexico Department of Insurance (DOI) on Recent Wildfires—*Jennifer Catechis (NM)*
6. Hear an Update from the Northeast Zone on its Catastrophe Team
—*George Bradner (CT)*
7. Hear an Update from the Washington DOI on Cascadia Rising—*Matt Stoutenburg (WA)*
8. Hear an Update on the NAIC/FEMA Region 6 Event
—*Commissioner Glen Mulready (OK)*
9. Discuss Any Other Matters Brought Before the Working Group
—*Commissioner Glen Mulready*
10. Adjournment

Attachment A

**CONSIDER ADOPTION OF SPRING
NATIONAL MEETING MINUTES**

Draft: 4/12/22

Catastrophe Insurance (C) Working Group
and the NAIC/Federal Emergency Management Agency (FEMA) (C) Advisory Group
Kansas City, Missouri
April 4, 2022

The Catastrophe Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee met in Kansas City, MO, April 4 in joint session with the NAIC/FEMA (C) Advisory Group of the Catastrophe Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee. The following Working Group members participated: David Altmaier, Chair, and Susanne Murphy (FL); Mike Causey, Vice Chair, represented by Tracy Biehn (NC); Brian Powell (AL); Alan McClain (AR); Lucy Jabourian (CA); George Bradner and Wanchin Chou (CT); Travis Grassel (IA); Shannon Whalen (IL); Julie Holmes (KS); Matthew Mancini (MA); Joy Hatchette (MD); Jo LeDuc (MO); Mike Chaney (MS); Tom Botsko (OH); Glen Mulready (OK); Brian Fordham and Trisha Goldsmith (OR); David Buono, Shannen Logue, and Katie Merritt (PA); Alexander S. Adams Vega (PR); Stephanie Cope (TN); Mark Worman (TX); Brian Welch (WA); and Allan L. McVey (WV). The following Advisory Group members participated: Glen Mulready, Chair (OK); Carter Lawrence, Vice Chair, represented by Stephanie Cope (TN); Brian Powell (AL); Lucy Jabourian (CA); George Bradner and Wanchin Chou (CT); Travis Grassel (IA); Amy L. Bearn (IN); Julie Holmes (KS); Joy Hatchette (MD); Jo LeDuc (MO); Brian Fordham and Trisha Goldsmith (OR); Marly Santoro (VA); Brian Welch (WA); and Allan L. McVey (WV).

1. Adopted the Working Group's and Advisory Group's Minutes

Mr. Botsko made a motion, seconded by Ms. Cope, to adopt the Working Group's March 4 minutes (Attachment Three-A) and the Advisory Group's March 25 minutes (Attachment Three-B). The motion passed unanimously.

2. Heard an Update on Federal Legislation

Patrick Celestine (NAIC) said the National Flood Insurance Program (NFIP) is operating under an extension through Sept. 30, and the NAIC continues to reiterate support for a long-term reauthorization.

While there has not been much progress on a long-term reauthorization, there have been some reauthorization bills introduced. The NFIP Reauthorization and Reform Act of 2021 has been introduced in both the U.S. House of Representatives (House) and the U.S. Senate (Senate). This bill would allow for a five-year reauthorization, cap annual rate increases at 9% (compared to the current 18%), cap the Write Your Own (WYO) compensation at 22.46% of written premiums (versus the current 30%), and require each agent that sells NFIP policies to complete a three-hour continuing education (CE) course every two years. The CE course would need to be approved by the insurance commissioner in the state where the agent is a legal resident.

Mr. Celestine said the Continuous Coverage for Flood Insurance Act has also been introduced in both the House and the Senate. This bill would clarify that a flood insurance policy purchased in the private market would count as "continuous coverage" under the terms of the NFIP. Therefore, policyholders could return to the NFIP without losing any previous subsidy.

Mr. Celestine said FEMA began phase two of its implementation of Risk Rating 2.0. Policies renewing on or after April 1 will be issued under Risk Rating 2.0. A bipartisan group of coastal senators unsuccessfully advocated postponing the implementation of Risk Rating 2.0, warning FEMA about the impact of premium increases. This will remain a key issue for the reauthorization of the NFIP.

Mr. Celestine said the Flood Insurance Pricing Transparency Act was introduced in the Senate. This bill would require FEMA to publish the formulas used to calculate mitigation credits for policyholders under Risk Rating 2.0. The bill would also require FEMA to release a toolkit that could be used to estimate the cost of insurance for new construction, without compromising proprietary information.

Lastly, Mr. Celestine said the Senate Committee on Homeland Security and Governmental Affairs approved the Community Disaster Resilience Zones Act of 2022, advancing it to the full Senate. Chairman Gary C. Peters (D-MI) and Ranking Member Rob Portman (R-OH) sponsored the bill. The Reinsurance Association of America (RAA) has also been a strong proponent of this bill. The bill would amend the Stafford Disaster Relief and Emergency Assistance Act to make permanent the National Risk Index, or a similar tool, and utilize its data to identify and designate community disaster resilience zone communities that are the most at risk to natural hazards. This would allow FEMA to identify what communities are most in need of assistance for mitigation projects.

Commissioner Mulready said a few weeks ago, Oklahoma had the privilege of hosting David Maurstad (FEMA) and the director of FEMA Region 6 in Tulsa, OK. He said Tulsa was one of only two communities in the country with the highest NFIP ratings based on a community rating system on a city's stormwater management.

3. Discussed the *Catastrophe Computer Modeling Handbook* Updates

Commissioner Altmaier said the Working Group is charged with updating the *Catastrophe Computer Modeling Handbook* (Handbook). He said a drafting group consisting of several state insurance regulators has been formed, and the drafting group met last week to discuss a work plan for updating the Handbook. He said future drafting group calls will include interested parties that have expressed interest in attending these calls. He asked NAIC staff to provide and update of the drafting group's meeting last week.

Sara Robben (NAIC) said the purpose of the Handbook is to serve as a guidebook for state insurance regulators to use. The drafting group discussed including sections in the Handbook that will encompass guidance for state insurance regulators in the areas of rates, forms, legal, etc. The intention of the Handbook is to steer away from theoretical information and provide guidelines for state insurance regulators. It is expected that the Handbook will cross-reference information with more technical information that can be found in the Society of Actuaries (SOA) documentation.

Ms. Robben said the drafting group also plans to send a survey to states, consisting of easy to answer questions regarding bulletins and regulations states have in place regarding catastrophe models. The drafting group hopes to put this information in the form of a chart with links to the actual document for easy reference.

Ms. Robben said anyone that has not yet joined the drafting group should reach out to her to be added to the list.

4. Heard an Update from the Iowa Insurance Division Regarding Recent Tornadoes

Mr. Grassel said Iowa has seen numerous catastrophic events in the last few years. He said these events included derechos, flooding, and severe convective storm activity most recently that caused some destructive tornadoes. He said these types of events appear to be happening with greater frequency.

Mr. Grassel said March was a turbulent month for many states. On March 5, there were at least 13 tornadoes reported, and one area of activity included an EF-4 strength tornado lasting approximately 90 minutes and stretching for approximately 70 miles. Mr. Grassel said the tornadoes resulted in at least seven fatalities and caused severe property damage. He said tornado wind speeds were reported to be as high as 170 miles per hour. Following the March 5 tornadoes, a snowstorm that produced three to five inches of snow occurred, which

hindered recovery efforts in the short-term. Mr. Grassel said Iowa's Deputy Insurance Commissioner, Jared Kirby, experienced a direct hit to his home, causing extensive damage.

Mr. Grassel said hoping for the best, while preparing for the worst will ensure resiliency and safety when devastation strikes. He said building structurally strong homes and buildings or retrofitting homes and buildings make them more resistant to damage caused by severe convective storm activity. Wind resistant structures include a masonry home or reinforced building materials, including entrance doors, windows, roof, and garage doors. Stronger structures are more likely to be resilient during a severe wind event.

Mr. Grassel said the following items are important to do prior to a disaster: 1) know the safe space in your home; 2) make sure you have appropriate insurance from a reputable insurer; 3) periodically evaluate your insurance products and the coverage limits in your insurance policies; 4) read your insurance policy and speak with an insurance company representative or insurance agent with questions; and 5) annually record a home inventory to ensure proof of ownership for your belongings.

Amy Bach (United Policyholders) asked Mr. Grassel what type of deductibles they are seeing in Iowa regarding wind. Mr. Grassel said he does not have information on this specific event, but in the rate filings, they see higher deductibles and percentage deductibles for wind events. He said the deductibles have a range of \$500 to \$2,500.

5. Heard and Update from the TDCI Regarding Recent Catastrophic Events

Ms. Cope said flooding continues to be one of the largest issues for Tennessee consumers. She said the Tennessee Department of Commerce and Insurance (TDCI) has focused on education and outreach efforts regarding flooding in the past year.

Ms. Cope said the TDCI has an internal team that serves to process consumer complaints and educate communities. She said the team actively meets with local emergency planning committees in various counties throughout the state. Ms. Cope said the TDCI wants to ensure consumers understand the necessity of proper insurance coverage.

Ms. Cope said in the wake of the deadly Waverly floods, the TDCI set up disaster recovery centers in the affected areas. She said the TDCI wanted to be available for consumers on the spot, so they had what they needed when they needed it the most. She said due to the increased severity of natural catastrophes over the past few years, two counties became NFIP communities. She said the TDCI hopes this will encourage consumers to get the coverage they need.

Ms. Cope said after the tornadoes of 2020, the TDCI set up five claim centers across the state and requested that the top 10 insurance writers bring their catastrophe teams to handle claims on-site for their policyholders.

Ms. Cope said following the December 2021 tornadoes, the TDCI attended town hall meetings in Humphreys and Dresden counties. She said the TDCI consistently makes itself available to consumers, so consumers understand they have the support of the TDCI.

Ms. Cope said most recently, the TDCI responded to the wildfires near Gatlinburg, TN. She said over 100 structures were damaged, and more than 11,000 people were evacuated. As a result, the TDCI requested that insurers send representatives to the county fairgrounds to assist with on-site claims. Ms. Cope said Commissioner Lawrence and the Consumer Insurance Services team were at the site to help consumers with any claims and claims processing questions.

Ms. Cope said the TDCI believes in the power of educating consumers so they can make the best decisions for themselves and their families.

6. Heard and Overview of FEMA Regional Meetings

Commissioner Mulready said state insurance regulators have had several workshops with FEMA. The most recent workshop was held last year in a virtual format with FEMA Regions 8, 9, and 10. He said he has been told that state insurance regulators have enhanced their relationships with their FEMA colleagues as a result of these workshops.

Commissioner Mulready said FEMA Region 4 formed a working group following its FEMA workshop. This working group meets every other month with its FEMA colleagues to discuss issues related to disasters and make sure they are better prepared in advance of a disaster.

Commissioner Mulready said the Oklahoma Insurance Department will be hosting the FEMA Region 6 workshop on May 3 and May 4 in Oklahoma City, and invitations went out last week. He said attendees will be touring the National Weather Center in Norman, OK, on the evening of May 3.

Commissioner Mulready said any states wanting to conduct a workshop in their FEMA region could reach out to him or Aaron Brandenburg (NAIC).

7. Received an Update on the NAIC Catastrophe Resource Center

Ms. Robben said she would be reaching out to the departments of insurance (DOIs) to be sure the names on the catastrophe contact list are current. She asked states about what types of information are not on the web page that would be helpful to add. No one had any immediate comments. Commissioner Altmaier suggested that the NAIC send out a survey to Working Group and Advisory Group members to better meet the needs of the state insurance regulators.

Mr. Bradner said the Northeast Zone is reconvening a group of catastrophe contacts within each of the northeast state DOIs. He said they would be meeting sometime in April or May. He said in the past, some of the things they discussed included what is happening in each state regarding items such as hurricane deductibles, policy language changes, etc. He said if a catastrophic event approaches the Northeast, the group can hold a call to discuss what each state is doing to prepare for the event.

Having no further business, the Catastrophe Insurance (C) Working Group and the NAIC/FEMA (C) Advisory Group adjourned.

SharePoint/NAIC Support Staff Hub/Member Meetings/2022 Spring National Meeting/Committee Meetings/PROPERTY and CASUALTY INS (C) COMMITTEE/Catastrophe Ins (C) WG/Agendas and Minutes/04 CatFEMA Minutes.docx

**HEAR AN UPDATE ON FEDERAL
LEGISLATION**

DISCUSS *CATASTROPHE*
***MODELING PRIMER* UPDATES**
(outline attached)

OUTLINE FOR CATASTROPHE MODELING PRIMER

What is a catastrophe model?

- Computerized system that generates a robust set of simulated events.
- Estimates the magnitude/intensity and location.
- Determines the amount of damage.
- Calculates the insured loss.

Catastrophe models are designed to answer

- Where future events can occur
- How big future events can be
- Expected frequency of events
- Potential damage and insured loss

Why is catastrophe modeling important?

- Allows insurers/reinsurers to evaluate and manage natural catastrophe risk from perils

Why are catastrophe models useful?

- Understanding risk
- Evaluating and managing natural catastrophe risk from various perils
- Reinsurance placement
- Proper level to maintain
- Aggregate rate level
- Underwriting
- Which risks require lower rates/higher rates
- Tiering

Uses of catastrophe models

- Primary Metrics
- AAL; Expected loss
- PML/EP
- Potential Uses

- Ratemaking (rate level and rating plans)
- Portfolio management & optimization
- Underwriting/risk selection
- Loss mitigation strategies
- Allocation of cost of capital, cost of reinsurance
- Reinsurance/risk transfer analysis
- Enterprise risk management
- Financial & capital adequacy analysis (rating agency)

Advantages of Cat Models

- Modeled Data
- Historical Data

Complexity of Cat Models

- Training required for using catastrophe models
- Actuarial practices

Types of Cat Models

- Perils
- Perils currently covered
 - *Hurricane*
 - *Earthquake – shake and fire following*
 - *Tornado/hail*
 - *Winter storms (snow, ice, freezing rain)*
 - *Flood*
 - *Wildfire*
 - *Terrorism*
 - *Cyber losses*
 - *Additional perils may be covered over time*
- Brief overview of models currently available

Cat Model Components

- Event Module
- Generation of a stochastic event set
- Hazard (peril)
- Assesses the amount of risk in a geographical area

- Vulnerability (damage potential)
- Degree to which structures and their contents are likely to be damaged by the hazard
- Unique damage curves for different areas, and takes into consideration local architectural styles and building codes
- Financial Module (loss)
- Translates the expected physical damage into monetary loss.
- Estimates who is responsible for paying for the loss.
- Results are interpreted by the model user and applied to business decisions.

Types of losses modeled

- Direct
- Physical damage to buildings, outbuildings, and contents
- Work Comp; deaths, injuries
- Indirect
- Loss of use
- ALE (*Additional Living Expense*)
- Business interruption
- Loss Amplification/Demand Surge
- For large events, higher material costs, labor, and repair delays.
- Residual demand surge.

Key Metrics

- Exceedance Probability (EP) curve
- Likelihood that a loss greater than or equal to a determined amount will occur in the coming year
- Probable Maximum Loss (PML)
- The annual probability that a certain loss threshold is exceeded
- Average Annual Loss (AAL)
- The average loss of the entire loss distribution and is represented as the area under the EP curve
- Frequently used in pricing and ratemaking to evaluate the catastrophic load

Model usage

- How good is a model for ratemaking, underwriting, etc.
- If used, how appropriate was the use of the model

Regulatory interaction

Catastrophe models are dependent on Meteorology and Engineering Expertise, which is not usually present in a DOI

**HEAR AN UPDATE ON NAIC PRIVATE
FLOOD INSURANCE DATA**



NAIC
NATIONAL
MEETING
SUMMER 2022
PORTLAND

**Private Flood
Insurance Data**

Aaron Brandenburg, NAIC
August 9, 2022

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

1

NAIC NATIONAL MEETING **SUMMER 2022**

Background on Private Flood Data

- Annual Statement State Page
 - Line 2.5
 - 2016-2019
 - Commercial and Residential Data Combined
- State Regulator Data Call
 - 2018 and 2019 Data
 - Commercial and Residential Broken out as well as Standalone, First Dollar, Excess, Endorsement
 - New Data Elements including Number of Policies, Number of Claims Opened, Number of Claims Closed with Payment
 - Data collection will continue as part of the Annual Statement
- New Supplement in 2021 (2020 data) – mirrors Data Call
- Data now available 2018-2021 – [NAIC website](#)

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

2

NAIC NATIONAL MEETING SUMMER 2022

Private Flood - Commercial and Residential

- Includes Standalone and Endorsements
- 562K Policies in Force at end of 2021
- \$1 Billion in DWP for 2021

Number of Policies

Year	Number of Policies
2018	372,104
2019	404,028
2020	431,323
2021	561,871

Direct Written Premium

Year	Direct Written Premium (\$)
2018	403,577,737
2019	526,146,510
2020	715,426,477
2021	1,026,614,155

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

3

NAIC NATIONAL MEETING SUMMER 2022

Private Flood Direct Written Premium - Residential

Direct Written Premium - Residential

Year	Direct Written Premium (\$)
2018	\$182,803,995
2019	\$201,477,778
2020	\$207,522,636
2021	\$335,655,370

Standalone vs. Endorsements

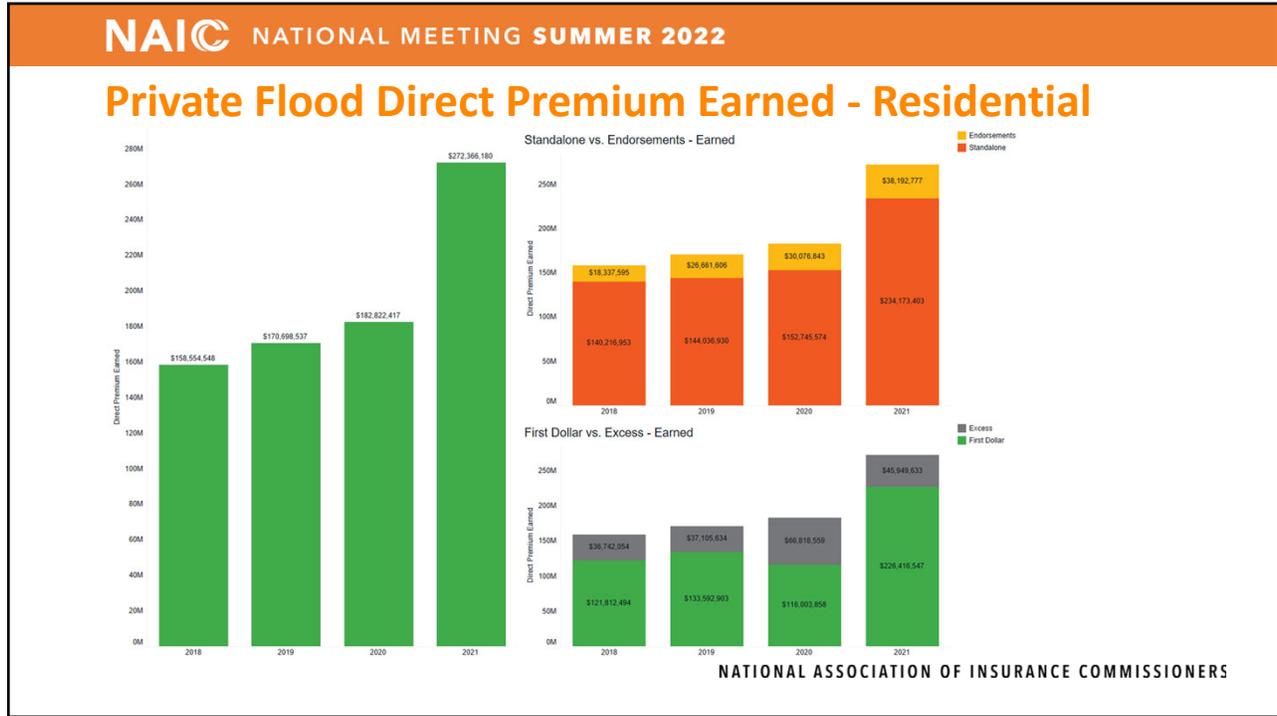
Year	Standalone (\$)	Endorsements (\$)	Total (\$)
2018	\$153,017,112	\$29,786,483	\$182,803,595
2019	\$162,110,317	\$39,367,461	\$201,477,778
2020	\$174,294,399	\$33,228,246	\$207,522,636
2021	\$294,871,510	\$44,383,860	\$335,655,370

First Dollar vs. Excess

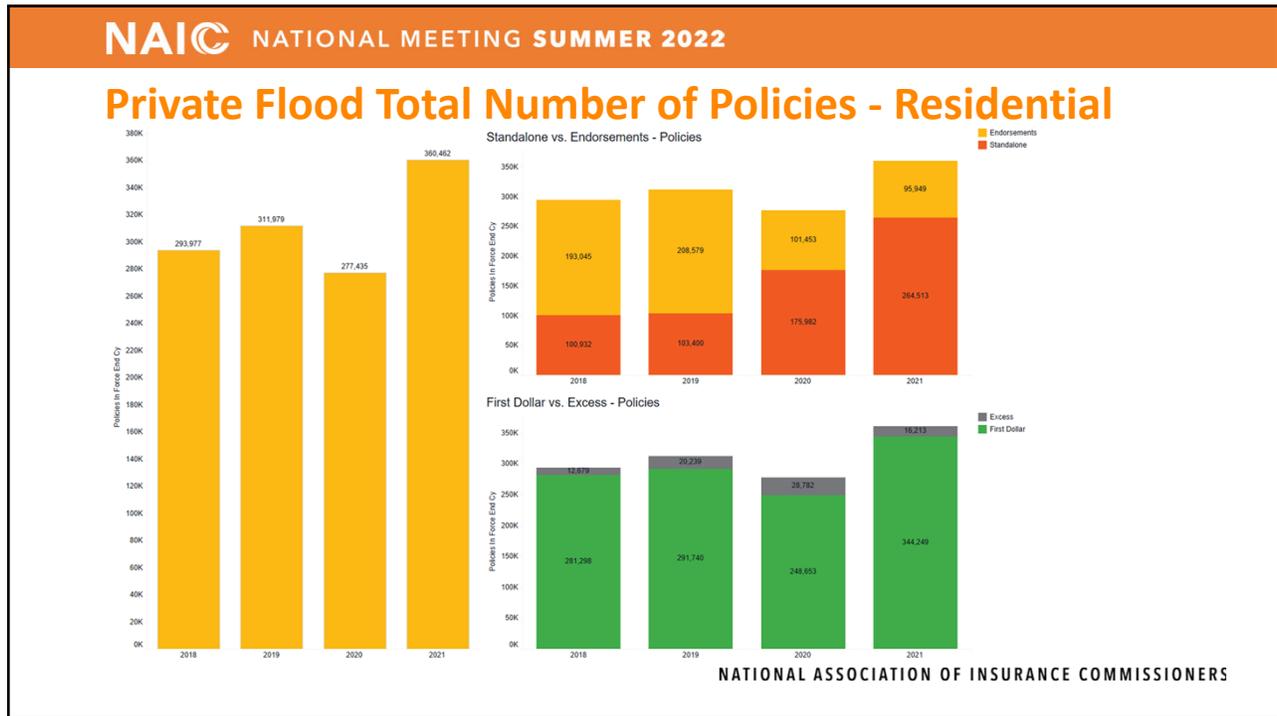
Year	First Dollar (\$)	Excess (\$)	Total (\$)
2018	\$146,243,827	\$36,560,168	\$182,803,995
2019	\$164,318,419	\$37,159,359	\$201,477,778
2020	\$140,834,736	\$66,687,910	\$207,522,636
2021	\$290,198,925	\$44,856,445	\$335,655,370

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

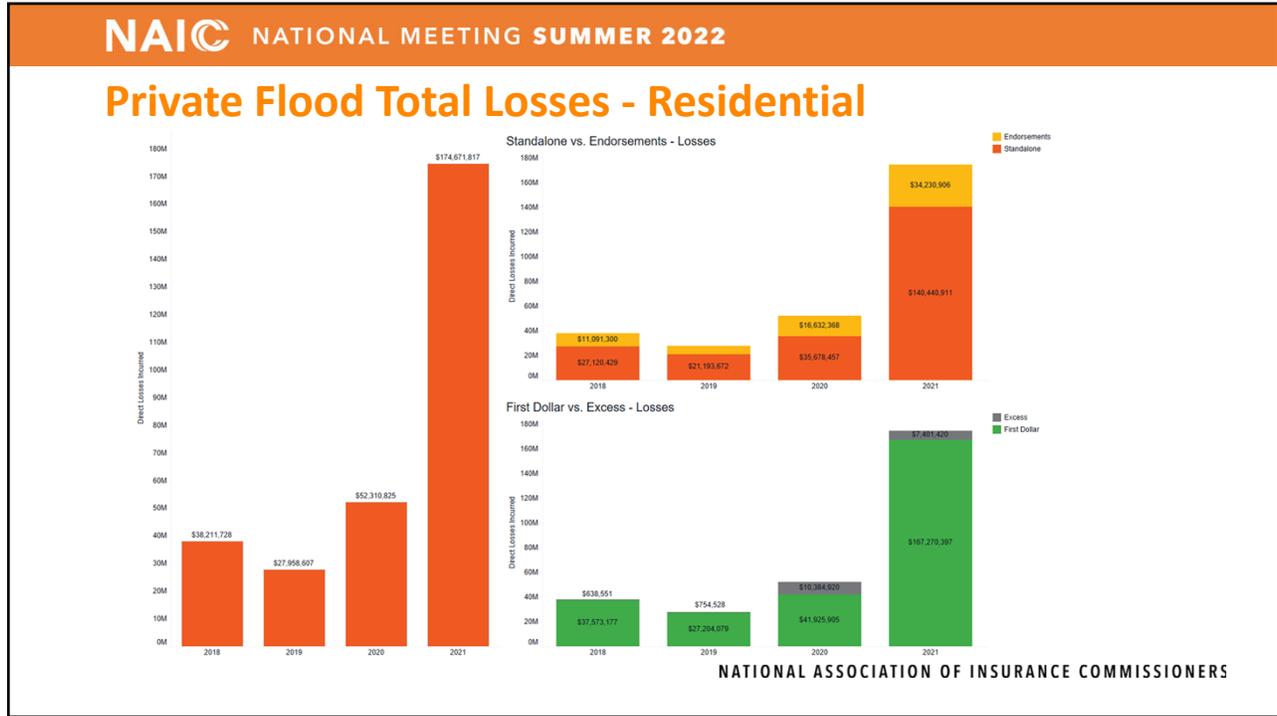
4



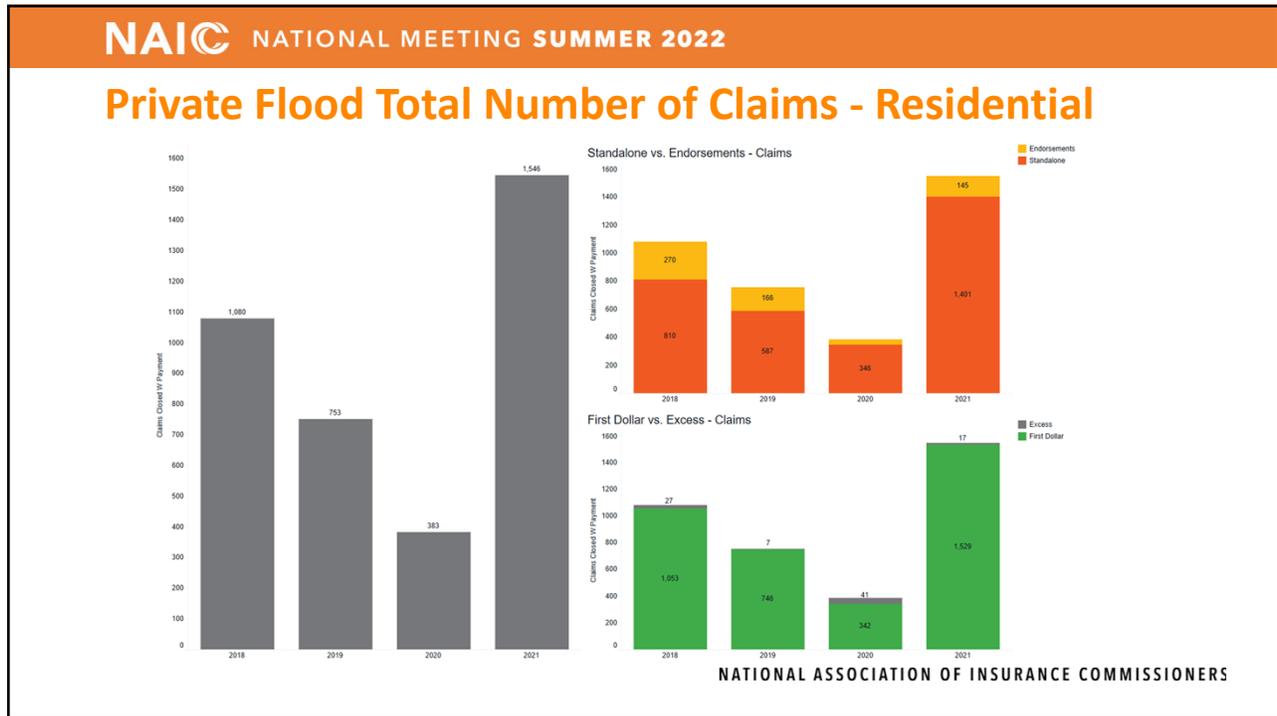
5



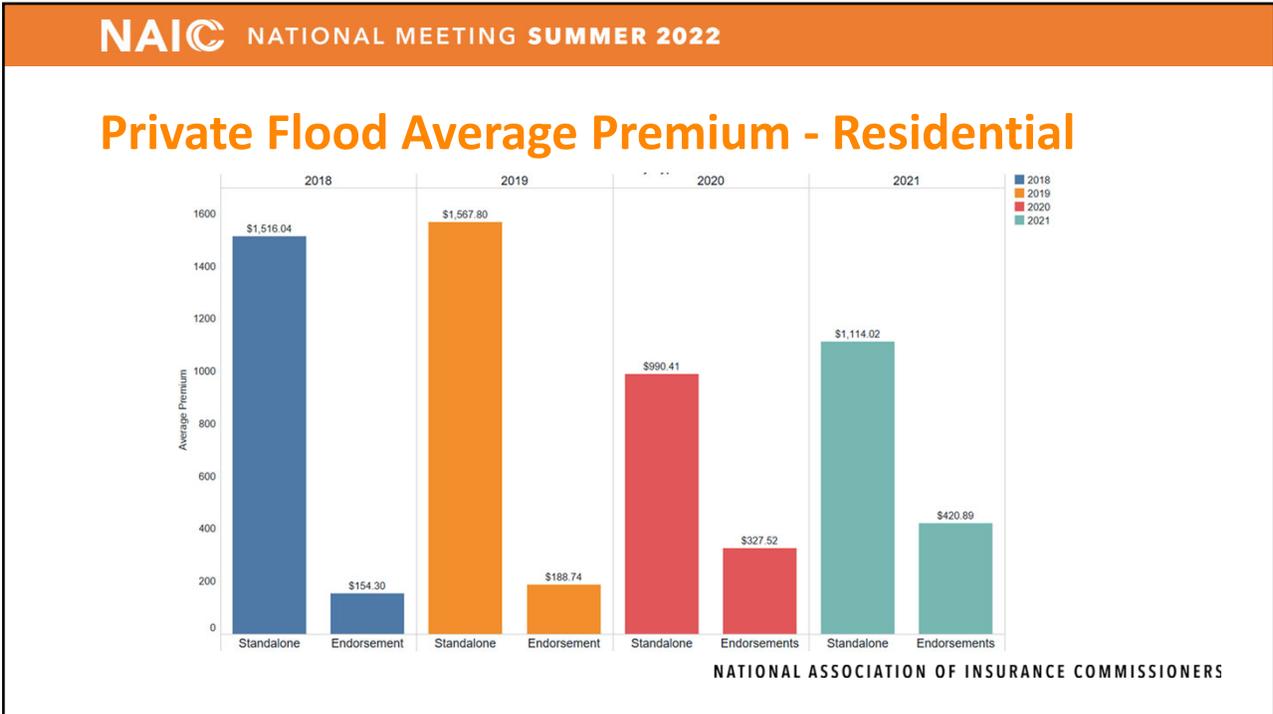
6



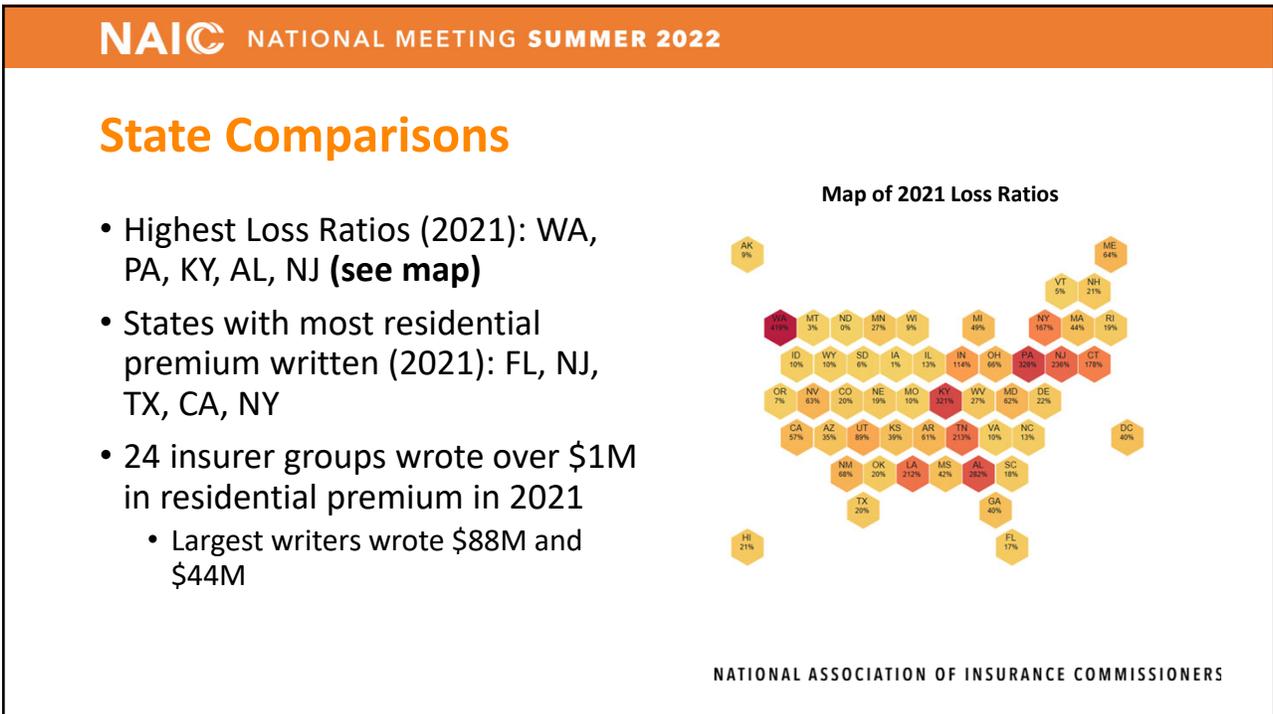
7



8



9



10

NAIC NATIONAL MEETING SUMMER 2022

Private Flood Top 15 Insurers - Residential

- \$273M in 2021
- Over 81% of Direct Written Premium

Direct Written Premium Market Share

Naic Company Code	Company Name	Market Share
19437	Lexington Ins Co	15.49%
36940	Indian Harbor Ins Co	11.04%
20281	Federal Ins Co	10.89%
19402	AIG Prop Cas Co	8.17%
29742	Integon Natl Ins Co	5.18%
41807	Transverse Specialty Ins Co	5.08%
31690	Mapfre Pan Amer Ins Co	4.58%
15885	Typtap Ins Co	4.33%
16188	Trisura Specialty Ins Co	3.61%
20338	Palomar Specialty Ins Co	3.43%
13142	ASI Preferred Ins Corp	2.13%
20079	National Fire & Marine Ins Co	2.03%
19380	American Home Assur Co	2.02%
44423	United Surety & Ind Co	1.93%
16535	Zurich Amer Ins Co	1.55%

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

11

NAIC

NATIONAL MEETING

SUMMER 2022

PORTLAND

Questions?

abrandenburg@naic.org

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

12

**HEAR AN UPDATE FROM THE
NORTHEAST ZONE ON ITS CATSTROPHE
TEAM**

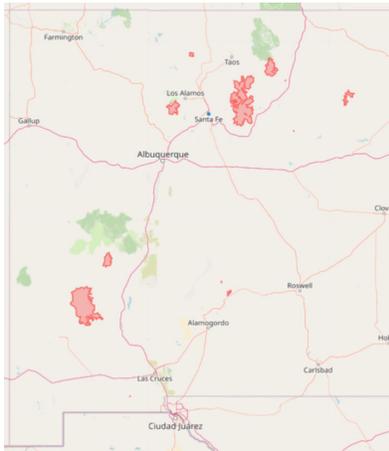
**HEAR AN UPDATE FROM THE NEW
MEXICO DEPARTMENT OF INSURANCE
(DOI) ON RECENT WILDFIRES**



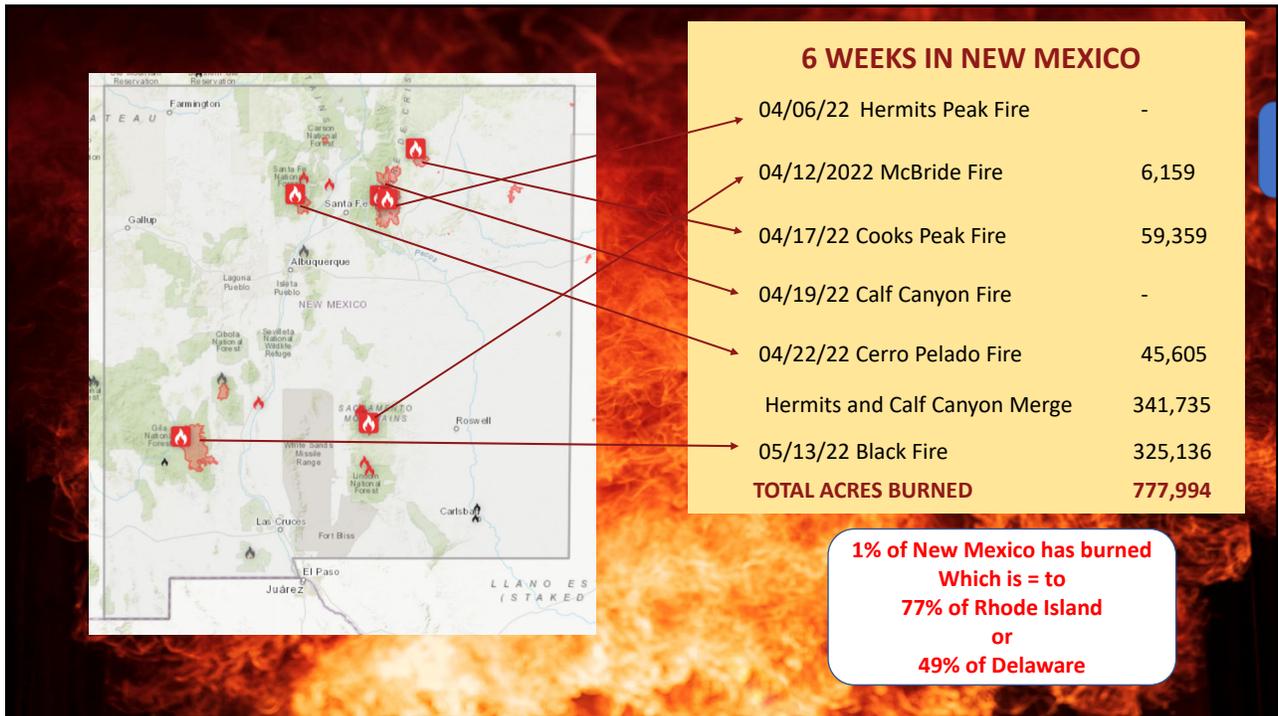
OSI
NEW MEXICO OFFICE OF SUPERINTENDENT OF INSURANCE

2022 New Mexico Wildfires

Jennifer A. Catechis
Deputy Superintendent



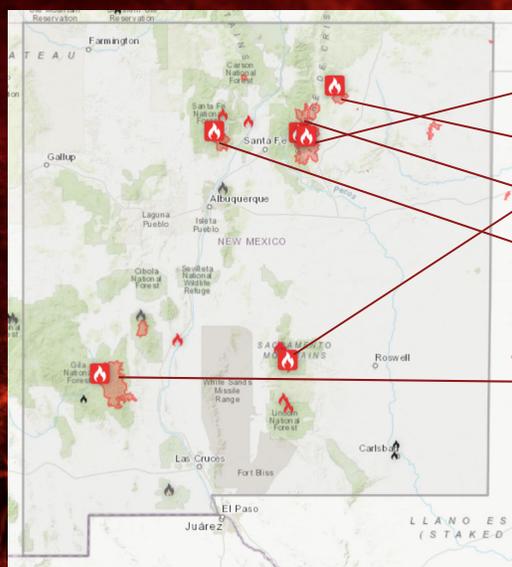
1



6 WEEKS IN NEW MEXICO

04/06/22	Hermits Peak Fire	-
04/12/2022	McBride Fire	6,159
04/17/22	Cooks Peak Fire	59,359
04/19/22	Calf Canyon Fire	-
04/22/22	Cerro Pelado Fire	45,605
	Hermits and Calf Canyon Merge	341,735
05/13/22	Black Fire	325,136
	TOTAL ACRES BURNED	777,994

1% of New Mexico has burned
Which is = to
77% of Rhode Island
or
49% of Delaware



2

Challenges



New Mexico Wildfire Uniqueness

- Fires Burned for months: FEMA on ground before end of catastrophe
- Evacuations centers moved often, and it was difficult to track people
- Many resources wanting to assist communities not talking to each other

Staffing Limitations

- OSI is a small agency with limited staff
- 3 Consumer Assistance Staff Members and 1 Property and Casualty Staff Member
- Staff were directly affected by the fires and at times were evacuated themselves

Uninsured/Underinsured

- Long-term families - Self Sufficient and Self Reliant
- “Little Big Towns”
- Belief that they cannot get insurance

FAIR Plan

- People are unaware of the program
- The \$250,000 cap might not be significant enough under current property values for some areas of NM

3

OSI Action



Executed Emergency Orders for P&C And Life & Health

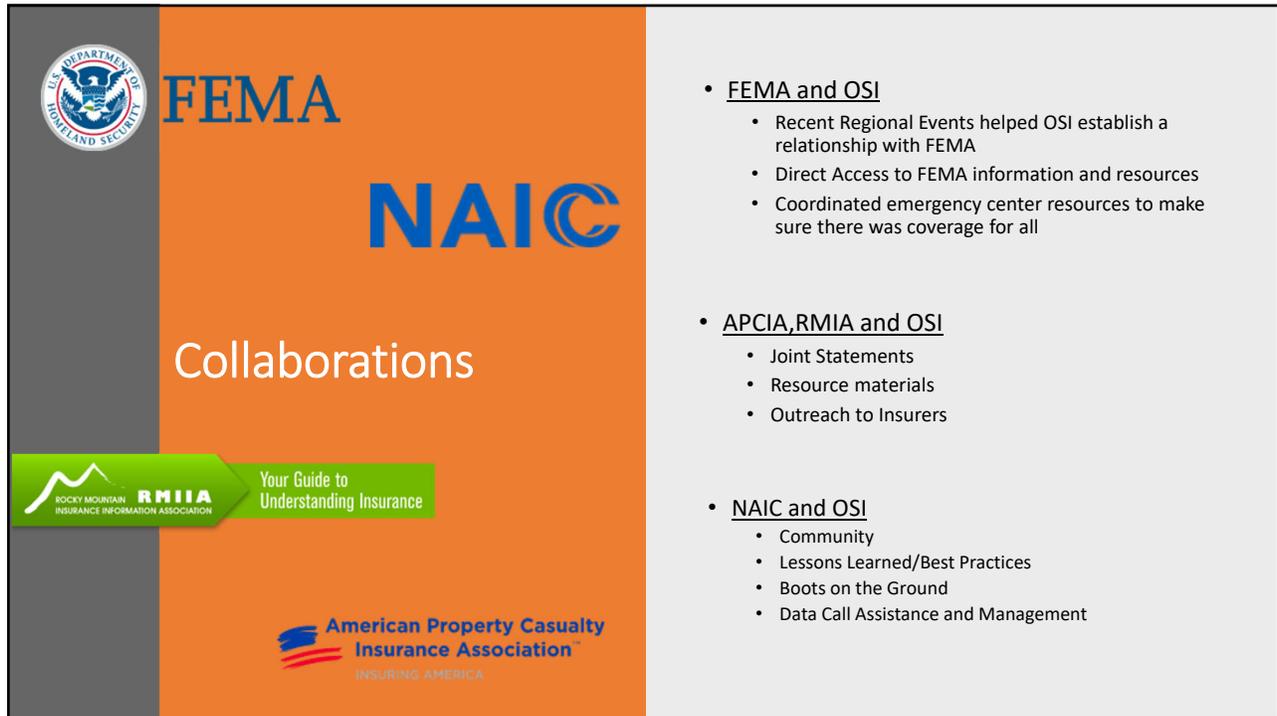
Staffed Emergency Centers

Established and Emergency Response Staff Team

Set Up an Emergency Hotline and Dedicated Webpage

Participated in “Cabinet in Your Community” Town Halls

4



FEMA

NAIC

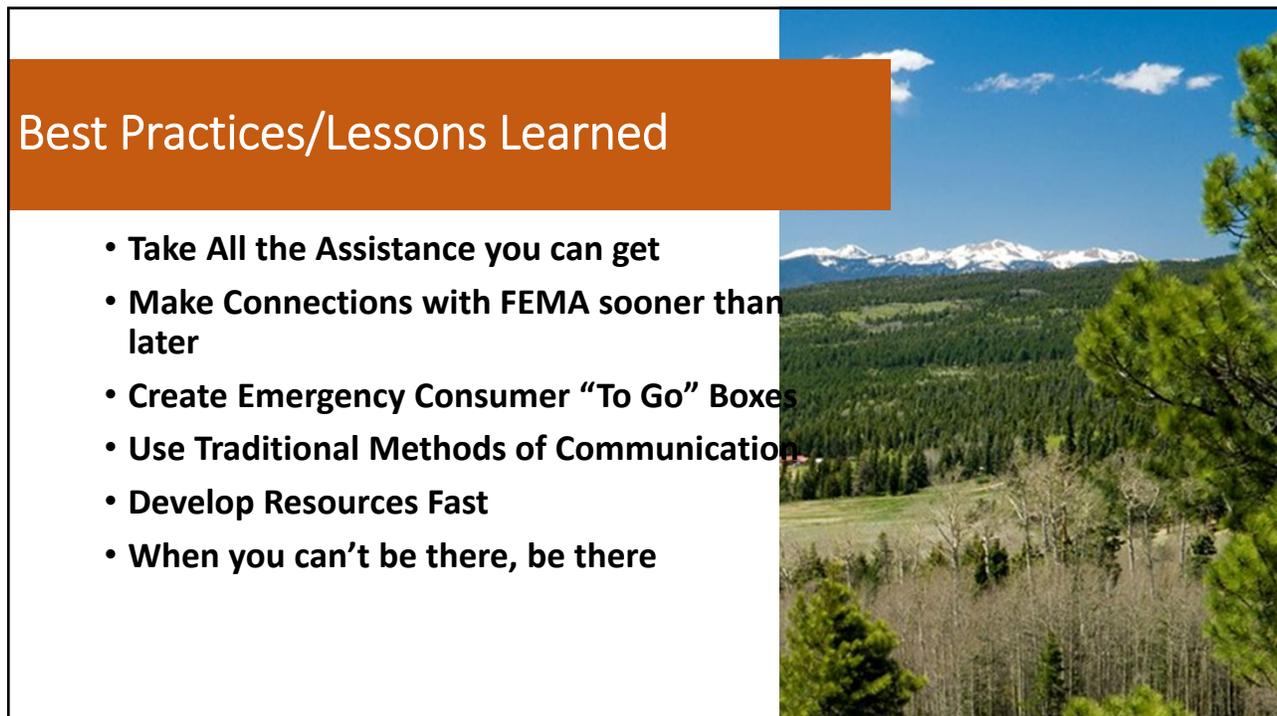
Collaborations

RMIA
ROCKY MOUNTAIN
INSURANCE INFORMATION ASSOCIATION
Your Guide to
Understanding Insurance

**American Property Casualty
Insurance Association**
INSURING AMERICA

- FEMA and OSI
 - Recent Regional Events helped OSI establish a relationship with FEMA
 - Direct Access to FEMA information and resources
 - Coordinated emergency center resources to make sure there was coverage for all
- APCIA, RMIA and OSI
 - Joint Statements
 - Resource materials
 - Outreach to Insurers
- NAIC and OSI
 - Community
 - Lessons Learned/Best Practices
 - Boots on the Ground
 - Data Call Assistance and Management

5



Best Practices/Lessons Learned

- **Take All the Assistance you can get**
- **Make Connections with FEMA sooner than later**
- **Create Emergency Consumer “To Go” Boxes**
- **Use Traditional Methods of Communication**
- **Develop Resources Fast**
- **When you can’t be there, be there**

6

**HEAR AN UPDATE FROM THE
WASHINGTON DOI ON CASCADIA
RISING**



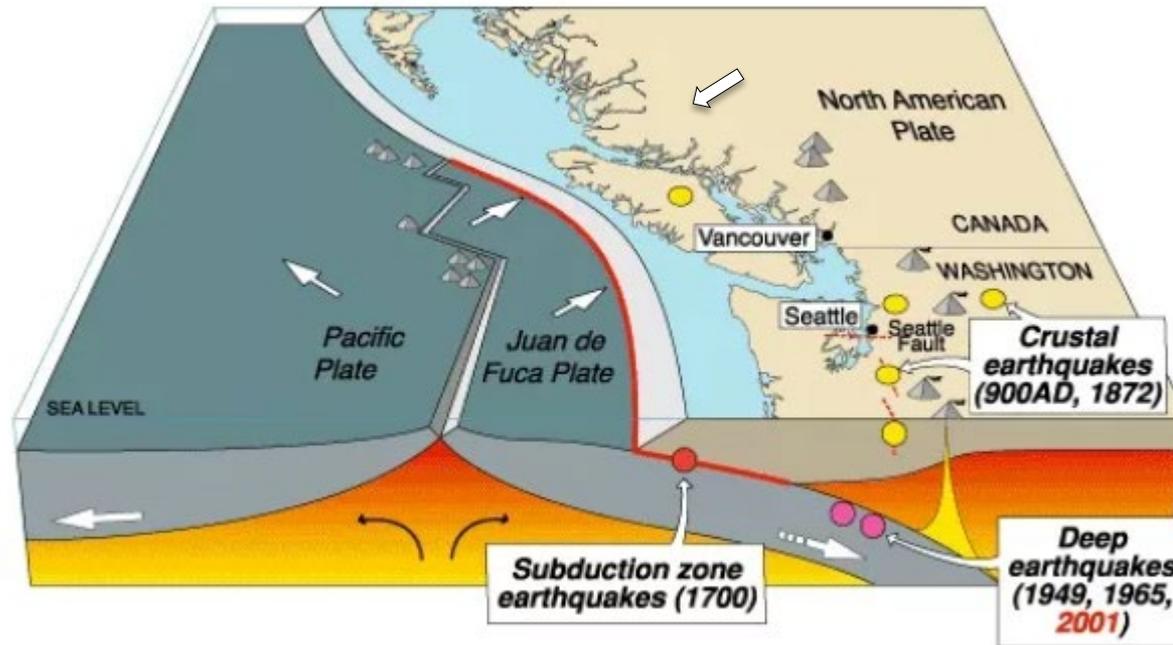
Cities of Aberdeen and Hoquiam: Cascadia Earthquake Tsunami Inundation Simulation

Earthquakes in Washington State and the NAIC Disaster Assistance and State Disaster Response Plans

Presentation to the NAIC Catastrophe Insurance Working Group August 9, 2022

Earthquakes - Subduction Zone, Deep Inter-plate, and Crustal

Cascadia earthquake sources



A cross-section of a portion of the Cascadia subduction zone. (Image credit: USGS.)

NAIC Disaster Assistance

The NAIC Disaster Assistance Program (DAP) provides assistance to members and the State Disaster Response Plan (DRP) offers models for how members can continue to provide services to the state's insurance consumers and insurers.

- OIC has worked with NAIC to test and train for these capabilities and participate in this program.
 - OIC tested transferring the Consumer Call Center 800 number to the NAIC call center.
 - Invited NAIC to give agency leadership a briefing on the DAP and DRP.
- OIC has not had to utilize NAIC's disaster services.
- Recently, staff volunteered to help the New Mexico Department of Insurance during the wildfires there.

EAP – Emergency Action Plan

EAP is the agency immediate response to an incident or threat of an incident that impacts staff and/or agency facilities and is focused on the safety and security of staff and facilities.

- Events with impacts to agency staff and facilities generally 0-24 hours.
- Establishes safety team roles and expectations, emergency communications with staff, emergency and safety resources.
- Identifies multiple hazards including natural and human caused emergencies such as severe inclement weather, structure fire, earthquakes, pandemic, and other hazards that could impact a facility's operational status.
- Establishes procedures for evacuations and shelter in place scenarios for each facility.

COOP – The Continuity of Operations Plan

COOP is the agency plan for continuing to provide services as the state insurance regulator after a disaster has impacted the agency's staff and/or facilities or otherwise compromised its capabilities.

- Events that may compromise agency capacity to deliver services beyond 24 hours.
- Complies with state regulations (RCW 38.52.030).
- Identifies essential functions, communications, IT and infrastructure, orders of succession, delegations of authority, human resource needs, devolution and reconstitution, and training and exercise plans consistent with FEMA and National Incident Management System (NIMS) guidance.
- Includes an assessment of hazards that could impact the agency's ability to carry out essential functions.

Disaster Response Plan Considerations

- The EAP and the COOP address maintaining the agency, its functions, and its staff. They also ensure that the agency's services are available.
- There is a third component not specified in these plans that is part of the NAIC DRP.
- In the March 11, 2011 Tohoku Earthquake, around 700,000 people lost their homes.
- A Cascadia Subduction Zone earthquake could have similar impacts in the Northwest.

That was the purpose of the exercise with NAIC - How does OIC prepare for a catastrophic event on that scale?

DRCs – Federally Declared Disasters

FEMA organizes DRCs with local jurisdictions when Individual Assistance is approved for a disaster.

- DRCs can be open for 30 days or more.
- DRCs include Federal and non-Federal agencies and voluntary organizations with disaster recovery resources, not just FEMA/NFIP.
- For DR 4635, flooding in Whatcom, Skagit, and Clallam Counties, there were 11 DRCs.
- This was the first Disaster to Receive Individual Assistance Grants in Washington in years.
- OIC provided resources to the DRCs but does not have capacity to staff 11 DRCs. (And this was a “small” disaster.)

MARCs – State Disaster Centers

Multi Agency Resource Centers are coordinated through EMD for Non-Federal disasters.

- Staffed by State agencies, local resources and voluntary organizations.
- May only be open for one or two weekends.
- Town of Malden destroyed by wildfire. A disaster was declared but there was no declaration for Individual Assistance.

Disaster Response Plan - Initiative

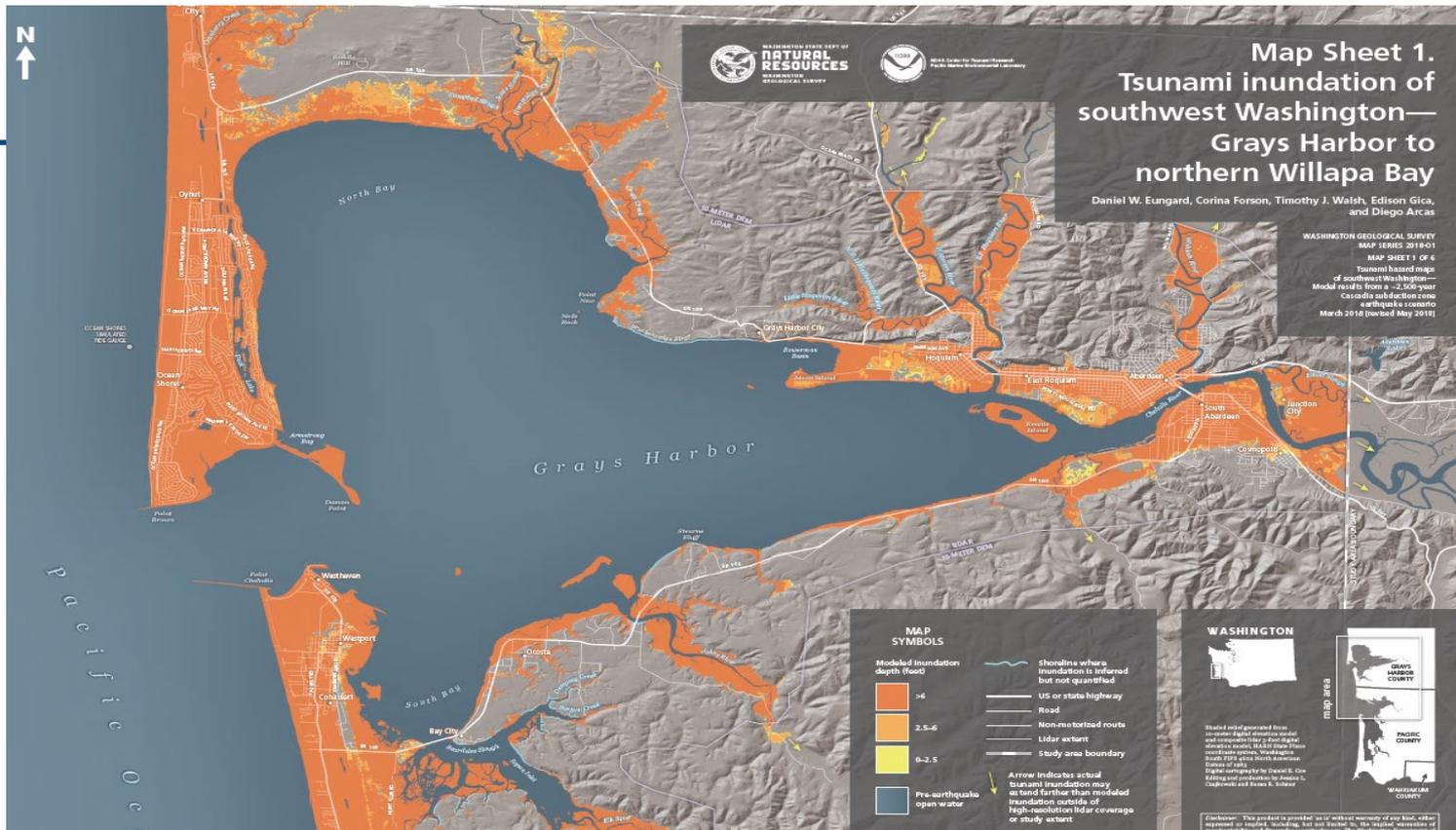
- There are pre-existing frameworks for recovery outreach that OIC could fit into.
- OIC currently provides materials and contact information to DRCs, but rarely provides staff as the agency lacks the resources to send staff to remote areas.
- NAIC disaster assistance may be able to offer the resources needed to post representatives at DRCs.

Questions and Opportunities

- Bringing in staff from other states after a major disaster may require coordination through the state emergency operations center.
- What qualifications do Consumer Advocacy staff need? Could National Guard or Disaster Reservists perform that function?

Next Steps

- Prepare to have a presence at DRCs and MARCs is our agency's next step toward preparedness.
- EMD, OIC, NAIC discuss DRC Ops and OIC/NAIC support.



Matt Stoutenburg

Emergency Management Program Specialist
Washington State Office of the Insurance Commissioner
PO Box 40255

Olympia, WA 98504-0255
360.725.7046 (office) 360.890.6463
Matt.Stoutenburg@oic.wa.gov

Protecting Insurance Consumers

www.insurance.wa.gov | twitter.com/WA_OIC | wainsurance.blogspot.com | email/text alerts



**HEAR AN UPDATE ON THE NAIC/FEMA
REGION 6 EVENT**

**DISCUSS ANY OTHER MATTERS
BROUGHT BEFORE THE WORKING
GROUP**