

*2024 Summer National Meeting
Chicago, Illinois*

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

Tuesday, August 13, 2024
10:00 – 11:30 a.m.

Meeting Summary Report

The Catastrophe Insurance (C) Working Group met Aug. 13, 2024, in joint session with the NAIC/FEMA (C) Advisory Group. During this meeting, the Working Group and Task Force:

1. Adopted its Spring National Meeting minutes.
2. Heard an update on federal legislation. The update included: 1) FEMA activity; 2) the various congressional hearings and public press releases around the high cost of property insurance related to natural catastrophes; and 3) state insurance regulators' support of several congressional bills supporting mitigation and resilience funding, tax incentives, and research for state mitigation and resilience programs to address challenges arising from natural disasters.
3. Heard an update on the Catastrophe Modeling Primer from the drafting group. The drafting group is close to completion and is reviewing the document. It anticipates exposing the document prior to the Fall National meeting so it can be considered for adoption at the meeting.
4. Heard an update from FEMA on the changes to the Community Rating System (CRS). The CRS is an incentive program that recognizes and rewards community floodplain management practices that exceed minimum requirements of the National Flood Insurance Program (NFIP). Improvements in FEMA's capability to analyze, assess, and communicate flood risk, as well as overwhelming feedback from external stakeholders, influenced FEMA's consideration of bold programmatic changes to the CRS. The CRS redesign process started in fiscal year 2023 and will be implemented sometime in 2026. FEMA will be hosting events, public meetings, and webinars to collect feedback.
5. Heard a presentation on FEMA's Direct to Customer (D2C) launch and timeline and FEMA's Agent Registry. The D2C implementation has two phases: 1) Phase One will provide quotes to customers and sales leads to insurance agencies; and 2) Phase Two will provide online sales to customers, as well as servicing by the NFIP directly. The agency locator will allow agencies to register to appear in the quote table and is a voluntary program. The data will undergo a validation process, and agencies displayed will be based on geography. FEMA has conducted user interviews and consumer testing, and the Agent Registry will go through internal testing.
6. Received an update on the Center of Excellence (COE) resiliency activities. The Mitigation and Resilience Assistance Resilience Hub provides information on mitigation program coordination and development, peer-to-peer learning opportunities, consumer education and outreach, resilience funding, and data and analysis.

7. Heard a presentation from the American Property Casualty Insurance Association (APCIA) about mitigation discounts. Increased property loss is being caused by weather, a rise in exposure values and replacement costs, the natural variability that comes from selecting any five-year sample of natural catastrophe sample of natural catastrophe experience, the effects of the changing climate on different atmospheric perils, and the impacts of man-made loss drivers. Insurance availability pressures are caused by the demand for property insurance and increased costs, while capital is decreasing. Insurers are leading efforts to make communities more resilient and mitigate risks. Consumer empowerment includes mitigation, catastrophe deductibles, and catastrophe savings accounts. There are financial incentives for resilience, including grants, low-interest loans, waiving and reducing fees, tax credits, and insurance incentives.