Meeting Summary Report

The Catastrophe Insurance (C) Working Group and the NAIC/Federal Emergency Management (FEMA) (C) Advisory Group met in joint session March 21, 2023. During this meeting, the Working Group and the Advisory Group:

1. Adopted its 2022 Fall National Meeting minutes.

2. Heard an update on federal legislation. The National Flood Insurance Program (NFIP) has had 25 reauthorizations since 2017. Risk Rating 2.0, affordability, and NFIP reauthorization are all being discussed. FEMA has experienced declines in reinsurance due to the hardening market.

3. Heard an update on the Catastrophe Modeling Primer (Primer) progress. The drafting group has met several times and is making progress. Currently, several sections have been drafted, including: the purpose of the Primer; background information on catastrophe modeling; “What is a Catastrophe Model?”; “Why Use a Catastrophe Model?”; model components; key metrics; and the regulator’s perspective. The drafting group will meet following the Spring National Meeting to continue its drafting work.

4. Heard updates regarding the activities of state and FEMA regional workshops. FEMA Region 1 will meet in Massachusetts on the afternoon of May 22 and all day on May 23. The purpose of the meeting is to help departments of insurance (DOIs) form relationships with their FEMA partners. FEMA Region 2 and FEMA Region 3 will hold meetings at a later date.

5. Heard a presentation regarding the National Oceanic and Atmospheric Administration (NOAA) Weather Radio. Information was provided regarding the importance of using weather radios, as well as the availability of the radios through the FEMA Hazard Mitigation Grant Program (HMGP).

6. Held a panel discussion regarding homeowners deductible trends. There was a panelist representing consumers, a panelist representing insurers, and a panelist representing state insurance regulators. The panel discussed the types of deductibles trending, the importance of mitigation, and a policyholder’s understanding of their homeowners insurance policy.