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January 27, 2020

The Honorable Mike Thompson  
Chairman, Subcommittee on Select Revenue Measures  
Committee on Ways and Means  
United States House of Representatives  
Washington, DC 20515

Re: Catastrophe Loss Mitigation Incentive and Tax Parity Act of 2019, H.R. 5494

Dear Chairman Thompson:

On behalf of the National Association of Insurance Commissioners (NAIC)<sup>1</sup>, we write in support of the Catastrophe Loss Mitigation Incentive and Tax Parity Act of 2019, H.R. 5494.

grants and help provide greater incentives for homeowners to take action to protect their homes from natural disasters.

State insurance regulators recognize that natural catastrophes take a considerable financial and emotional toll on Americans every year and we strongly support efforts to encourage investments in pre-disaster mitigation to help lessen these impacts. It is critical to develop strategies today to better manage and mitigate the catastrophic events of tomorrow, particularly considering that every \$1 spent on mitigation grants saves \$6 in future disaster costs.<sup>2</sup> Significant investment in preparation and mitigation could result in substantial savings in federal disaster relief. States are leading resiliency initiatives throughout the country and establishing mitigation grant programs to support homeowners' efforts to retrofit their homes. Encouraging mitigation not only reduces risks to homeowners

reduces both the impact of the grant and the incentive to pursue them. This legislation would fix the inconsistency and provide parity for residential mitigation grants provided by state public entities. As we continue to experience the

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<sup>1</sup> As part of our state-based system of insurance regulation in the United States, the NAIC provides expertise, data, and analysis for insurance commissioners to effectively regulate the industry and protect consumers. The U.S. standard-setting organization is governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer reviews, and coordinate regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. For more information, visit [www.naic.org](http://www.naic.org).

<sup>2</sup> National Institute of Building Sciences, *Natural Hazard Mitigation Saves: 2018 Interim Report* (December 2018), <http://www.nibs.org/page/mitigationsaves>



