

To: Hon. Ricardo Lara, Hon. Lori Wirlgier, Aaron Brandenburg (NAIC)

From: United Policyholders

Date: December20, 2023

Re: National Climate Resilience Strategy for Insurance

United Policyholders appreciates the time and efftone NAIC is putting into strategizing around the impact of climate change, te4(g)-7(eaen14(o)6(r)lo)7e,9u Q q 0.0000e eve4(g)hanc46 m

plans are serving a public purpose and must generally take all comers, the NAIC should develop a modellor helping them sell affordable basic coverage, give appropriate mitigation discounts and operate soundand with management integrity.

- 2) Coordinate to the fullest extent feasible with the Federal Insurance Office. Given the d Œ •μŒÇ[•Œ}o]v }vv š]}v Á]šZ }μŒ v š]}v[• vI]vP v u u Œ[•Œ}o •]v u]vš]v]vP •}oÀ všU Z ošZÇtisv•μŒ v u Œ]š] o šZ š Á Œ u u Œ šZ Á}Œ ^hv]š _]v }μŒ }μνšŒ to get and keep a current picture of property insurance availability, affordability and quality throughout the nation. By quality we meassential coverage, and beductibles, limits and exclusions Z š }v[š (š Œ •}v o Ɖ š š]}v• }(} Å indemnification or result in illusory coverage
- 3) Assist NAIC member states in requiring risk score disclosures and an appeal process so consumers can understand what factors matter to insurers, and what they can do to improve their risk scores and insurability.
- 4) Consider and recommend reasonable underwriting limitations that states can implement to limit nonrenewal decisions and new business applications based on aerial imagery and mined data that may be incorrect and/or not reasonably related to risk.
- 5) Provide NAIC member states with model regulation parameters including:
 - a. A minimum of 75 days notice before a næmewal. Consumers need more time to shoptoday, period.
 - b. Transparency requirements related to declinations and-numewals that give the policyholder substantive information on they were turned down and/or dropped and an opportunity to cure whatever defects caused the insurer to reject them.
 - c. Mandatory risk score disclosures and an appeal process for curing erroneous information contributing to the risk score.
 - d. Mandatory insurance discounts for documented mitigation and plain language consumer information on how to qualify for them.



¹ https://epp.law.rs1S n BT /F1 12 5 Tfd what th(en-US)>> BDC q m 0 g/(.edh2(o)6(n)4[(ht l-6<0189>4<011E0110>4<019



- 6) Continue developing the Catastrophe Modeling Center of Excellence sovides state insurance regulatory agencies the enhanced capacity to the eview rate filings that incorporate catastrophe models and overcome trade secret claims by catastrophe modelers.
- 7) Examine new policy language that departs from the Standard Form Fire Prolicy limiting or excluding water, mold, smoke, hail and/or wind damage and issue findings on recommended limits on the validity of the language and μ Œ Œ [implose] thouse } limits and exclusions.
- 8) Evaluate and endorse the most viable roposal to create a Federal Catastrophe Reinsurance program
- 9) Examine postwildfire claim handling reformegislation that has been implemented in California, Oregon, Washington and Colorado arredate a model for other states to adopt. They include:
 - a. Requiring policies to provide additional (temporary) living expense benefits of up to 36 months to reflect the reality that homes cannot realistically be rebuilt within 12 monthsafter a disaster.
 - b. Requiring policies that provide Replacement Cost Value coverage to give the policyholder the option of applying their benefits toward the purchase or rebuild of a replacement home not at the original loss location. This helps people avoid rebuilding in ararea vulnerable to severe weather events and/or future wildfires, storm surge, etc.

Respectfully submitted,

Amy Bach, Executive Director

NAIC Consumer Representatilember, Federal Advisory Committee on Insurance

⁵ https://uphelp.org/wp-content/uploads/2023/12/BackNATCATNAIGFall-2023-ConsumerLiaison.pdf



⁴ https://uphelp.org/restoringthe-insurancesafetynetcoalition-rise-a-national-initiative/