

COMMITTEE REPORT

Insurance Committee

5/12/15

The Insurance Committee met for a working session and working committee updates at 8:00 AM prior to the scheduled meeting at 9:00 AM. During the updates, the flood insurance work group reviewed the reports that were generated by Milliman Company, consultants who studied the National Flood Insurance Program (NFIP). The basic result of that information is that the NFIP has a messed up rate schedule for premiums. It's not based on loss history or regionalized. They are spreading them over the entire country based on FIRM (flood insurance rate map) elevations. There is no consideration given to likely hood of an event or history of events. The result is that locations that are coastal all have the same rates and locations that are riparian (along rivers) all have the same rate. There was discussion about alternatives that should be suggested that NFIP consider.

During the regular meeting, we heard about several insurance issues as well as flood insurance. Affordable health insurance for REALTORS® and other independent contractors was discussed at length. The upshot is that the AHCA (affordable health care act) has provided some insurance for some, but the costs are difficult. NAR has long advocated for the establishment of an insurance pool for independent contractors so that the costs can be brought down and is still in favor of that.

The hazard insurance work group reported that they are just ramping up. The one issue that was brought forward was the concept of a "single hazard" coverage concept. All hurricane, flood, wind, earthquake and other natural disasters would be covered under one umbrella, so the cost would be spread over many more people, making it more affordable. There is much more study to do.

The balance of the meeting was based on flood insurance. We talked about private insurance carriers, NFIP recommended reforms, reviewing the Floodplain Executive Order issued in January and supported the NAR endorsement of Lisa Sharrard (Jones) as the appointed Flood Insurance Advocate (this is a new position to be established in NFIP to provide property owners a way to file complaints short of law suits). We also talked about why the NFIP is in money trouble currently.

This is clearly a very busy committee and my work group (flood insurance) will be very active in the coming months. Thank you, for the opportunity to serve on this committee.

Greg Larson

COMMITTEE REPORT

Land Use, Property Rights and Environment Committee

5/12/15

The committee met on May 12 from 11 AM to 12:30PM.

We heard a report from the Smart Growth Advisory Board. The board has many grants available for studying, planning and implementing smart growth initiatives. This was my first meeting and it was assumed that we all were up to speed on this, so it was difficult to follow. The grants are used to pay consultants, planners etc. to do research. I believe this is where the money came from that the Bismarck Mandan Board of REALTORS® used to study the Burleigh County proposed long range plan back in 2010.

The committee discussed Energy labels on residential and commercial buildings and all the difficulties that can present, particularly as the terms can change. We support energy efficiency through voluntary incentives. We think mandatory labeling could “stigmatize” older properties and make them more difficult to sell. We support several pieces of legislation currently moving through congress that establish voluntary energy efficiencies in both residential and commercial real estate.

The Commercial Building Lead Based Paint Proposal was discussed. It seeks to make regulations on nonresidential commercial property more reasonable based on the end use of the property. One comment was that it was unlikely that children would be eating flaked paint in an office building. NAR is opposing EPA’s attempts to broaden the regulations.

The bulk of the committee’s time was spent on the Waters of the US regulations under the Clean Water Act. NAR is adamantly opposed to the extension of the Corps of Engineers and EPA attempts to broaden their control over source water. WOTUS (love the acronym) is being strongly opposed by bi-partisan groups in both the senate and the house, and NAR is working with them in their attempt to prevent the act from moving forward.

Thank you, for the opportunity to serve on this committee.

Greg Larson