

NAR Insurance Committee

11/03/2016

The NAR Insurance Committee met at 9:00 AM, 11/03/16.

The two main topics of conversation was Flood Insurance and All Hazard Insurance.

1. We talked about the expiration of the current authorization of NFIP on Sept. 30, 2017 and the need to get a program reauthorized.
 - a. We went over the policy statement that NAR has put out, and its reception. Several items that are of importance are a more variable rate structure, the need to work to include private carrier insurance, the transferability of existing policies and states opting to provide their own protection.
 - b. We talked about the level of involvement that NAR wants in the discussions. We very optimistic about our opportunity to have a major impact.
 - c. We talked about the issue of using mitigation (raising structures or providing barriers) to lower the cost or need for flood insurance.
 - d. Finally, we talked about the activity of the state insurance commissioners points of contact and the effect they had this past year and whether it should continue.
2. The conversation of an all hazard insurance coverage policy is under a work group review at the time. I'm fortunate to be on that group. The concept of an all hazard insurance coverage is that every risk of loss due to natural disasters would be included in one plan. Those losses would include things like wild fires, earthquake, tornado, hurricane, flood, etc.
 - a. We have received proposals to run a study on the need or reality of providing all hazard insurance and decided that the proposed study needs to be expanded. The goal is to have a policy statement ready to be confirmed by the committee and forwarded to the general board of directors for the May meetings.

- b. There is not universal agreement that this is even a good idea. It's being pushed primarily by coastal states. This is one thing that the work group wants addressed by the study.

I thank the NAR and NDAR for allowing me to be on this committee. I think that as it is a newer committee we are very busy getting some basic policies put in place. We'll be busy in the next months getting everything done we want to have ready for the May meetings and the Govt. hearings that will start taking place beginning in January.

Greg Larson

12/02/2016