NATIONAL COUNCIL OF INSURANCE LEGISLATORS
SPECIAL COMMITTEE ON NATURAL DISASTER RECOVERY
NASHVILLE, TENNESSEE
MARCH 15, 2019
DRAFT MINUTES

The National Council of Insurance Legislators (NCOIL) Special Committee on Natural Disaster Recovery met at The Sheraton Grand Nashville Downtown Hotel in Nashville, Tennessee on Friday, March 15, 2019 at 5:15 p.m.

Senator Dan "Blade" Morrish of Louisiana, NCOIL President and Acting Chair of the Committee, presided.

Other members of the Committees present were:

Asm. Ken Cooley (CA)
Rep. David Santiago (FL)
Rep. Matt Lehman (IN)
Rep, Mark Abraham (LA)
Sen. Ronnie Johns (LA)
Rep. Edmond Jordan (LA)
Sen. Gary Smith (LA)
Sen. Vickie Sawyer (NC)
Rep. George Keiser (ND)

Also in attendance were:

Commissioner Tom Considine, NCOL CEO
Paul Penna, Executive Director, NCOIL Support Services, LLC
Will Melofchik, NCOIL General Counsel

DISCUSSION ON PROPOSED AMENDMENTS TO NCOIL STATE FLOOD DISASTER MITIGATION AND RELIEF MODEL ACT

Sen. Morrish thanked everyone for attending the meeting and noted that this Special Committee on Natural Disaster Recovery (Committee) is one of his main initiatives as NCOIL President. Sen. Morrish then yielded to Rep. David Santiago (FL), sponsor of the proposed amendments to the NCOIL State Flood Disaster Mitigation and Relief Model Act (Model), which aim to facilitate expansion of the private flood insurance market.

Rep. Santiago stated that the proposed amendments are based on legislation that has been very successful in Florida. The latest numbers reflect that approximately 100,000 policies have switched over or taken on some form of private flood insurance. The legislation created an admitted market and many of Florida's domestic carriers have implemented endorsements or have sold separate policies. Rep. Santiago stated that he has not heard any complaints since the legislation passed besides some mortgage companies had technical issues as to whether or not they recognized the private flood insurance policies in terms of National Flood Insurance Program (NFIP) compliance. Legislation has been introduced to clean up that process in order to make sure that real estate closings are performed smoothly.

Rep. Santiago noted that he has spoken to the National Association of Mutual Insurance Companies (NAMIC) who have stated that they would prefer a Resolution on this topic rather than model legislation. Rep. Santiago stated that he is interested in discussing a

Resolution moving forward and noted that NAMIC's opposition to the model legislation is centered on rate filing and form approval requirements. Rep. Santiago further noted that he believes it is very important to have form approval requirements when discussing the private flood insurance market. Since the federal government is trying to support acceptance of private flood insurance, it is important to give the public some sense of security that state legislators and regulators review the forms.

Rep. Santiago noted that the federal government has recently stated that private flood insurance policies should meet the minimum requirements of NFIP policies, but stated that since he has been in the business he has seen some creative form writers. An admitted form is the way to go for private flood insurance. Rep. Santiago stated that in Florida, there is both the admitted flood product and the surplus lines product working together and its working properly. Rep. Santiago stated that he has always believed that if you want to be surplus, be surplus. If you want to be admitted, which in many cases provides additional consumer protections, there should be approved forms. They both can coexist successfully. Rep. Santiago closed by stating that he will discuss and consider the Resolution proposed by NAMIC with NCOIL staff over the next few months before the NCOIL Summer Meeting in July.

The Honorable David Maurstad, Chief Executive of the NFIP and Deputy Associate Administrator for Insurance & Mitigation at the Federal Emergency Management Association (FEMA), thanked NCOIL for the invitation and noted that as a former state legislator from Nebraska he understands how important the work is that NCOIL undertakes. Mr. Maurstad stated that as Chief Executive of the NFIP, he oversees all of the business operations of the federal flood insurance program. Mr. Maurstad further stated that he is here today to discuss the NFIP and to ask state legislators to continue their efforts to make our communities more resilient by increasing the number of insured survivors and reducing damage to property after a flood event. FEMA has two moonshot goals of doubling insurance coverage and quadrupling the investment in mitigation by 2022. Those moonshots are now the first two objectives in FEMA's strategic plan.

FEMA is committed to building a culture of preparedness across the nation based on those two aspirations. The Federal Insurance & Mitigation Administration (FIMA) is pressing forward and providing the foundation for a movement across the local, state, and federal governments, private industry, and other stakeholders. Mr. Maurstad stated that as the federal program drives this movement he would like the Committee members to ask themselves what they can do within their state authorities at the state level to achieve more insured survivors and incentivize mitigation. As the NFIP enters its 51st year, it is the largest single peril insurance operation in the world. It provide $1.3 trillion dollars in flood insurance coverage across the U.S. and insures more than 5 million policyholders in over 22,371 communities across the nation.

Mr. Maurstad stated that he has been in this business for over 30 years and served in private sector, local state capacities, and has never seen more dedicated interest in achieving resilience through insurance than right now. FEMA is pleased that Congress has extended reauthorization of the NFIP through May of 2019 and is actively working with the 116th Congress on reauthorization. FEMA is asking Congress to take bold steps to reduce the complexity of the NFIP and strengthen the NFIP's financial framework. Working with Congress, FEMA continues to stress its 4 principles for reauthorization: a.) create a sound financial framework; b.) increase flood insurance coverage, whether from public or private sources; c.) improve the customer experience; and d.) secure multi-year reauthorization.

Mr. Maurstad stated that those 4 principles are important because sustained authority is needed to continue to close the insurance gap and move mitigation forward. The impact of the last two storm seasons clearly demonstrated there is more work that needs to be done. For example, when looking at the impact of Hurricane Harvey on Houston in 2017, nearly 1 in 3 homes was under water. When the rain finally stopped, more than 120,000 in Harris County where Houston is located had been damaged by flood waters. Roughly 80% of those homes were uninsured from flood and most of them were outside the high-risk area, mapped in the low to moderate-risk area. Simply put, we need more insured survivors and less disaster suffering and changes are underway that contribute to that successful outcome.

More momentum and growth in the private insurance market is also needed. Frankly, both the NFIP and private markets must grow to close the insurance gap. Only 30% of residents in high-hazard areas and 4% of residents across the country are covered by an NFIP policy. That statistic is concerning given that we know the risk of flooding affects almost every corner of the nation and that every state and 98% of the counties have experienced a flooding event. Wharton published a study that showed that less than 3% of the flood insurance market today is covered by admitted carriers. The private sector should grow in order to see more people covered by flood insurance to reduce disaster suffering. Private market growth is critical to close the insurance gap and hit FEMA's moonshot to double insurance coverage by 2022.

Work over the past year has informed the belief that the path to increased private sector involvement right now is through reinsurance. Reinsurers now know more about the flood risk than they did before and can encourage more insurers to consider offering flood insurance protection. The NFIP is leaning forward to leverage its current authorities to manage risk exposure, shape strong reinsurance and risk transfer programs and build a sound financial framework. Reinsurance and risk-transfer efforts are an important component to success in creating this framework. FEMA is committed to developing a multi-year NFIP reinsurance program that increases the NFIP's capacity to pay claims, strengthens its financial framework and expands the role of private reinsurers and capital markets in managing U.S. flood risk. Exploration of risk transfer in the last 3 years has demonstrated how this can help financially both in the near term and in the long term and play a critical role in the development of a sound financial framework.

Mr. Maurstad stated that while the NFIP has been exploring the reinsurance space and working with Congress on broader reforms, the NFIP has also been re-designing NFIP insurance products as part of its NFIP transformation. Over the next several years, the NFIP is working to reflect industry best practices while creating a simpler policy form that provides more choices to policyholders. The NFIP is also working to make rates more transparent by reducing the complexity of rating and making it easier to understand a property's unique flood risk. Ultimately, the NFIP is re-defining its pricing so that it is fair and risk-based regardless of where one lives in their community or the country. The bottom line is that NFIP is being transformed into a less complex experience that customers value and trust and agents find easier to market and sell.

The NFIP is not only about insuring survivors. Mitigation and reducing risk are the integral parts of its successful insurance operation. Simplifying the conversation with property owners also helps to incentivize mitigation investments. The more intuitive rating variables referenced earlier will clearly communicate risk and highlight mitigation opportunities to individuals and property owners. In the fall of 2018, Congress passed the Disaster Recovery Reform Act that established a consistent stream of funding for pre-disaster mitigation activities. It is important to note that this is a new grant program that will be funded as a 6% set-aside for disaster expenses on an annual basis. This represents a significant increase in dollars available for state mitigation investments from a dependable funding source aimed at building a more resilient infrastructure across the nation.

As FEMA continues to work across its agency and with its stakeholders to develop and launch this landmark, game changing new program, FEMA needs state legislators to speak to their colleagues in the state appropriations arena now to prepare and build capacity to take advantage of this substantial new opportunity. They should know that investment in mitigation is critical to achieving more resilient communities. Mr. Maurstad stated that FEMA will need help to achieve its ambitious goals and stated that NCOIL is a critical partner in creating a culture of preparedness across the nation. State legislators can talk to their colleagues and constituents about being properly insured, especially against flood where we see the most significant gap in insurance coverage. State legislators can work with their state insurance leadership to advocate for more private and public flood coverage that is easier to access and purchase affordably by more people in their states and territories. It bears repeating that state legislators can urge their colleagues in the state appropriations arena to better understand the critical need for mitigation, and understand the state mitigation programs so they can prepare to take advantage of the significant opportunity from FEMA's new mitigation program to build steady mitigation plans. FEMA needs state legislators' voice and leadership to help FEMA create a whole community of resilience that reduces disaster suffering. The challenge is to learn more about FEMA's movement, become part of the movement, and take action. Working together, Americans can rebuild their lives more quickly and more fully when disaster strikes.

Paul Martin, Regional VP – Southwestern Region at NAMIC, stated that NAMIC and the American Property Casualty Insurance Association (APCIA) have outlined 4 pillars they believe are necessary for a private flood insurance market to flourish: a.) form freedom; b.) rate freedom; c.) underwriting freedom; and d.) the ability to require insureds and policyholders to engage in mitigation activities. NAMIC and APCIA are really excited about the organic growth in the private flood insurance market. NAMIC and APCIA think that it is interesting to see that in some aspects of the disasters you see, private insurance companies are pulling away from certain perils but with flood you actually see the private market stepping up and getting more engaged – that is a very good sign. Mr. Martin stated that NAMIC and APCIA look forward to working with Rep. Santiago on the Resolution and look forward to continuing the conversation.

Ron Jackson, VP – State Affairs at APCIA, reiterated Mr. Martin's statements that flexibility in rates and forms is particularly needed to encourage private flood writings. Those writings have been growing but flexibility is key and that is an issue APCIA looks forward to continuing to discuss. Many member companies were writing private flood insurance in Florida before the 2015 law was enacted upon which the proposed amendments are based. An insurance journal study of the private flood insurance market as of 2017 looked at Florida specifically and noted that in 2017 there was approximately $37 million dollars in direct written premium in the private flood admitted market and $89 million in surplus lines coverage. Mr. Jackson stated that he believes that highlights that flexibility of rate and form incentivizes additional writings and that should be kept in mind as the Committee continues to discuss this issue.

Austin Perez, Senior Policy Representative – Federal Policy & Industry Relations at the National Association of Realtors (NAR), stated that private flood insurance is one of NAR's priorities. NAR agrees that there needs to be an NFIP and Mr. Maurstad and his staff have done a wonderful job over the past couple of years. Mr. Perez stated that he can remember Biggert-Waters being enacted and it was very difficult at that time to reach FEMA but now he talk to FEMA almost every day and NAR and FEMA just signed a memorandum of agreement to work together in order to try and get out more information and educate consumers about the importance of having insurance in order to address natural disasters. Right now, the challenge is if you go through disaster relief you are looking at about a $5,000 check and an SBA loan on a mortgage on a property that may no longer exist. But insurance helps you recover more quickly and more fully than disaster relief. It is really critical that we not only have an NFIP but also a private market. As stated earlier, less than 3% of the residential market is admitted private flood. NAR and its 1.3 million members are committed to helping the Committee try and grow that market.

Mr. Perez then referenced the recent federal banking regulations regarding private flood insurance and noted that in light of those regulations some have questioned whether any private flood insurance model legislation is still needed. Mr. Perez stated that yes, there is still room for NCOIL to be involved as those regulations only take one issue off the table which is some certainty as to whether the banking regulator is going to accept private flood insurance. The regulations do not deal with the profitability of insurance companies or with decisions to move into a particular state and the conditions are for those purposes. While the regulations are a step in the right direction, they don't really address the underlying issue which is: what is it going to take to get more private flood into this market?

With regard to whether the action taken by the Committee should be in the form of a model law or resolution and what steps the Committee can take to encourage a private market, Mr. Perez stated that other than Florida he is not aware of any other state that has a law specific to private flood. Therefore, the default for every other state are homeowner's insurance regulations but everyone agrees that flood is different and the peril of flood cannot be addressed the way it is for homeowners. For 100 years the private flood market was not writing so they don't have data. So what they use are catastrophe models. To the extent states have restrictions on catastrophe modeling, that might not allow companies the freedom and flexibility that they need in order to set a rate. Also, the private flood market is rating on an individual property-by-property basis vs homeowners which is territorial rating. So when talking about prior approval or filing a rate for every property in an insurance company's portfolio, that is a consideration that has to be taken into account.

Mr. Perez then referenced repetitive loss properties and stated that they represent 2% of the NFIP and more than 25% of claims. That raises questions since in the homeowners market you have cancellation and non-renewal provisions which vary from state to state but when thinking about the peril of flood it should not be thought of in the same way as the homeowners market. Some of the cancellation and non-renewal provisions might make sense for both homeowners insurance and flood insurance but they may not. States need to be rethinking how they can tailor their current regulatory framework to address the peril of flood which is high-loss, low probability, and a lack of 100 years' worth of data other than what the NFIP has through its experience.

Mr. Perez stated that another aspect of flood insurance that is unique and needs to be considered by states as they consider private flood insurance is that most of the private flood insurance market is through surplus lines. Surplus lines are the first in and trying to prove profitability but the move to an admitted market is needed and it seems that most homeowner's policies consist of admitted coverage. In order to consider how a state's regulatory structure can address the peril of flood, it also needs to be considered how to move from the surplus lines market to the admitted market. NCOIL can help with that. Mr. Perez stressed that NAR's members want options and they don't care if it is on public or private paper as long as it covers the outstanding mortgage and they are getting the best possible rate. If it's the NFIP – wonderful – if it's the private market, even better. What NAR needs is guidance to states so they can start adopting laws specific to the peril of flood and are not based on homeowners policies which really are not designed or suited for that peril.

Lisa Miller, President & CEO of Lisa Miller & Associates, stated that back in 2015, Rep. Santiago and Sen. Jeff Brandeis crated a private flood insurance proposal with all of the relevant stakeholders (banks, insurance companies, public adjusters, lawyers). Currently, approximately 100,000 private flood insurance polices have been issued in FL and to put that in perspective, only 975 existed in 2015. The notion that Florida had a private market prior to the law is therefore not quite accurate. Ms. Miller stated that the proposed amendments based on the 2015 FL law have simple concepts. One is rate flexibility so that companies can go into a market and test the rate and see how it works. Another is prior approval of forms. Ms. Miller noted that she believes in providing companies rate and form flexibility but those aspects are really for mature markets. When you have an emerging market, there is a lot of uncertainty and banks are nervous. Banks love NFIP policies because they know what it is but they are a little nervous about what private forms can do. The bankers that Ms. Miller has spoke with have stated that they will take great comfort if they see on a declarations page "this policy meets all the standards of the NFIP law in the federal code." The only way they can see that on a dec page is if a regulator looks at that form and says it does. A company requesting form freedom is great but probably not wise for a market in its infancy and the private flood insurance market is indeed in its infancy.

Ms. Miller referenced the discussions about the surplus lines market being at around $90 million and the admitted market being at around $30 million. The goal is to reverse that. Ms. Miller stated that Florida worked under the adage: "if you build it they will come." Ms. Miller further stated that they are in fact coming as FL has 1.7 million NFIP policies and has written 100,000 private policies in the past 4 years and that is because the companies worked with everyone despite it being contentious. An admitted market is needed and the surplus lines should stay in their swim lane. To have a completely unregulated market as some are suggesting is simply inviting in the surplus lines market. Policymakers have to ask themselves: do we want an unregulated without the consumer protections of an admitted market by deregulating everything that is involved in the advancement of flood insurance? Or do we want to encourage the admitted market with just a little bit of oversight on the form and get them to come to the party and write product that helps consumers with all of the consumer protections available.

Rep. Matt Lehman (IN), NCOIL Vice President, stated that the private flood insurance market is starting to emerge, but he has some concerns. If the industry wants to fill a vacuum that is low-risk, what will happen when it becomes high-risk and it wants to vacate the market? Rep. Lehman stated that he believes the perfect model to copy is the Terrorism Risk Insurance Act (TRIA) where the industry said there was no way it could cover another $100 billion dollar loss so the federal government said it will pick that up but not the first “x” amount of dollars. The cost of terrorism insurance is $25 on a smaller risk so why could that model not be adapted into a flood program? Rep. Lehman asked Mr. Maurstad if that idea has been discussed at the federal level.

Mr. Maurstad stated that idea has not been seriously discussed and he personally believes that since 2005, the NFIP has been trying to prove itself. The program has been dedicated to improve and transform over that period of time. During the reauthorization process, there is some discussion of modernizing “part A” of the National Flood Insurance Act which would allow the program more flexibility to be creative and implement some different pooling mechanisms. However, the bandwidth has been lacking to go out and design a new program.

Mr. Perez stated that NAR hired Milliman to evaluate how much you could bring flood insurance down, cost-wise, if you were to add earthquakes and other natural disasters and therefore have an all-perils policy that covered everything. The idea being that while some perils are paying in and the floods are paying out it would sort of be a wash. What was discovered is that a program like that would bring down the cost for about 2% of those currently with flood insurance. They would pay about $300 less. The other 98% would have to add coverage on top of their homeowner’s policy and the cost of that would be $600. That raises the question about cross-subsidization. Mr. Perez also noted that there has never been a terrorism loss and flood is a different peril than terrorism. Accordingly, you get into some sticky issues when you go down that road of some sort of natural disaster insurance program. That is not to say that it is something that could not be considered but Congress would have to make a deliberate choice and it would not be an easy choice.

Ms. Miller stated that another model to consider is that the NFIP would eventually become a residual market. Florida, for example, has Citizens Property Insurance Corporation (Citizens) which has shrunk over the years as the admitted market has increased and it is a nice balance. The surplus lines market is out there for the high-risk homes.

Rep. George Keiser (ND) stated that with regard to the growth of the private flood insurance market, regardless of whether it is in the surplus lines or admitted market, what percentage of that growth is simply a transfer from the NFIP; what is new; and were the best properties taken from the NFIP? Ms. Miller stated that one of the leading property insurance companies in Florida ran its entire book of business through a sophisticated flood model and they recognized that 97% of that book would be eligible, according to their underwriting guidelines, for flood. They opened their flood insurance endorsement program in July and they wrote 30% of their book since then and maybe only a handful of policies were NFIP policies. Also, the endorsement is only about $100.

Mr. Perez stated that the cherry-picking argument is one heard on the Hill very often. First, there are no cherries in the NFIP. Second, NAR's experience has been that private flood companies go after the highest risk because it is really difficult to make a profit off a $500 low-risk policy. Portfolios of risk are being created that includes some low-risk and some high-risk and the interesting thing is that it is the admitted market going after the low-risk and the surplus lines going after the high-risk. Overall, NAR has not experienced cherry-picking from the NFIP.

Asm. Ken Cooley (CA), NCOIL Treasurer, stated that we often find ourselves in a situation where we are trying to think through problems and what we have not recognized is the tools and the toolkits have been changing. If you keep on thinking about the problems with the same tools, you will keep on coming up with the same solutions. At the national level, you are dealing with a type of commonplace disaster that people have dealt with for time immemorial and it is easy to assume that the same solutions always applied are the solutions available. We now live in an era where we see the rise of different tools in the marketplace such as big data, the interconnectedness of things, the availability of satellites not just to place things on the ground but to understand elevations so we can now say that an earthquake causes the Santa Monica mountains to jump 6 inches.

Asm. Cooley stated that traditionally, insurers have a basic problem with the geographic concentration of risk and flood fits that problem. Insurers have a problem with their book of business because if you need actuarially sound rates to cover the known degree of peril it is hard to find a lot of money to give back to the realtors and homeowners in mitigation within the rate that was set based upon an agreed understanding of the peril. It is also hard to broaden coverage in that sense. Therefore, the idea of TRIA presents the option of what if there was a methodology at the national level to develop a post-flood disaster means of financing to backstop the private sector. If you had something like that then you could start expanding coverage because you know when a disaster strikes there is some help with the payment of claims.

Asm. Cooley stated that there are a lot of things out there that could feed into a conversation about a lot of perils regarding whether there is an opportunity to use post-disaster financing to change the dynamics of the frontline peril. We see it in California where it has taken pools about as far as they can go to deal with the peril of earthquake. In 1989, the California Residential Earthquake Recovery Fund was enacted but it ended up being repealed in about three years because it was deemed to not be actuarially sound. However, getting that idea out there led to the development of the California Earthquake Authority (CEA). But even the CEA is bumping into issues because in order to preserve itself it has to keep rates up which effects the extent to which they are able to write business. If there was some post-disaster financing around it, the economics of that system might change. To move in the direction of TRIA would be a major move from where the NFIP is today but you can see how a larger conversation might begin with realtors, homeowners, and local governments regarding how to apply new tools to come up with new solutions to this problem.

Mr. Perez stated that the CEA has a make-available requirement just like TRIA and it has not been effective. Asm. Cooley pointed to California AJR 6 (2015) which was a Resolution that recognized the need for federal legislation that would establish guarantees of post earthquake financing for prequalified, actuarially sound state earthquake insurance programs, including the CEA, and urged the President and

Congress to enact that legislation. Mr. Perez stated that another thing to consider is whether a make-available requirement is not enough because a lot of property owners are going off of their personal experience and if you tell them they have a 1 in 4 chance of being flooded every 30 years but they have never experienced a flood they assume they are low-risk. So going down that road must involve talking about expanding mandatory purchase to broader areas over more perils which is a very challenging concept to get buy-in from consumers.

Mr. Perez noted that NAR's members had difficulty understanding the Milliman research and the way that he broke through in explaining it is that if you are just talking about floods and earthquakes, there is a true-risk premium on both of them. So the only way to subsidize and bring down the average cost of the floods is to charge more for the earthquakes so it's a cross-subsidization scheme. From NAR's perspective, if you bring in millions of homeowners at only a $25 surcharge that is one thing; but it was found that for 98% of the homeowners in the country, it would be closer to $600 and that is a subsidized rate.

Asm. Cooley stated that the issue is that if you actually had a national pool in place to backstop the system in the case of huge natural disasters, and all of the private carriers in the country could rely upon that, then they could build into their rates a more affordable rate to cover the more garden variety of things for which they would be on the hook. If you can drop the basic rate because you are no longer worried about that catastrophic event because you know there will be help coming, then you can get greater market penetration. Mr. Perez stated that he does not disagree but he is just raising some policy and political considerations in terms of somebody having to pay for it. If you are subsidizing one risk either other policyholders or taxpayers will have to pay for it.

Sen. Vickie Sawyer (NC) stated that as an insurance agent who has written through the NFIP and held her customer's hand as she was navigating a claim through the NFIP, and also as a legislator that just voted to spend $800 million dollars in hurricane recovery relief in North Carolina after Hurricanes Michael and Florence, she has a lot of interest in this subject. Sen. Sawyer asked Mr. Maurstad what FEMA's timeline is for NFIP reform, not only with the front end delivery when agents write it but on the claims process.

Mr. Maurstad stated that changes have already been made to the claims process over the last 3 to 4 years. Litigation issues have been reduced as have appeals. The information the NFIP is receiving now has been very positive in response to surveys issued to policyholders asking how their claims experience has been. Accordingly, Mr. Maurstad stated that he believes they have made great strides in terms of claims process reform but is of course welcome to hearing suggestions for further improvements. With regard to improving the policy itself, that is still a ways out because the development stage is still underway which will then be followed by the rulemaking stage since the terms and conditions of the policies are part of the regulations pursuant to the statute. With regard to pricing reform, that is also still in the early development stage but the hope is to have a new rating structure sometime next year as it has not been changed since the 1970s.

Sen. Gary Smith (LA) stated that he and his colleagues in Louisiana have been observing Florida's private flood insurance market and they would like to learn more about said market. Sen. Smith asked Ms. Miller whether Florida's private flood insurance market consists of all admitted policies and approved forms. Ms. Miller stated that Florida has 6 million property insurance policies and about 60 to 65 companies write 90% of that. Citizens has about 500,000 policies and Florida domestic companies write the rest. Ms. Miller stated that of the approximately 30 companies that are writing private flood insurance in Florida, they are writing it because the statute was put on the books that gave them parameters and ground rules which provided them certainty and they knew what they had to do to "get in the game". They then found that they could write it as an endorsement to their property policy and for less than an NFIP policy. Accordingly, it can be written with one adjuster, one deductible and it is covered by the guaranty fund. That is a great testament to "if you build it they will come." Thus far in Florida, no cherry-picking is occurring and there have been no complaints regarding arduous form approval concepts.

Sen. Morrish asked Mr. Maurstad if that NFIP still has rules in place which prohibit those who leave the NFIP for the private market from returning to the NFIP. Mr. Maurstad stated that you can come back to the NFIP but you cannot come back with the same discounts or subsidies you had before you left, if you had any.

CONIDERSATION OF RESOLUTION RECOGNIZING SEPTEMBER 1ST – 7TH 2019 AS "NATURAL DISASTER RESILIENCY WEEK"

As sponsor, Sen. Morrish introduced a Resolution Recognizing September 1st - 7th 2019 as Natural Disaster Resiliency Week. Upon a Motion made by Rep. Mark Abraham (LA) and seconded by Rep. Edmond Jordan (LA), the Committee voted to waive the quorum requirement. The motion carried on a voice vote without opposition. Upon a Motion made by Sen. Ronnie Johns (LA) and seconded by Sen. Smith, the Committee voted to adopt the Resolution. The motion carried on a voice vote without opposition.

ADJOURNMENT

There being no further business, the Committee adjourned at 6:15 p.m.