

AGENDA



2023 NAR NXT

INSURANCE COMMITTEE

Monday, November 13, 2023

10:00am - 12:00am

CHAIR: CYNDEE HAYDON (FL)

VICE CHAIR: BILL LEININGER (MT)

COMMITTEE LIAISON: ANDY MAHOWALD (SD)

STAFF EXECUTIVE: AUSTIN PEREZ (DC)

PURPOSE

To develop NAR policy on federal insurance matters affecting real estate and its members, including all related programs to prepare for, protect against, mitigate, respond to and recover from national disasters (e.g., flood, terrorism) and improve access to affordable health care options.

10:00 – 10:10am

I. Welcome and Opening Remarks - Cyndee Haydon, Chair

10:10 – 10:15am

II. Approval of Previous Meeting's Minutes - [EXHIBIT Minutes from May 7, 2023](#) - Cyndee Haydon, Chair

10:15 - 10:30am

III. Guest Speakers: "RPR® and Climate Risk Factors"

A. Jeff Young, Chief Operating Officer/General Manager, Realtors Property Resource®

B. Emily Line, Senior Vice President, Strategic Engagement, Realtors Property Resource®

10:30 - 10:45am

IV. NAR Staff Update on Healthcare Reform - Christie DeSanctis, Director, Federal Banking, Lending & Housing Finance Policy

10:45 – 11:30am

V. Guest Panel: "East vs. West: Property Insurance Update from Coast to Coast"

A. Sanjay Wagle - Senior Vice President, Governmental Affairs, California Association of REALTORS®

B. Trey Goldman - Legislative Counsel, Florida REALTORS®

11:30 - 11:55am

VI. Climate Financial Risk Work Group Report ([Work Group Report & Recommendations](#)) - Bill Leininger, Vice Chair

Charge:

- Identify reasonable approaches to address climate financial risks to the federal mortgage loan programs and regulated entities while minimizing the impact on real estate stakeholders;
- Collaborate with federal regulators, agencies, and government sponsored entities;
- Report back to the Insurance Committee at the November 2023 meeting.

Recommendations:

1. Develop a blueprint for climate financial risk by beginning with the flood risk to the GSEs.

Flood is the largest climate financial risk, but most homeowners do not have flood insurance to repair property damage, which means that the GSEs could have to forebear mortgage payments or sell properties at a loss after major floods. Because the GSEs help finance half of all U.S. mortgages annually, the GSE response to uninsured flood risk will guide the market on how to address climate financial risk.

2. Encourage GSEs to use better risk assessment tools to identify and disclose all special flood hazard areas in the U.S. There are too many stories of people who never would have moved into an area if they had known the risk. The First Street Foundation, CoreLogic, and others are using more granular, modern, and accurate risk assessment tools to delineate more special flood hazard areas than FEMA maps. The GSEs should hire one or more of these companies to identify all the special flood hazard areas and use these tools to disclose flood facts about the properties they guarantee so that GSE investors, property buyers and renters, and taxpayers can make informed decisions.

3. Require flood insurance for GSE new construction loans in all special flood hazard areas across the U.S. Because FEMA maps do not identify all the special flood hazard areas, at least 10 million properties have a high flood risk but are not required to build to flood standards or purchase flood insurance. When properties are built too low in harm's way, the owners often turn to a real estate professional to help them sell properties with high insurance costs and/or past flood damage. Requiring flood insurance would reduce the GSE exposure and ensure that home builders and buyers qualify for loans in high-risk areas only when considering the total cost of home ownership, including flood insurance.

4. Continue working to identify reasonable climate financial risk options for existing properties. While identifying and discussing many options, the Work Group was not able to reach consensus on reasonable alternatives to minimize GSE flood risk while balancing existing housing affordability and sustainability concerns. Meanwhile, federal agencies, lenders, insurers, investors, and other key players, such as Blackrock, continue to move forward, and NAR could miss an opportunity to help shape alternatives to address the climate financial risk.

5. Reauthorize and strengthen the National Flood Insurance Program (NFIP). The GSEs would be less exposed if more property owners purchased flood insurance. NAR policy supports providing federal grants or loans for policyholders to elevate, mitigate, or relocate. NAR should explore targeting and means-testing assistance so that lower income families can purchase flood insurance from the NFIP.

11:55am - 12:00pm

VII. Closing Remarks and Adjournment - *Cyndee Haydon, Chair*

***Additional Background:**

[REALTORS® Insurance-Related Activities](#)