

NAR Insurance Committee Meeting Minutes 2015 Federal Policy Conference in Washington, DC

Chair: Donna Smith (SC)
Committee Liaison: Russell Grooms (FL)

Vice Chair: Maria Wells (FL)
Staff Executive: Austin Perez (DC)

1. At the direction of the Leadership Team, the Committee conducted its inaugural meeting on Wednesday, February 4, 2015, 9:00am – 11:30am. The Committee reviewed a conflict of interest statement.
2. The Committee discussed its 2015 goals, including reviewing NAR’s policy positions on (1) flood, (2) disaster & homeowners (“all-perils”), (3) health, and (4) terrorism. The committee agreed that it could be helpful to organize working groups to delve into one or more of these issues. Participating on a work group if activated would not be mandatory but based on experience and interest. Committee members also requested academic and expert briefings on each subject.
3. Director Michael McRaith, U.S. Treasury’s Federal Insurance Office (FIO), briefed the Committee on the history and evolution of state insurance regulations in the United States. According to the FIO, the issue is not state vs. federal regulation, but rather, whether there is a federal role in a state regulatory system on issues like ensuring access to affordable property insurance for natural disasters other than floods.
4. Staff updated the Committee on NAR’s involvement and policy positions on health, terrorism, flood, natural disaster, and homeowners insurance.
5. Chair Smith announced a Leadership Team Initiative to establish a single point of contact in every state on insurance issues with a federal nexus. There was agreement that each state should identify a REALTOR® who has a strong background working with their state association on insurance issues and a good working relationship with the state’s insurance commissioner. There was also sentiment expressed that the use of the term “FPC” in the name of these individuals was confusing; the group recommended that that name be reconsidered. Smith described the first assignment which is for the state contacts to begin to build a relationship with their state regulator and gather information about that individual’s perspective on the issues involved in the development of a private flood insurance market. Committee members were invited to attend the briefing for the state insurance contacts later the same day.
6. Committee members introduced themselves and exchanged information on their experiences and interests on a wide range of insurance issues, including:
 - Educating NAR members about the Community Rating System to provide risk-based discounts under the National Flood Insurance Program.
 - Requesting assistance for a buyer who paid for flood insurance on a property whose transaction fell through and yet is still awaiting reimbursement 6 months later.
 - Raising concerns with the accuracy of flood insurance rate maps, including
 - inappropriate use of a Pacific Coast science model in MA and
 - the impact of levees particularly in AZ and IL.
 - Identifying long-term health care insurance opportunities for NAR members.

- Alerting NAR to recent homeowners insurance developments in NC where
 - Insurance companies are being allowed to charge above-regulation insurance rates whenever consumers “consent to rate.”
 - Use of floodplain building variances could harm a community’s ratings for purposes of disaster assistance.
- Requesting that NAR monitor not only the market regulation of insurance but also company solvency, including its use in the context of mortgage-backed securities.

Committee Member Attendees

Donna Smith (SC) - Chair
 Maria Wells (FL) – Vice Chair
 Russell Grooms (FL) – Committee Liaison
 Ken Austin (MS)
 Budd Batterson (MN)
 Andrea Bushnell (NC)
 Rita Coffey (MA)
 Nick D'Ambrosia (MD)
 Allan Dechert (NJ)
 Frank Dickens (AZ)
 Annie Engel (PA)
 Steven Fischer (GA)
 Scott Griffith (MI)
 Max Gurvitch (NY)
 Harold Huggins (MD)
 Henry Kammandel (NE)
 Greg Larson (ND)
 Bill Martin (FL)
 Chris McElroy (CO)
 David McKey (LA)
 Matt Meister (NE)
 Norman Morris (LA)
 Louis Nimkoff (FL)
 Patricia Pipkin (NM)
 John Sebree (FL)
 Stan Sieron (IL)
 Linda Peter (CT)
 Joe Stafford (CT)
 Karen Swanbeck (FL)
 Gary Thomas (CA)
 Moe Veissi (FL)
 Patrice Willetts (NC)
 Gary Wright (WA)
 Myra Zollinger (NC)

Excused absences: Debra Chamberlain (CT), Courtney Johnson Rose (TX), Tim Kellogg (IL), Sharon Millett (ME), Peyton Norville (AL), Nancy Riley (FL), and Mark Woodroof (TX)