

August 26, 2025

Gary D. Anderson
Chief Executive Officer
National Association of Insurance Commissioners
1101 K Street, N.W., Suite 650
Washington, DC 20005

RE: NAIC Property and Casualty Insurance Committee Drafting Group's Affordability and Availability Playbook Outline Comment Process

Dear Mr. Anderson and Members of the Property and Casualty Insurance Committee:

The National Association of Insurance Commissioners Property and Casualty Insurance Working Group Affordability and Availability Draft Playbook has the potential to provide a framework for regulators and legislators to adopt policies and develop robust guidelines that can better serve homeowners and communities who are already being harmed by the growing affordability and availability crisis within the property insurance sector. However, in order to fulfill this potential, it requires substantial revisions to address consumer concerns and needs. While we support the Playbook's recommendations for more data transparency, addressing the need for consumer education, and expanding incentives and resources for risk mitigation, we suggest that the Working Group include policy solutions that more directly support insurance affordability and reconsider its emphasis on tort reform.

While insurers argue that they have no choice but to increase premiums while reducing or withdrawing coverage, the reality is that the insurance industry continues to enjoy healthy profits.¹ We respectfully recommend the following changes in the final version of the Affordability and Availability Playbook:

Overall Recommendations:

- **Establish definitions and goals:** The Playbook should define "affordability" and "availability," and note the trends with respect to these factors broken down by race, gender, ethnicity, income, and credit score. Additionally, it should set goals, including metrics of success for policy recommendations.
- **Who participated?** The Playbook should disclose which states and territories participated in the drafting process and which did not.

¹ Dan Wagner and Kenny Stancil. "[Home Insurance Executives Are Raking It In—at Your Expense.](#)" *The American Prospect*. July 23, 2025.

- **Address the complicity of the insurance industry:** The Playbook should acknowledge that Munich Re, one of the world's largest reinsurers, has known about climate risks to the industry as early as 1973.² Climate risks to the insurance industry are not a new risk; despite this, insurers continue to underwrite and finance fossil fuels, the main driver of climate change, using premiums from their customers. This practice is accelerating climate-driven extreme weather events, which insurers cite as the main reason for their excessive rate hikes and withdrawals from geographic areas.

Promote Insurance Affordability:

- **Be skeptical about the promise of tort reform:** While the Playbook lists tort reform as a top recommendation for improving availability and affordability, tort reform has historically failed to deliver affordability improvements where it has been implemented to reduce health insurance costs.³ There is no empirical evidence that tort reform lowers property and casualty insurance costs. The Playbook also makes no distinction between reducing frivolous litigation and reducing merited litigation, which greatly harms consumers who are already overmatched by insurer size and resources. And while Florida's tort reform legislation may have reduced lawsuits by over 30 percent year-over-year, insurers do not appear to be passing these savings onto policyholders. In fact, statewide property insurance rates have increased 34 percent since the bill's passage in late 2022.⁴
- **Support low-income homeowners:** Low-income families have the least ability to adapt to or recover from damage caused by climate change, despite bearing the least responsibility for causing it. The Playbook should propose financial assistance programs to support cost-burdened policyholders.
- **Address credit scores in ratesetting:** The Playbook should propose bans on the use of credit scores in underwriting and ratesetting and address its impact on racial equity and affordability. These practices unfairly raise rates more for the consumers least able to afford it, even for properties with similar physical risks.⁵
- **Prioritize resilience strategies:** The draft acknowledges climate change but fails to capture the accelerating nature of climate risk, the correlated nature of climate disaster losses, and the need for transformational interventions to lower system-wide risk. Over the coming decades, achieving broad rate affordability will

² Hoeppe, Peter. "[The Role of the Insurance Industry](#)." *ECF Annual Conference Presentation*. March 27, 2007.

³ Boyle, Charles. "[Weiss Ratings Drops a Bomb on the Med-Mal Debate](#)." *Insurance Journal*. July 7, 2003.

⁴ Rabb, William. "[Florida Property Insurance Premiums Surged 34% Since Late 2022](#)." *Insurance Journal*. June 17, 2025.

⁵ Birss, Moira *et al.* Consumer Federation of America, and Climate and Community Institute. "[Penalized: The Hidden Cost of Credit Score in Homeowners Insurance Premiums](#)." August 12, 2025.

require massive resilience investments and incentives. Insurers should provide financial support for these efforts, as homeowners, smaller towns, and even many states will struggle to cover the costs alone.⁶ These strategies should center homeowners, renters, and communities, and include property- and community-level resilience discounts, public and private grants and investments, and updated building and energy codes. And if consumers undertake these resilience efforts, they should receive premium discounts or rate reductions.

Address Public Data, Transparency, and Modeling:

- **Release public data:** The lack of consistent, comparable, and granular data about homeowners' insurance keeps consumers and the U.S. public at a disadvantage, and prevents us from understanding pricing, nonrenewal, and withdrawal trends in communities of color, low- and moderate-income neighborhoods, and traditionally underserved communities. The Playbook should urge the NAIC to collect and publish census-tract level public data on insurance premiums, coverage denials, cancellations, non-renewals, claims filed, and claims paid.
- **Support public models and public disclosure:** NAIC should push for insurers' underwriting and rate setting models to be clearly disclosed to policyholders and to incorporate discounts for property-, community-, and landscape-scale mitigation. The NAIC report should also note the benefits of public catastrophe models.⁷
- **Assess the impact of Federal cuts on insurance affordability:** The Playbook should transparently address how changes at the federal level—particularly at agencies such as the National Oceanic and Atmospheric Administration, Department of Housing and Urban Development, Federal Housing Finance Agency, and Federal Emergency Management Agency—will make it harder to identify and assess risk.

Thank you for your consideration. Please contact caroline@ourfinancialsecurity.org should you have further questions.

Sincerely,

Americans for Financial Reform Education Fund
350NYC
Affordable Homeownership Foundation Inc
CCAG - Connecticut Citizen Action Group

⁶ See e.g., Sara McTarnaghan, Lucy Dadayan, and Andrew Rumbach. Urban Institute. "[The Trump Administration Wants to Shrink the Federal Government's Role in Disaster Management. Do States Have the Fiscal Capacity to Weather the Storm?](#)" July 15, 2025.

⁷ For more information on California's efforts to develop a public catastrophe model, visit the webpage for the California Department of Insurance's [Public Wildfire Catastrophe Model Strategy Group](#).

Center for LGBTQ Economic Advancement & Research (CLEAR)
Consumer Action
Consumer Federation of America
Consumer Watchdog
Earth Action, Inc.
Earth Ethics, Inc.
Earth Guardians
Fair Housing Center of Central Indiana
Freeport Haven Project
Green America
HousingNOLA
MARBE SA
Massachusetts Action for Justice
National Community Reinvestment Coalition
New Jersey Citizen Action
Revolving Door Project
Rise Economy
Stand.earth
The Greenlining Institute
The People's Justice Council