



**PRESIDENT:** REP. FRANK WALD, ND  
**VICE PRESIDENT:** SEN. ALAN SANBORN, MI  
**SECRETARY:** REP. BRIAN KENNEDY, RI  
**TREASURER:** SEN. JAMES SEWARD, NY  
**EXECUTIVE COMMITTEE CHAIR:** REP. ROBERT DAMRON, KY

## **FOR IMMEDIATE RELEASE**

**CONTACT:** Susan Nolan  
Candace Thorson  
NCOIL National Office  
518-687-0178

### **NCOIL TO CONSIDER JOINT NCOIL-NAIC MEGA-CATASTROPHE PLAN, TO PURSUE UNITED EFFORT**

**Troy, New York, May 31, 2006**—Recognizing that the nation must do more to adequately prepare for catastrophic natural events, legislators at the National Conference of Insurance Legislators (NCOIL) July 20 through 23 Summer Meeting in Boston, Massachusetts, will consider a multi-layered system for disaster management. The plan, contemplated as a joint NCOIL-National Association of Insurance Commissioners (NAIC) effort, was announced today by NCOIL Past President Sen. Steven Geller (FL) and Florida Insurance Commissioner Kevin McCarty.

In unveiling the proposal, Sen. Geller, who currently serves as chair of the NCOIL Subcommittee on Natural Disaster Insurance Legislation, said, “I am particularly pleased that NCOIL and the NAIC will further their commitment to a nationwide program by examining this proposal at their upcoming meetings.”

“NCOIL is a long-time advocate for a national approach, as we recognize that the private insurance and reinsurance markets simply could not handle a \$100 billion event. Unless we act,” Sen. Geller said, “Hurricane Katrina could be just a taste of what would happen to our local economies.”

Layer One of the multi-level proposal would require a property insurance checklist that clearly identified coverage limits, would change IRS tax code to allow for insurer tax-deferred catastrophe reserves, and would establish rate structures that promote mitigation. Layer Two would create optional state or regional catastrophe funds to offer reinsurance to the private market at risk-reflective rates and would allow for appropriate building code policies. Finally, Layer Three would institute a federal reinsurance program to offer coverage to state/regional catastrophe funds. The federal backstop, funded by actuarially

sound premiums, would provide reinsurance when insured losses ranged from \$25 billion to \$50 billion.

According to NCOIL President Rep. Frank Wald (ND), the issue is critical to legislators across the country, as all states are exposed to some form of natural disaster. “We look forward to consideration of the draft proposal in July, and we thank Sen. Geller for his tireless work on behalf of NCOIL.”

The NCOIL Subcommittee on Natural Disaster Insurance Legislation will convene at the Boston Park Plaza Hotel on Thursday, July 20, at 9:15 a.m.

Commissioner McCarty serves as chair of the NAIC Property and Casualty (C) Committee.

NCOIL is an organization of state legislators whose main public policy concern is insurance legislation and regulation. Many legislators active in NCOIL either chair or are members of the committee responsible for insurance in their respective state houses across the country. More information is available at [www.ncoil.org](http://www.ncoil.org).

For further details, please contact the NCOIL National Office at 518-687-0178.

# # #