

Atlantic Corporate Center
2317 Route 34, Suite 2B
Manasquan, NJ 08726
732-201-4133
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April 1, 2020

The Honorable Mike Thompson
Chair, Subcommittee on Select Revenue Measures
Committee on Ways and Means
U.S. House of Representatives
406 Canon Office Building
Washington, DC 20515

Re: Support for H.R. 5494 – The Catastrophe Loss Mitigation Incentive and Tax Parity Act of 2019

Dear Chair Thompson:

On behalf of the National Council of Insurance Legislators (NCOIL), I write in support of H.R. 5494 – The Catastrophe Loss Mitigation Incentive and Tax Parity Act of 2019. This bipartisan, common sense legislation would exempt from federal taxation state-based grants that support pre-disaster mitigation for homes against wildfires, windstorms, and earthquakes.

As you may know, NCOIL is a national legislative organization comprised principally of legislators serving on State insurance and financial institutions committees around the nation. NCOIL writes Model Laws in insurance and financial services, works to both preserve the State jurisdiction over insurance as established by the McCarran-Ferguson Act seventy-five years ago and to serve as an educational forum for public policy makers and interested parties. Founded in 1969, NCOIL works to assert the prerogative of legislators in making State policy when it comes to insurance and educate State legislators on current and longstanding insurance issues.

NCOIL recognizes the fact that natural disasters such as wildfires, windstorms, and earthquakes are occurring with more frequency, and that steps need to be taken to ensure that people are encouraged to take action with respect to utilizing pre-disaster mitigation programs. Currently, there is inconsistent tax treatment of state and federal disaster mitigation grants. Congress previously excluded grants provided by FEMA from federal income tax, but state grants are



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subject to federal income tax. By simply fixing this inconsistency and providing tax parity for certain state-based pre-disaster grant programs, homeowners will be further empowered to protect their homes from natural disasters.

NCOIL looks forward to working with you on this important legislation and other steps to help protect Americans from natural disasters.

Thank you and please do not hesitate to reach out if you wish to discuss this further. You can reach me at 732-201-4133 or at tconsidine@ncoil.org. Please also feel free to reach out to me on my cell at 732-245-0741.

With appreciation for your consideration, I am,

Very Truly Yours,



Thomas B. Considine
NCOIL CEO

CC: The Honorable Adrian Smith
Ranking Member, Subcommittee on Select Revenue Measures
Committee on Ways and Means
U.S. House of Representatives
502 Canon Office Building
Washington, DC 20515