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NCOIL TO EXAMINE NATIONAL MEGA-CAT PLAN, DECIDE ON LEGISLATIVE ACTION

Troy, New York, February 20, 2006—Gathered in hurricane-prone Florida for the National Conference of Insurance Legislators (NCOIL) February 23 through 26 Spring Meeting, state lawmakers from across the country will examine a draft mega-catastrophe program and, among other things, decide on next steps to promote effective reform.

On February 23, the NCOIL Subcommittee on Natural Disaster Insurance Legislation will discuss proposed changes to a National Association of Insurance Commissioners (NAIC) plan for catastrophe management. The program would assign responsibility for disaster preparedness to the private market and consumers, state and/or regional catastrophe funds, and the federal government.

Lawmakers' concerns include the proposed establishment of a National Catastrophe Insurance Commission that contemplates no role for state legislators, but substantial participation for the NAIC.

Public policymakers also are interested in the draft's all-perils insurance contracts, which would include coverage for flood damage and would ultimately transform the National Flood Insurance Program (NFIP) into a reinsurance mechanism. The role of state catastrophe funds and the ultimate impact on consumer premiums are other critical concerns.

The Subcommittee, scheduled to convene from 9:15 to 10:00 a.m., also will consider proposed amendments, sponsored by Subcommittee Chair Sen. Steven Geller (FL), to a

2004 NCOIL *Resolution Regarding Natural Disaster Insurance Issues*. The amendments would recognize the impact of recent storms on the natural disaster insurance debate, refine NCOIL's commitment to a national catastrophe system, and acknowledge recent NAIC efforts. As adopted, the resolution compels NCOIL to investigate various options for catastrophe management, including merging natural disaster and terrorist risks.

Finally, on February 25, NCOIL legislators will participate in a general session on state building codes, including the ability of local communities to enforce tough standards. The panel, entitled *Reassessing State Building Codes: Mitigation and Enforcement*, will feature Jeffrey Burton of the Institute for Business & Home Safety (IBHS), Mark Smith of Insurance Services Office (ISO), Keith Lessner of the Property Casualty Insurers Association of America (PCI), and Leonard Brevik of the National Association of Professional Insurance Agents (PIA).

NCOIL is a long-time advocate of federal legislation for catastrophe coverage, recognizing that both natural and man-made disasters are beyond the ability of states to handle.

The NCOIL Spring Meeting will be held at the Bonaventure Resort & Golden Door Spa in Weston, Florida.

NCOIL is an organization of state legislators whose public policy concern is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

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

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