May 7, 2024

To: The Hon. Andrew M. Mais
President
National Association of Insurance Commissioners

cc:
John Godfread, President-elect
Scott A. White, Vice President
Andrew Beal, Acting Chief Executive Officer
Lori K. Wing-Heier, Climate and Resilience Task Force Co-Chair
Ricardo Lara, Climate and Resilience Task Co-Chair
Andrew R. Stolfi, Climate and Resilience Task Co-Vice Chair
Jeff Rude, Climate and Resilience Task Co-Vice Chair

Re: Request for Public Availability of U.S. Homeowners Multi-Peril Underwriting Data

Dear Commissioner Mais:

As academics and researchers focused on safeguarding communities against the threats of inequality and our changing climate, we are acutely aware of the growing crisis in home insurance. In order to address this crisis, a comprehensive understanding of the crisis in order to develop policies that address the roots of the problem is needed. We therefore support the collection of U.S. homeowner multi-peril underwriting data, now jointly conducted by the National Association of Insurance Commissioners (NAIC) and the United States Treasury Department. We send this letter today urging that the collected data are made publicly available.

We applaud the NAIC, and specifically its Property and Casualty Insurance Committee, for leading this data collection process, and for working with the Treasury Department to make it a joint data call. As you know, insurance markets across the country are grappling with increased risks, and consumers are already paying the price. Yet critical information gaps persist that prevent public interest researchers and academics like us from contributing our skills and expertise to vital policy conversations.

It is our understanding that NAIC has not decided if it will publicly release the data it receives from the joint data call. As researchers with a concerted interest in deepening understanding for the public and policymakers on addressing the climate and housing affordability crises, we respectfully urge the NAIC to make the underlying data available.

As Secretary Yellen has noted, it is important to "leverage the expertise of those outside of government and work collaboratively to improve our collective understanding of how climate change may impact the financial sector." As the Secretary's statement recognizes, when scholars like us are able to contribute our knowledge and skills in analyzing comprehensive and granular data, like that collected by this data call, policymakers will be better able to leverage our expertise, and be better able to work collaboratively to improve the collective understanding of the critical protection gap faced by communities across the country.

Insofar as industry has asserted that the raw data should not be made public, it is incumbent on NAIC and Treasury to ensure that the data be publicly available. We understand that some insurers claim that making data from the call publicly available risks sharing personal or proprietary information. However, when aggregated and anonymized, we see no way in which proprietary information would be revealed, particularly at the zip code level. Indeed, for comparison, the Home Mortgage Disclosure Act already mandates publicly available data on banks' mortgage lending at the census tract level, including information specific to each loan transaction, such as details about individual demographics, salaries, and financial institutions. Given that the NAIC/Treasury-collected data will be at a coarser spatial scale (zip code level as opposed to census tract level) and be aggregated across institutions, it makes no sense for this data to not also be publicly accessible.

We appreciate all the work you and your offices have done to address the home insurance crisis, and we hope to be able to more robustly contribute to the search for solutions with publicly available raw data from the NAIC/Treasury data call.

Thank you for your kind attention.

Sincerely,

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