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United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

May 18, 2023

Chlora Lindley-Myers
President
National Association of Insurance Commissioners
444 North Capitol Street NW, Suite 700
Washington, D.C. 20001

Dear President Lindley-Myers:

In September 2022, the Senate Banking, Housing, and Urban Affairs Committee held a hearing titled, “*Current Issues in Insurance*.”¹ Kathleen Birrane, Maryland’s Insurance Commissioner, testified on behalf of the National Association of Insurance Commissioners (NAIC) and Steven Seitz, the Director of the Federal Insurance Office (FIO) at the Department of Treasury, testified on behalf of the Department.

At the hearing, I raised serious concerns about nonprofits across the country facing difficulty finding affordable property and casualty insurance. Since then, the Committee has continued to receive troubling reports about the dire nature of the situation. In some instances, commercial insurers have opted not to renew specialty insurance plans—thus, leaving nonprofits that serve the most vulnerable communities in need of insurance coverage to provide essential services. Some community-based nonprofits, for example, have reportedly restricted services.

During the hearing, Commissioner Birrane committed that NAIC would work with the Committee and FIO to help address these troubling gaps in insurance coverage for nonprofits. As was made clear during the hearing, finding a solution to address this problem is important. To better understand NAIC’s work to address this issue, I request you provide responses to the following questions:

1. Describe NAIC’s work since the hearing last September to understand and address this ongoing national market failure. Please be as detailed as possible in your response and provide information about your collaboration with FIO on this matter.
2. Describe whether NAIC has engaged with insurance brokers to understand this national market failure. In responding to this question, please provide the following information:
 - a. Have any brokers communicated to NAIC that commercial carriers are nonrenewing certain classes of nonprofit organizations? If so, please explain.

¹ *Current Issues in Insurance*, Hearing Before the S. Comm. on Banking, Housing, and Urban Affairs, 117th Cong. (2022).

- b. Have any brokers communicated to NAIC that nonprofits are seeing premium increases of more than 20 percent on certain classes of nonprofit organizations? If so, please explain.
 - c. Some brokers have suggested the absence of availability of two lines of insurance—*half of a business owner's property insurance* and *standalone auto-physical damage*—may be the cause of the national market failure. Is there sufficient availability of these two types of insurance coverages for small and medium-sized nonprofits in every state? If so, please explain.
3. Describe whether NAIC has engaged with state insurance commissioners to understand this national market failure.
 - a. Have any state commissioner(s) communicated to NAIC about the following: the exorbitant rise in premiums for nonprofits (*i.e.*, 20 percent or more), insurers nonrenewing certain classes of nonprofit organizations, and/or nonprofits having to restrict services because of a lack of affordable standalone insurance?
 - b. Have any state insurance commissioners expressed the need or desire to allow for certain risk retention groups that write liability insurance for nonprofits to write commercial property insurance coverage?
4. Since the hearing, describe whether NAIC has engaged with other stakeholders or groups to understand this national market failure.

Please provide responses by June 15, 2023. Should you have questions about this request, please contact my staff at (202) 224-7391.

Sincerely,



Sherrod Brown
Chairman