NAR Issue Summaries

Insurance / Natural Disaster Policy

NAR Committee:

Insurance Committee

What is the fundamental issue?

Congress must support federal disaster policies that harden homes and reduce risk, improving the cost and availability of home insurance.

I am a real estate professional. What does this mean for my business?

While not disaster risk or insurance experts, real estate professionals are increasingly asked about insurance costs in high-risk areas.

Insurance rates provide an important signal about the total cost of homeownership. If rates are subsidized or artificially constrained, buyers may purchase properties without understanding the full cost, potentially increasing reputational and legal risk.

Reducing physical risk at the property level through targeted home improvements is the most effective way to lower insurance costs—helping stabilize real estate markets, support housing affordability, and strengthen long-term community resilience.

NAR Policy:

NAR supports federal disaster policies that provide timely post-disaster assistance, incentivize pre-disaster risk mitigation, and improve access to risk information so consumers can make informed decisions.

Opposition Arguments:

Opponents assert that taxpayers are being asked to bailout people who choose to live in harm's way. Yet, many people made those decisions before hazard information became available and now must rely on federal disaster relief until more proactive public policies can be established.

Legislative/Regulatory Status/Outlook

NAR supports modernizing U.S. disaster policy to strengthen immediate response, recovery, and long-term resilience through the following measures:

Federal Disaster Assistance Reform (FEMA Act)

NAR supports **H.R. 4669, the Fixing Emergency Management for Americans (FEMA) Act** , which would make disaster assistance more effective by prioritizing permanent home repairs, allowing mitigation and

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resilience upgrades during rebuilding, and reducing reliance on prolonged temporary housing. The legislation passed the House Transportation and Infrastructure Committee by a 57–3 vote and awaits consideration by the full House. NAR also submitted comments on the FEMA Review Council report supporting FEMA reforms and strengthening its role in state and local disaster response, recovery, and long-term resilience.

Risk Mitigation Incentives and Insurance Affordability

NAR also supports federal legislation that helps homeowners reduce disaster risk through grants and tax incentives for home-hardening, mitigation, and resilience investments, recognizing that lowering risk at the property level is critical to improving insurance availability and affordability. Examples include:

- **H.R. 1105 – Disaster Resiliency and Coverage Act of 2025** , which would provide federal funding to states to offer grants for household-level, pre-disaster mitigation on existing homes, paired with tax incentives to encourage home-hardening;
- **H.R. 1849 / S. 336 – Disaster Mitigation and Tax Parity Act** , which would exempt state disaster mitigation grants from federal income tax, encouraging greater investment in resilience by states and property owners; and
- **H.R. 6763 / S. 3497 – Shelter Act** , which would provide a **25 percent tax credit** for qualified mitigation expenses related to floods, hurricanes, and wildfires.

NAR will continue working with Congress to advance disaster reforms that reduce risk, improve insurance availability, and support more informed decision-making before and after disasters.

Current Legislation/Regulation (bill number or regulation)

HR 4669 -- Fixing Emergency Management for Americans (FEMA) Act

HR 1105 **--** Disaster Resiliency and Coverage Act of 2025

HR 1849 **/** **S. 336** -- Disaster Mitigation and Tax Parity Act

HR 6763 **/** **S. 3497** -- Shelter Act

FEMA Review Council Report

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