

**HSGAC Subcommittee Hearing Opening
Statement**

**“Examining the Insurance Industry’s Claims
Practices Following Recent Natural Disasters”**

May 13, 2025

- Thank you, Mr. Chairman,
- As this is our first hearing, I want to congratulate Senator Hawley on his chairmanship.
- I hope we will be able to continue to conduct productive, bipartisan work this Congress.
- I’d also like to thank our witnesses for joining us today to share their stories.
- After a natural disaster, survivors are often at their most vulnerable.
- This is when many Americans turn to their insurance company, thinking they have done everything right to prepare for the worst.
- Unfortunately, that help does not always materialize and instead of being handed solutions, they are met with more problems. My home state, New Jersey, is no stranger to this.

- After Superstorm Sandy, insurance companies that participated in the National Flood Insurance Program were found to be wrongly rejecting or underpaying valid claims.
- Since then, problems have persisted. Hurricane Ida caused another wave of damage through my state. And it's not just in New Jersey but across the country.
- In Florida after Hurricane Ian, third-party adjusters came forward and accused insurance companies of altering their reports to underpay disaster survivors.
- Now, we are here to examine additional disturbing claims that insurance companies are continuing to deny coverage and underpay claims.
- This is an important topic. I also want to raise that I hope this subcommittee can take a wholistic approach to grappling with the problems Americans face when trying to recover from a natural disaster.
- That includes having honest and productive conversations about FEMA.
- In the wake of a natural disaster, FEMA has been a critical lifeline for so many Americans on the road to recovery.
- Yes reforms are needed. And that is something that we can agree to in a bipartisan way. But emergency managers, first responders,

and people in my community are deeply concerned by the current Administration's rhetoric of abolishing and getting rid of it.

- Already we are seeing the Trump Administration chip away at critical programs.
- They have canceled the Building Resilient Infrastructure and Communities program, which means more families will be put in harm's way because promised federally funded mitigation efforts will be abandoned.
- They are shrinking FEMA's workforce even though repeated audits have found that the agency is understaffed for catastrophic disaster seasons.
- FEMA, like private insurance, is a one of the tools the American people have available to them. You need both market solutions and the federal government to strengthen resiliency and recovery in our country.
- People from disaster-prone states that I have spoken with fear eliminating FEMA would only harm disaster recovery, leaving survivors without the recovery tools they need, and further compound the problems disaster survivors face—some of which we will hear about today.
- The Administration has assembled a council to review FEMA and disaster response. I think through the subcommittee we should do our own due diligence too so we can be prepared to engage in a discussion with the executive branch on the best way forward.

- The goal is to ensure that Americans in their time of greatest need and difficulty can feel reassured that they are not alone. That they can turn to others for help —whether that be FEMA, insurers.
- We are facing some of the most intense natural disasters in our nation's history, but we are also living in a time of such deep distrust in government, in public institutions. Congress must be vigilant about any changes that may weaken the ability of American families to tackle the disaster challenges they face.
- I look forward to hearing from the witnesses today about their on the ground experiences, and then from insurance companies about what they plan to do to better serve their policyholders.
- While we may hear some harsh criticism of Allstate and State Farm- criticism I hope they work to rectify- I do want to commend them from showing up today.
- Thank you and I yield back.