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

February 17, 2026

Trevor Burgess
Chief Executive Officer
Neptune Flood
400 6th Street S, Suite 2
St. Petersburg, Florida 33701

Dear Mr. Burgess:

The National Flood Insurance Program (NFIP), the nation's largest residential flood insurance program, recently lapsed for 43 days.[1] During the lapse in authorization, NFIP could not approve new policies, leading some homeowners and businesses to turn to private insurers – such as your company – to maintain or purchase flood coverage. Neptune Flood (Neptune) took this lapse as an opportunity to promote its policies and asserted that private companies should eventually displace NFIP in the flood insurance market.[2] Indeed, according to new reporting, Neptune "made pitches at meetings in the fall at the White House and the Treasury Department," and "proposed that the [NFIP] stop issuing new policies."[3] Industry experts have warned that these kinds of cutbacks could "leave communities more exposed to flood damage." I write with concerns and questions about your overall business model and your reliance on artificial intelligence to assess risk and price policies, especially given the potential that your proposed approach would raise costs and otherwise harm communities across the country.[4]

According to its SEC filings, Neptune is a managing general agent that sells policies on behalf of the insurance companies that are also known as capacity providers.[5] As an intermediary between the policyholder and traditional insurers, Neptune does not issue its own policies or handle any

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[1] NPR, "The longest government shutdown in U.S. history is over. Here's what you need to know," Domenico Montanaro, November 15, 2025, https://www.npr.org/2025/11/15/nx-s1-5609367/trump-government-shutdown-what-to-know-longest.

[2] Insurance Business, "Neptune urges gradual shift of NFIP flood policies to private market," Josh Recamara, October 9, 2025, https://www.insurancebusinessmag.com/us/news/catastrophe/neptune-urges-gradual-shift-of-nfip-flood-policies-to-private-market-552431.aspx; CNBC, "Government shutdown means opportune timing for Neptune Flood IPO," Contessa Brewer, October 1, 2025, https://www.cnbc.com/2025/10/01/neptune-flood-ipo-government-shutdown.html.

[3] New York Times, "How One Company is Pushing a Private Takeover of Flood Insurance," Scott Dance, January 15, 2026, https://www.nytimes.com/2026/01/15/climate/neptune-flood-nfip-insurance.html.

[4] *Id.*

[5] Securities and Exchange Commission, "Form- 10Q: Neptune Insurance Holdings Inc.," pp. 6-21, September 30, 2025, https://www.sec.gov/ix?doc=/Archives/edgar/data/0002067129/000121390025109336/ea0263535-10q_neptune.htm#fact-identifier-533.

claims.[6] The company revenue is “derived from two primary sources: commissions paid by capacity providers, and fees paid by policyholders,” and “commissions [from insurers] are calculated as a negotiated percentage of the premium for each policy.”[7] In its public statements, Neptune has emphasized affordability and transparent pricing.[8] But aspects of the company’s policies may undercut those goals. For example, it is also unclear whether policyholders are paying higher premiums to compensate Neptune and if these fees are clearly and accurately being disclosed to policyholders.

Neptune’s viability also depends heavily on the longevity of its relationships with traditional insurers, a risk that the company itself has identified.[9] Indeed, it has explained that its “business depends on a carefully selected network of capacity providers”[10] and that “[t]his risk-taking structure is fundamental to our business model.”[11] Traditional insurers may not share the same degree of reliance on Neptune, potentially relying on a greater number of managing general agents to find customers – and in many cases able to cancel their contracts with Neptune at any point or to “amend the terms of [y]our agreements unilaterally on short notice.”[12] This raises questions about whether Neptune’s customers are fully aware of which entity ultimately holds their policy and is responsible for paying claims in the event of a flood.

I also have questions about how Neptune uses underwriting models powered by artificial intelligence to facilitate the purchase of private flood insurance. Neptune’s reliance on its in-house AI underwriting platform, Triton, enables the company to completely forgo any human underwriters. As Neptune itself stated in its SEC’s registration statement, “Triton’s complex algorithms may lack transparency, making it challenging to identify or correct errors before they cause significant issues. This opacity could complicate efforts to explain or defend pricing and coverage decisions to regulators, insurers, reinsurers, or policyholders, potentially leading to legal or reputational challenges.”[13] This raises serious concerns as to whether Neptune can explain its own inputs into Triton, how premiums are calculated, and whether or not customers can challenge or even understand the premiums they are paying.

It is critical that consumers have access to affordable flood insurance and can rely on insurers holding up their end of the deal when disaster strikes. Neptune seeks to play a significant role in that market, even suggesting that it “is no longer the case” that NFIP is essential in reducing

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[6] *Id*; Insurance Business, “Neptune urges gradual shift of NFIP flood policies to private market,” Josh Recamara, October 9, 2025, https://www.insurancebusinessmag.com/us/news/catastrophe/neptune-urges-gradual-shift-of-nfip-flood-policies-to-private-market-552431.aspx; CNBC, “Government shutdown means opportune timing for Neptune Flood IPO,” Contessa Brewer, October 1, 2025, https://www.cnbc.com/2025/10/01/neptune-flood-ipo-government-shutdown.html.

[7] Securities and Exchange Commission, “Form S-1: Neptune Insurance Holdings Inc.,” p. 2, September 2, 2025, https://www.sec.gov/Archives/edgar/data/2067129/000121390025083585/ea0247418-07.htm#T19.

[8] Neptune Flood, “Why is Neptune Flood Insurance So Affordable,” February 18, 2025, https://neptuneflood.com/blog/why-is-neptune-flood-insurance-so-affordable/.

[9] *Id*; Securities and Exchange Commission, “Form- 10Q: Neptune Insurance Holdings Inc.,” September 30, 2025, https://www.sec.gov/Archives/edgar/data/2067129/000121390025109336/ea0263535-10q_neptune.htm.

[10] Securities and Exchange Commission, “Form- 10Q: Neptune Insurance Holdings Inc.,” p. 38, September 30, 2025, https://www.sec.gov/Archives/edgar/data/2067129/000121390025109336/ea0263535-10q_neptune.htm.

[11] *Id.*

[12] *Id.*

[13] Securities and Exchange Commission, “Neptune Insurance Holdings Inc. Registration Statement,” p. 31, September 22, 2025, https://www.sec.gov/Archives/edgar/data/2067129/000121390025089781/ea0247418-08.htm.

systemic risk and recommending that the Federal Emergency Management Agency "stop selling new NFIP policies."[14] That is particularly concerning given that NFIP, while in need of reform, has been the primary provider of flood insurance and played an essential role in addressing systemic risk over the past 50 years as the private industry was unable to take on flood peril. Given the way Neptune appears to be positioning itself — echoing Project 2025's call for an end to NFIP[15]— Congress needs to understand the company's role in the market and examine its claims to provide affordable and reliable insurance.

Given the concerns detailed in this letter, I ask that you answer the following questions by March 3, 2026.

1. In Neptune's registration statement, it stated that its "average commission rates have increased by more than 4% since 2018."[16]
    a. How are policies priced by Neptune to account for Neptune's commission rates? Explain.
    b. Are premiums increased by the capacity provider to pass off Neptune's commissions to the policyholder?
    c. Who ultimately makes the final decision on premium rates, Neptune or each capacity provider?

2. What internal controls does Neptune have in place to ensure its AI underwriting platform Triton is compliant with state and federal law combatting discrimination?
    a. How does it ensure continual compliance given the lack of human underwriters?
    b. How does Triton limit algorithmic biases in its pricing model given the lack of human underwriters?
    c. What data points are provided to prospective policyholders when Neptune calculates their premiums to ensure transparency?

3. What are the implications for existing policyholders in the event that a traditional insurer, or capacity provider, chooses to terminate their contract with Neptune?
    a. Does the policyholder still maintain an effective policy with the insurer?
    b. If a policyholder is up for renewal, how would they be able to renew their existing policy?

4. How does Neptune ensure their disclosures clearly reflect that the capacity providers are responsible for managing and paying claims?

5. Please elaborate on Neptune's October issue on "A Private Market Solution to Flood Insurance: Reducing Federal Exposure Through NFIP Reform."
    a. If NFIP becomes a lender of last resort and only insures homes in the highest flood risk areas, how would NFIP remain financially sound over the long term?

[14] Neptune Flood, "A Private Market Solution to Flood Insurance: Reducing Federal Exposure Through NFIP Reform," October 8, 2025, https://neptuneflood.com/research/a-private-market-solution-to-flood-insurance/.
[15] "Project 2025," pp. 153-154, https://static.heritage.org/project2025/2025_MandateForLeadership_FULL.pdf.
[16] Securities and Exchange Commission, "Neptune Insurance Holdings Inc. Registration Statement," September 22, 2025, https://www.sec.gov/Archives/edgar/data/2067129/000121390025089781/ea0247418-08.htm.

b. How does Neptune forecast the company being able to scale to insure large swaths of the flood insurance market given the risks to its business model highlighted in this letter?

Sincerely,

Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs