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Pre-Disaster Mitigation and Risk Modeling (EX) Working Group
Virtual Meeting
June 10, 2026

The Pre-Disaster Mitigation and Risk Modeling (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX) Task Force met June 10, 2026. The following Working Group members participated: Glen Mulready, Vice Chair and Sarah Smith-Drozdov (OK); Mark Fowler (AL); Tom Zuppan (AZ); Holly Vuong (CA); George Bradner (CT); Sharon Shipp (DC); Anoush Brangaccio and Steven Fielder (FL); Jackie Horigan (MA); Greg Ricci (MD); Sandra Darby (ME); Parker Fisher (MI); Peter Brickwedde and Phil Vigliaturo (MN); John Thornton (MS); Connie Van Slyke (NE); Cherry Mui (NY); and David Forte (WA). Also participating was: Rebekah Allen (VA).

1. Adopted its May 12 Minutes

The Working Group met May 12. During this meeting, it took the following action: 1) adopted its Spring National Meeting minutes; 2) discussed its 2026 priorities; 3) discussed the real-time event predicted testing approach; and 4) received an update on model law development.

Commissioner Fowler made a motion, seconded by Brangaccio, to adopt the Working Group's May 12 minutes (Attachment XX). The motion passed unanimously.

2. Received an Update from the Drafting Group on Mitigation Model Law Development

Allen reported that the Mitigation Model Law Drafting Group continues to meet and remains on track to have an exposure draft ready for consideration by the 2026 Summer National Meeting. She said contributions from drafting group members have been robust and helpful. Brian Powell (NAIC) said the drafting group has moved quickly, and the level of activity and engagement has been significant.

Commissioner Mulready said discussions among the chair, NAIC committee support, and drafting group members have identified program funding as an important topic. He noted that states have used different funding approaches, and the Working Group should consider how to share information on those approaches without necessarily incorporating specific funding mechanisms into the model law.

Allen said funding is highly state-specific and was scheduled for discussion at the drafting group's next meeting. Powell said the model law may provide general authority for commissioners to seek or receive funding, while leaving specific funding sources to individual states. He said the NAIC Catastrophe Modeling Center of Excellence (CAT COE) could gather information from states and develop a funding resource guide, building on prior work with the Federal Alliance for Safe Homes (FLASH) and other available resources.

Commissioner Fowler said states need flexibility to use different funding sources and should avoid being locked into a single mechanism. He said Alabama uses available insurance fees and can accept funds from other sources. He cautioned that relying on annual general-fund appropriations can create uncertainty and may jeopardize the long-term viability of a mitigation program. Commissioner Mulready agreed that annual appropriations can create instability for programs.

Powell said the NAIC is also working with national mortgage, banking, and related associations to identify additional funding mechanisms that could support both grants and the infrastructure needed to deliver mitigation programs at scale. He said additional stakeholder financing mechanisms may help reduce program costs and expand the impact of available public funding.

Amy Bach (United Policyholders) noted that Colorado recently created a program with an insurer-funding mechanism for roof-fortification grants and suggested that approach be included in the resource review. She also described discussions with a Northern California credit union regarding a possible microloan product to help homeowners pay for wildfire mitigation or designation-related improvements. Commissioner Mulready said funding approaches from multiple states are expected to be included as a resource rather than as a prescriptive part of the model law.

3. Discussed State Mitigation Program Successes and Challenges

Smith-Drozdov provided an update on the Strengthen Oklahoma Homes program. The program provides grants of up to $10,000 to homeowners seeking to upgrade roofs to the Insurance Institute for Business & Home Safety (IBHS) FORTIFIED wind and hail standard.

Smith-Drozdov said participating homeowners are seeing an average premium savings of $733. She said the program has 39 participating contractors, eight active evaluators, approximately 500 applications in process, and approximately $3.8 million in grant funds issued. The program is expected to reach its 400th home around the week of this meeting.

Smith-Drozdov said one major lesson has been the importance of public awareness. The Oklahoma Insurance Department has used social media campaigns, media appearances, industry partnerships, and outreach to contractors, evaluators, local agencies, real estate professionals, and homeowners. She said another major lesson has been the importance of regular communication among stakeholders, so contractors, evaluators, and homeowners understand technical requirements, program expectations, and IBHS standards.

In response to a question from Brickwedde, Smith-Drozdov said Oklahoma tracks premium savings through homeowner declarations pages submitted during the application process and through post-completion verification with the insurer and the homeowner. The program specifically tracks the FORTIFIED discount and notes other premium changes that may result from new roofs or coverage changes.

Fielder said Florida's mitigation program began in fall 2022 and provides grants of up to $10,000 per homeowner. He said low-income homeowners do not have a match requirement, while moderate-income homeowners participate through a two-to-one match in which the state provides two dollars for each homeowner dollar. He said Florida's program is reimbursement-based, which can create cash-flow challenges for some low-income homeowners who must pay for work up front and then receive reimbursement.

Fielder said Florida's enabling statute limits eligible improvements primarily to roof work, including roof-to-deck attachment, roof-to-wall connections, secondary water-resistance barriers, and hurricane-impact shutters, doors, and windows. Since 2022, Florida has inspected approximately 147,000 homes, awarded approximately 82,000 grants, reimbursed 49,682 homeowners, provided an average reimbursement of approximately $9,400, and issued approximately $467 million in grant funds.

Fielder said approximately 25,500 participating homeowners saw an actual premium reduction; approximately 15,500 saw their premiums remain stable or remain insured; and approximately 6,200 saw premiums increase even after mitigation, though in many cases by less than they otherwise would have increased.

Fielder said Florida's program is funded through nonrecurring general revenue and that the state has had to return to the legislature for funding. He said an earlier version of the Florida program was created around 2006 or 2007 following hurricanes, but funding was eliminated at one point, and the program remained in law without funding until it was revived and funded in 2022.

Vuong provided an update on two California programs enacted in 2025. She said Senate Bill 429 established a Wildfire Safety and Risk Mitigation Program to provide grant funding to a university consortium to create a research and education center focused on developing, demonstrating, and deploying a public wildfire catastrophe model and aligning wildfire risk-reduction efforts across agencies and jurisdictions. She said a request for expertise opened in April. Submissions are due on June 22, with selection and initial funding expected in late 2026. The legislature allocated $8.5 million over three years to establish the center and develop the model.

Vuong said the program is intended to support wildfire-risk mitigation research, training opportunities, actuarial analysis, insurance regulation, and financial oversight. She said challenges include the California Department of Insurance administering a complex grant involving multiple contracting entities for the first time and navigating state contracting statutes and regulations while creating a foundation for the program beyond the current funding cycle. Vuong also said the California Safe Homes Program received approximately $3 million and remains in development, with the grant portal not yet open.

4. Reviewed the NAIC State Mitigation Program Mapping Tool

Powell presented a new NAIC interactive mapping tool that consolidates information about state insurance department-led mitigation programs, states considering programs, related legislation, program websites, and supporting materials. He said the tool was developed in response to inquiries about what states are doing and how their programs are structured.

Users can click on individual states to access external links, program information, legislation, and related resources. She said additional resources at the bottom of the map include mitigation grant program materials, papers, final reports, and studies intended to support state discussions. Powell said the NAIC expects to add mitigation discount tables and the funding resource guide to the mapping tool as those resources are completed.

5. Received an Update on Mitigation Discount Tables

Tim Farrell (NAIC) said the Working Group has discussed three key elements of successful mitigation programs: grant programs, mitigation discount tables, and mitigation-related endorsements. He said grant programs cannot reach every home that would benefit from mitigation, so premium discounts are important to incentivize homeowners who participate in grant programs and those who pay for mitigation work themselves.

Farrell said the NAIC has worked with states to determine appropriate mitigation discounts for different programs. Discount tables may be used as internal references for rate reviewers, as published benchmarks for insurers, or as mandated minimum discounts depending on state law and policy decisions. He said the work can address individual mitigation features as well as IBHS FORTIFIED designations, including Roof, Silver, and Gold levels; coastal wind programs; and inland severe convective storm, high-wind, and hail designations.

Farrell described the technical process for developing discount tables. Staff first work with a state to determine the scope, including the perils, lines of business, intended use, and mitigation features to be evaluated. They then use NAIC-licensed catastrophe models to compare modeled expected annual losses for an average home in the state with those for the same home after specified mitigation measures are applied. The reduction in expected loss informs the indicated discount.

Farrell said the indicated loss reduction must be adjusted for expenses because only part of an insurance premium reflects the peril-specific expected loss. He emphasized that mitigation discounts apply only to the premium for the relevant peril, such as hurricane, wind, or hail, and not to the entire homeowners premium. He said this can create consumer communication challenges because a large peril-specific discount may translate into a smaller reduction in total premium, and because overall rates may still increase even after mitigation if other rating factors change. NAIC committee support work with states to review assumptions, compare results with other studies or neighboring states, and prepare methodology documents supporting the analysis.

Brickwedde described Minnesota's experience developing a mitigation discount table with NAIC support. He said Minnesota law requires insurers to provide a premium discount or rate reduction on the wind portion of the premium for policyholders who install a FORTIFIED roof, but the department lacked a regulatory reference point for reviewing filings. He said the project began with a voluntary data call and extensive discussions with insurers about the value of the work. He said the resulting bulletin and technical methodology document help the department articulate its review process, identify filing elements it expects carriers to provide, and support efficient filing review and speed to market for consumers.

Vigliaturo said Minnesota is beginning to receive filings following the issuance of the bulletin. He emphasized that the discount applies to the specified peril covered by the statute. Wind and hail represent more than 50% of Minnesota homeowners losses, so an indicated 40% wind and hail discount would translate to an overall premium threshold closer to 20%. He said that distinction is important for regulators and nontechnical staff implementing discount tables.

Commissioner Mulready said NAIC involvement and the use of consistent methodology across states can provide consistency and a sense of comfort to companies and regulators.

Having no other business, the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group adjourned.

