Attachment A

APCIA Suggested Redline Edits to: Residential Mitigation Grant Program Model Act (10/21/2026 draft)

The following edits correspond to the recommendations in APCIA's comment letter. Deletions are shown in ~~strikethrough~~ and additions are shown in **bold**.

1. Qualified Mitigation Measures

Rationale: *These edits retain flexibility where no applicable recognized standard exists while ensuring that individual measures are supported by credible, peril-specific evidence.*

Section 3.J, page 4

> J. "Qualified Mitigation Measures" means construction or retrofit activities that materially reduce the risk of loss from one or more Designated Perils, as approved by the Commissioner**, and that are undertaken in accordance with an applicable Recognized Mitigation Standard. Where no applicable Recognized Mitigation Standard is reasonably available for a Designated Peril, the Commissioner may approve other construction or retrofit activities supported by documented, peril-specific loss-reduction evidence, which may include credible data, engineering analysis, peer-reviewed research, catastrophe modeling, or actuarial studies.**

Section 4.A, page 4 (Conforming edit)

> A. The Department shall establish and administer the Strengthen [insert state] Homes Program to provide financial assistance to eligible property owners for the purpose of implementing Qualified Mitigation Measures **in accordance with Section 3.J** for Eligible Residences.

Section 6.C, page 5 (Conforming edit)

> C. Grant awards shall be used for approved Qualified Mitigation Measures **that satisfy Section 3.J** and may, as determined by the Commissioner by rule, be used for other costs related to Qualified Mitigation Measures.

2. Premium Benchmark Table

Rationale: *These edits reconcile the conflicting provisions and preserve the table as a nonbinding reference while allowing insurer-specific discounts supported through the applicable filing process.*

Section 3.H, page 4

> H. "Premium Benchmark Table" means the schedule of ~~minimum~~ **nonbinding reference** premium discounts adopted by the Commissioner under Section 9, expressed as percentages applied to the homeowner's [or dwelling] insurance premium as determined by the Commissioner.

Section 9.A, page 10

A. Any insurer authorized to write homeowner's [or dwelling] insurance in this State ~~shall~~**may** provide an actuarially justified premium discount or rate reduction to a policyholder who completes and maintains a Qualified Mitigation Measure irrespective of the funding source for the Qualified Mitigation Measure, retains documentation of such completion and maintenance, and provides documentation to the insurer. An insurer may satisfy this requirement by filing its own actuarially supported discount or rate reduction consistent with the insurer's rating plan with the Department, provided the filed discount or rate reduction is not less than the applicable minimum set forth in the Premium Benchmark Table under Section 9C, unless the insurer demonstrates to the Commissioner's satisfaction that a different discount or rate reduction is actuarially justified based on credible data, catastrophe modeling, engineering analysis, actuarial studies, or a combination thereof**. An insurer offering a premium discount or rate reduction under this section may adopt a reference discount from the Premium Benchmark Table under Section 9C or file a different discount or rate reduction, whether higher or lower, when supported by credible data, catastrophe modeling, engineering analysis, actuarial studies, claims experience, relevant research, or other reasonable justification.**

Section 9.A Drafting Note, page 10

The Premium Benchmark Table in Section 9C operates as a ~~presumptive minimum from which an insurer may depart only with actuarial support, which preserves the mandatory discount while allowing for insurer-specific data~~ **nonbinding reference tool. An insurer may adopt the reference levels or file different levels, whether higher or lower, when supported as provided in Sections 9A and 9C. The table does not establish a required or presumptive minimum.** A state that prefers to authorize, rather than require, a statewide benchmark may wish to modify Sections 9C through 9F, replacing "shall" with "may" in Section 9E and treating the Premium Benchmark Table as a reference point rather than a binding minimum.

Section 9.C, page 10

No substantive change is necessary. APCIA recommends retaining the following language:

The benchmark levels do not establish required minimums or create a presumption that a different discount level is unreasonable.

Section 9.E, page 11

E. ~~Insurers~~**An insurer that offers a premium discounts or rate reduction** shall file and maintain rating plans ~~consistent with the Premium Benchmark Table, subject to Section 9A, and~~ **that provide actuarially justified premium discounts or rate reductions in accordance with Sections 9A and 9C and** applicable rating laws.

Section 9.F, page 11

F. Nothing in this section shall be construed to prohibit insurers from offering additional incentives, credits, or enhanced discounts beyond the ~~minimum discount levels set forth in~~ **discount levels included in or otherwise supported independently of** the Premium Benchmark Table.

3. Optional Resilience Endorsement

Rationale: *These edits preserve regulatory review while allowing insurers to manage adverse selection, establish workable coverage triggers, and design and price the endorsement based on the risks presented.*

Section 9.G, page 11

> G. Subject to ~~eligibility criteria described in Section 9I~~ **applicable underwriting and eligibility criteria established by the insurer and included in its filed form**, an insurer authorized to write homeowner's [or dwelling] insurance in this State shall make available an optional coverage endorsement for Eligible Residences that have not completed one or more Qualified Mitigation Measures.

Section 9.H(1), page 11

> (1) Provide coverage, for a fee, which pays following a specific covered loss **that results in damage sufficient to require replacement of the feature being upgraded**, the additional cost of replacing a damaged, unmitigated feature of an Eligible Residence with a feature that meets a Recognized Mitigation Standard or Qualified Mitigation Measure, as approved by the Department, above the cost of like-kind-and-quality replacement of the damaged feature; **provided that an insurer may establish a different actuarially and operationally appropriate trigger in a form filed with and approved by the Department under applicable insurance laws**;

Section 9.H(2), page 11

> (2) Remain in effect for the ~~useful life of the Eligible Residence and~~ policy period, subject to **the terms and conditions of the policy and** reasonable maintenance and inspection requirements; and

Section 9.I, pages 11–12

> I. ~~The Commissioner may establish minimum endorsement features, eligibility criteria to include inspection of Eligible Residence features for suitability to mitigate prior to collection of premium, documentation requirements, and consumer disclosures to ensure consistency and transparency for optional coverage endorsement.~~
> **An insurer may establish endorsement features, coverage amounts, conditions, limits, pricing, eligibility criteria, inspection requirements, documentation requirements, and consumer disclosures in forms and rates filed with the Department in accordance with applicable insurance laws. The Commissioner may adopt rules reasonably necessary to ensure that consumer disclosures clearly describe the endorsement's coverage, limitations, conditions, and cost, but such rules shall not require uniform product design, eligibility criteria, coverage amounts, or pricing.**

Section 9.I Drafting Note, page 12

> This subsection contemplates that, before an optional endorsement is issued and premium is collected, the insurer or its designee may inspect the Eligible Residence to confirm that its features are suitable to be mitigated to the applicable standard, so that the endorsement is underwritten and priced based on the residence's actual mitigation potential. **Insurers may use inspections or other reasonable underwriting methods to evaluate eligibility and mitigation potential, subject to applicable insurance laws.**

4. Documentation Standards

Rationale: *These edits promote consistent documentation while retaining flexibility for insurer-specific verification needs.*

Section 8.D, page 9

> D. The Department shall establish an application process for grants under the Program, including eligibility verification and documentation requirements. **The Department may establish a standardized form or other uniform means of documenting completion and maintenance of Qualified Mitigation Measures and compliance with Recognized Mitigation Standards. The Department shall make publicly available a current list of approved Recognized Mitigation Standards and Qualified Mitigation Measures.**

Section 9.A, page 10

> Any insurer authorized to write homeowner's [or dwelling] insurance in this State shall provide an actuarially justified premium discount or rate reduction to a policyholder who completes and maintains a Qualified Mitigation Measure irrespective of the funding source for the Qualified Mitigation Measure, retains documentation of such completion and maintenance, and provides documentation to the insurer. **Documentation shall be sufficient if it complies with a standardized form or other uniform verification mechanism established by the Department, or with reasonable documentation requirements established by the insurer and included in its filed rating plan.** An insurer may satisfy this requirement by filing its own actuarially supported discount or rate reduction consistent with the insurer's rating plan with the Department, provided the filed discount or rate reduction is not less than the applicable minimum set forth in the Premium Benchmark Table under Section 9C, unless the insurer demonstrates to the Commissioner's satisfaction that a different discount or rate reduction is actuarially justified based on credible data, catastrophe modeling, engineering analysis, actuarial studies, or a combination thereof.

Section 9.B, page 10

> B. Premium discounts for Qualified Mitigation Measures shall apply to the homeowner's [or dwelling] insurance premium as determined by the Commissioner. The discount shall remain in effect for so long as the Qualified Mitigation Measure is maintained and shall continue, subject to reasonable verification by the insurer, upon transfer of the property to a new owner who maintains the Qualified Mitigation Measure. **An insurer may rely on the Department's current publicly available list of Recognized Mitigation Standards and Qualified Mitigation Measures and shall not be required to revise its forms solely because that list is updated.**

5. Insurer Data Collection

Rationale: *These edits preserve the Department's access to relevant information while limiting duplicative, disproportionate, or unsupported data requests.*

Section 10.A, page 12

> A. An insurer authorized to write homeowner's [or dwelling] insurance in this State shall, upon request and in a form prescribed by the Commissioner, provide ~~loss experience and policy level~~

~~data necessary~~ **information reasonably necessary** to support the Premium Benchmark Table required under Section 9**, provided that the request is reasonably tailored in scope, frequency, and level of detail to the stated regulatory purpose and does not duplicate information otherwise reasonably available to the Department. The Commissioner may accept aggregated data, catastrophe modeling, engineering analysis, relevant research, actuarial studies, or other credible information where insurer-specific loss experience or policy-level data is unavailable, not sufficiently credible, or not reasonably necessary for the stated purpose**.

Section 10.B, page 12

B. An insurer authorized to write homeowner's [or dwelling] insurance in this State shall annually report to the Department ~~the number and type of endorsements under Section 9G, by zip code, and how the insurer verifies endorsement by peril~~ **information reasonably necessary to evaluate the availability and use of endorsements offered under Section 9G. Any reporting requirement shall be reasonably tailored to the Program's evaluation needs, shall avoid duplicating information otherwise available to the Department, and shall permit reporting in an aggregated form where policy-level information is not reasonably necessary.**

6. Confidentiality and Information Sharing

Rationale: *These edits establish aggregated and de-identified information as the default while preserving targeted sharing when identifiable information is necessary for Program administration.*

Section 11.D(3), page 13

(3) Share documents, materials, or other information subject to Section 11A with non-profit organizations, community development financial institutions, or tribal entities pursuant to Section 8E, provided the recipient agrees in writing to maintain the confidentiality and privileged status of the document, material or other information. **Information shared under this paragraph shall be aggregated or de-identified unless disclosure of identifiable information is reasonably necessary for the recipient to perform an authorized function under Section 8E. Any disclosure of identifiable information shall be limited to the minimum information reasonably necessary for that function and shall be subject to a written agreement addressing confidentiality, permissible use, information security, retention, and disposal**;

Section 11.F, pages 13–14

F. Nothing in this Act shall prohibit the Commissioner from sharing documents, materials, or other information in an aggregated and de-identified manner, ~~and that are~~ **when the information is** shared for the purpose of evaluating or reporting on Program operations, Program effectiveness, or market conditions as prescribed by Section 12. **Where the Commissioner is authorized to share information under this Act, aggregated and de-identified information shall be used when disclosure of identifiable information is not reasonably necessary for the authorized purpose.**

7. Commercial Multifamily Applicability

Rationale: *These edits allow broader grant eligibility without automatically applying personal-lines product and reporting requirements to commercial insurance policies.*

Section 8.A(2) Drafting Note, page 9

> In the alternative, a state may omit the insurance-coverage eligibility requirement from the Act and authorize the Department to establish coverage-related eligibility criteria by rule. Because single-family rental properties are commonly insured under dwelling policies rather than homeowner's policies, this paragraph offers an option for both. A state should also consider conforming Sections 9 and 10, which are written in terms of homeowner's insurance, so that the premium discount and endorsement provisions reach policies covering Eligible Residences. **A state that expands the definition of Eligible Residence to include multifamily, rental, or other properties commonly insured under commercial property or commercial package policies should expressly determine whether, and to what extent, Sections 9 and 10 apply to those policies. Expansion of grant eligibility shall not, by itself, extend the premium discount, optional endorsement, or insurer data-reporting requirements of Sections 9 and 10 to commercial insurance policies. Any such extension should be stated expressly and conformed to the applicable commercial insurance rating, form-filing, underwriting, and reporting framework.**

Add new Section 8.F, page 9

> **F. Eligibility of a property for a grant under this Section shall not, by itself, subject an insurance policy covering that property to Sections 9 or 10. Sections 9 and 10 apply only to the types of insurance policies expressly identified in those sections or otherwise expressly included by the adopting State.**