



September 8th, 2026

Pre-Disaster Mitigation and Risk Modeling (EX) Working Group
Natural Catastrophe Risk and Resilience (EX) Task Force
National Association of Insurance Commissioners

Re: Comments on the Residential Mitigation Grant Program Model Act

Dear Members of the Working Group:

Ceres appreciates the opportunity to comment on the Residential Mitigation Grant Program Model Act, exposed by the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group on August 6, 2026. Ceres is a nonprofit organization working with capital market leaders to build a just and sustainable economy; the Ceres Accelerator focuses on the role insurance regulators and insurers can play in reducing severe weather and catastrophe risk to communities and the broader financial system. We write in support of the Model Act and to recommend one refinement to Section 5, Use of Recognized Mitigation Standards.

Ceres supports the Model Act's overall framework, especially provisions concerning grant-funded mitigation to mandatory, actuarially justified premium discount under Section 9; requiring insurer data collection to inform the Premium Benchmark Table under Section 10; establishing independence between Enrolled Contractors and Independent Third-Party Verifiers under Section 7H; and creating a non-lapsing Trust Fund under Section 15C are all design choices that reflect lessons learned from states with mature mitigation grant programs. Taken together, these provisions should help new and expanding state programs deliver measurable loss reduction while protecting consumers and preserving public confidence in the Program.

This framework is consistent with a growing body of research on residential mitigation. A 2025 [peer-reviewed study](#) by the University of Alabama's Center for Risk and Insurance research, commissioned by the Alabama Department of Insurance, examined more than 40,000 insured properties in the path of Hurricane Sally and found the homes built or retrofitted to the FORTIFIED Roof standard saw roughly 73 percent fewer claims and 15 to 40 percent lower claim severity than conventionally built homes, with higher-tiered **FORTIFIED** designations performing better still. More broadly, a 2019 report by the National Institute of Building Sciences focused on Natural Hazard Mitigation Saves found that retrofitting existing residential buildings to current standards [returns roughly six dollars in avoided loss for every dollar invested](#) for flood and wind hazards.

Comparable evidence exists for wildfire and hail, the two other perils most likely to be designated under state programs modeled on this Act. The Insurance Institute for Building & Home Safety's

(IBHS) field investigation of the 2023 Lahaina fire **found that** parcel and community-level factors, including defensible space and separation between structures, determined which homes survived, and that fire-resistant building materials were most effective when paired with those broader mitigation measures rather than used alone. A related 2025 study by IBHS and Headwaters Economics found that building a new home in Altadena, California to an enhanced wildfire-resistant standard added only **about 3 percent** to the cost of the roofing, siding, and window components most relevant to fire mitigation, which is evidence relevant to Section 6's grant amount and cost-sharing provisions. For hail, IBHS's **Impact-resistant Shingle Ratings** benchmark shingle performance under standardized, realistic hail impacts and have found that performance varies widely across products marketed as hail-resistant, while a **separate 2025 IBHS study** found that repeated exposure to smaller, sub-severe hail can measurably reduce a roof's resistance to a subsequent large hail event. Taken together, this research underscores that not all standards or products marketed under a given peril perform equivalently, which is the central reason Ceres recommends an evidentiary floor in Section 5.

Standard-agnostic approach in Section 5

Section 5 keeps the Model Act standard-neutral by design; no proprietary standard is named in the statute, and the Commissioner designates Designated Perils and approves Recognized Mitigation Standards by rule. Ceres supports this approach; it lets each state adapt to its own perils, housing stock, and consensus standards, and adjust as mitigation science evolves. Section 3K already requires a Recognized Mitigation Standard to be nationally or regionally recognized, or a consensus standard; but that requirement speaks to where a standard comes from, not how well it reduces losses. Section 5A does not ask for that kind of evidence; it simply authorizes the Commissioner to approve standards. The loss-reduction test in Section 5B, requiring an approach to be substantially equivalent based on engineering analysis, peer-reviewed research, catastrophe modeling, or actuarial evidence, only applies to alternative or supplemental approaches, not to the baseline approval decision.

This gap creates two practical risks. States could approve standards of very different rigor for the same peril, therefore a homeowner's grant-funded retrofit, and the premium discount tied to it under Section 9, may or may not reflect an actual reduction in loss. And because the Premium Benchmark Table under Section 9D must be grounded in actuarial data and the loss-reduction value of the underlying standard, a standard approved without that evidence makes the table, and the mandatory discount it drives, harder to defend.

Ceres recommends keeping the standard-neutral framing but adding a floor. Amend Section 5A so that every recognized Mitigation Standard, not just the alternatives addressed in Section 5B, must be approved on documented, peril-specific loss-reduction evidence, and require the Commissioner's periodic review to reconfirm that evidence stays current. This does not require

naming a specific standard, (such as FORTIFY); it simply gives every state a consistent, defensible basis for the standards it approves, strengthening consumer protection and the credibility of the Premium Benchmark Table across adopting states.

A common evidentiary floor would preserve state flexibility while establishing a shared minimum level of rigor across adopting states. States could continue to select standards, while insurers, contractors, independent verifiers, and homeowners could rely on the designation "Recognized Mitigation Standard" as reflecting a demonstrated level of peril-specific loss reduction. A floor can also reduce unnecessary fragmentation for multistate insurers and service providers because the universe of standards supported by documented, peril-specific loss-reduction evidence is considerably narrower than the universe of standards marketed for a given peril.

Such an architecture, with a common minimum requirement while the state retains the authority to implement and to impose more stringent requirements where appropriate, is well established. One example is the Conference of State Bank Supervisors' [2021 state regulatory prudential standards](#) for nonbank mortgage servicers. The standards establish common capital, liquidity, and corporate governance requirements, which take effect only through state implementation. Each state adopts them under its own jurisdictional authority, and state regulators retain the ability to increase requirements for higher-risk servicers. CSBS has emphasized consistent adoption as a means of supervising multistate entities while minimizing regulatory burden, and nonbank mortgage servicers licensed in at least one adopting state collectively service 99 percent of the nonbank mortgage market by loan count.

Another example is the federal [SAFE Act](#), which directs states to adopt minimum uniform standards for the licensing and registration of residential mortgage loan originators, with each state administering its own licensing system and free to impose requirements above the federal floor.

For comparison, [NCOIL's Strengthen Homes Program Model Act](#) takes a considerably narrower approach. It ties both program eligibility and the premium discount directly to the IBHS FORTIFIED roof standard by name, rather than leaving that choice to the Commissioner; and it limits its scope to wind-related perils, such as hurricane, tornado, and other catastrophic windstorm events, without addressing wildfire, hail, or other exposures. It also lacks the data collection, actuarial benchmarking, and periodic standard review provisions found in the NAIC's Model Act. Ceres supports the direction the NAIC has taken here: extending program eligibility across multiple perils and building in ongoing data collection and review gives states considerably more flexibility to respond to their own risk profile. Adding the evidentiary floor recommended above would let the NAIC model retain the flexibility while also capturing the principal advantage of NCOIL's narrower approach, namely a demonstrated link between the standard and loss reduction.

We thank the Working Group for its continued leadership on residential mitigation efforts and welcome the opportunity to discuss these comments further.

Sincerely,



Jaclyn de Medicci Bruneau, Ph.D.
Director, Insurance
Ceres Accelerator for Sustainable Capital Markets