NAHB®
National Association
of Home Builders

September 8, 2026

Nancy Beydler
National Association of Insurance Commissioners
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RE: NAIC Draft Residential Mitigation Grant Program Model Act

Dear Nancy:

On behalf of the National Association of Home Builders (NAHB), I am pleased to submit the following comments on the National Association of Insurance Commissioners' draft Residential Mitigation Grant Program Model Act.

NAHB is a Washington, D.C.-based trade association that represents more than 140,000 members and includes more than 700 affiliated state and local associations in all fifty states, the District of Columbia, and Puerto Rico. NAHB members design, construct, and supply single-family homes, build and manage multifamily projects, and remodel existing homes. In the single-family market, NAHB's members construct custom housing as well as homes for first-time home buyers, including low- and moderate-income families and individuals. NAHB's multifamily members build and manage rental housing for renters in market-rate, affordable, and federally assisted multifamily housing. Our members are proud to construct over 80 percent of the homes produced each year that provide shelter for U.S. families.

The recent rise in major natural disasters serves as a powerful reminder of the critical role the residential construction industry plays in building safe and resilient homes and communities. It has also ignited a broader conversation about risk, resiliency, and mitigation. NAHB has long been at the forefront of these discussions, taking a leadership role in improving the resilience and performance of both new and existing homes. We have consistently demonstrated our commitment to collaborating with all levels of government to promote and implement effective disaster and floodplain management policies while improving the resiliency of the homes we build and the communities we serve, and NAHB takes pride in developing cost-effective, market-driven solutions that strike a balance between preserving housing affordability and ensuring reasonable protection for life and property.

Given the more recent challenges associated with the availability and affordability of homeowners insurance, NAHB has been studying the steps it and its members can take to promote pre-disaster planning and mitigation; reduce property damage from wind, water, seismic and other hazards; minimize the payout of claims and disaster assistance; and further reduce the costs of reconstruction following a natural disaster. Because overcoming the significant hurdles of how to finance upgrades and entice homeowners to take action are key to the success of any effort to increase investment in resilience and mitigation, one solution that is garnering a lot of attention, including by some of our affiliated state Home Builder Associations, is the establishment of state incentive programs. Hence, NAIC's proposed model is both applicable and timely. NAHB"s comments follow.

- **In General:** NAHB soundly supports federal, state and local efforts that offer cost-effective, market driven solutions to encourage greater resiliency in the nation's housing stock while preserving housing affordability and maintaining the availability of land. NAIC's Model is an important resource for helping state and local governments take that first step toward improved resiliency. The peril-agnostic approach makes sense and the emphasis on tailoring the Model to individual situations will help to ensure any enacted legislation is responsive to and consistent with the reasonable and probable natural and man-made disasters that may affect the adopting state.

  Because the Model is specific to the establishment of a state mitigation grant program, it is uncertain how other programmatic suggestions might be treated. For example, mandating that all insurers who write homeowners insurance offer an optional resiliency endorsement that would cover the additional cost of a stronger roof or weather-rated garage door seems like it might help to increase the resiliency of the housing stock, but may not neatly fit into a mitigation grant program. It would be helpful to know when and where these types of suggestions should be raised with NAIC/others.

  NAHB is hopeful that the Model will become one in a suite of options that are available to state and local governments and looks forward to working with NAIC to develop the model regulations, ordinances, operational guidelines, and outreach materials to help states and communities quickly adopt these much-needed programs, builders and remodelers to understand their reach, and homeowners to recognize their value.

- **Focus on Existing Homes:** While we understand the initial suggestion to focus on existing homes due to their higher risk profiles and likely funding constraints, we would like to see more emphasis on how the program could be applied to or otherwise benefit new construction (which is subjected to similar upfront cost challenges as existing homes). Adding language for a "Tier II" for new construction that could be enacted after X years or a more targeted list of how funds for new construction can be used could reinforce the idea with states that new construction could benefit from funding incentives, too.

- **Recognized Mitigation Standard:** NAHB soundly supports the standard-neutral approach taken by the Model and the need for the standard to be nationally or regionally recognized or consensus-based. As noted, as new technologies are unveiled, new standards developed, or state-specific preferences adopted, the states need the flexibility to identify and recognize them for inclusion in the program via regulation or programmatic acceptance versus via legislation. Further, allowing states to recognize a broad array of actions may help to facilitate more homes receiving resiliency improvements.

- **Insurance Premium Discounts:** NAHB believes it is vital to mandate the premium discount for those who have completed Qualified Mitigation Measures and strongly supports the use of the word "shall". Allowing each state to opt out of the discount effectively nullifies the very purpose of the program. Further, one of the most effective ways to sell a mitigation measure is to show how its value is reflected in a lower insurance premium or higher appraisal. If there is little or no return on the investment or the payback period is too long, the investment is less likely to be made. Likewise, if a discount might be made or the decision is based on subjective criteria, fewer homeowners are likely to take the gamble.

  Like the mandatory discount, NAHB is fully supportive of the Premium Benchmark Table. The more builders, remodelers and homeowners know about mitigation measures and how they will be reflected in their insurance rates, the better they understand the home's qualities and overall value. Further, the Table can serve as an important planning tool when considering mitigation, as it can be used to calculate and compare costs and potential insurance reductions before construction starts so that homeowners can optimize their investments and limit any surprises. Not only should the Table be developed, it must also be made widely available.

- **Incentives for Builders/Remodelers:** Builders and remodelers play a significant role in helping consumers understand what they are buying (or not buying) and communicating the value and import of resiliency, yet with all of their other responsibilities, doing so may not be a priority. Incentivizing their role in the resiliency arena could result in even more significant improvements. Providing income tax credits for each qualified mitigation measure, permit streamlining or permit rebates for projects meeting mitigation thresholds, reduced fees for builder's liability insurance, or other measures could increase participation and improve overall program results. NAHB recommends adding a section to the Model devoted to incentives for builders and remodelers.

Strengthening the housing stock is essential to reducing the impact of natural disasters on our communities, homes, and families, yet overcoming the significant hurdles of how to finance upgrades and entice homeowners to take action continue to provide challenges to doing so. NAHB is pleased NAIC has developed the Residential Mitigation Grant Program Model Act and is committed to working with you, along with our state Home Builder Associations, to advocate for the adoption and implementation of programs to facilitate, incentivize, and offset the costs of voluntary above-code construction and pre-disaster mitigation.

Thank you for the opportunity to provide the above observations and recommendations. We appreciate the outreach and look forward to continuing our partnership. If you have any questions or would like to discuss any of our recommendations, please do not hesitate to contact me at 202 266-8538 or sasmus@nahb.org.

Sincerely,

Susan Asmus

Senior Vice President, Regulatory Affairs

NAHB Advocacy