Draft date: 7/30/26

2026 Summer National Meeting
Columbus, Ohio

PRE-DISASTER MITIGATION AND RISK MODELING (EX) WORKING GROUP
Tuesday, August 11, 2026
2:30 – 3:30 p.m.
Hilton Tower 402—Robinson Ballroom AB—Level 5

ROLL CALL

Timothy J. Temple, Chair	Louisiana	Joy Y. Hatchette	Maryland
Glen Mulready, Vice Chair	Oklahoma	Jackie Horigan	Massachusetts
Mark Fowler	Alabama	Parker Fisher	Michigan
Tom Zuppan	Arizona	Peter Brickwedde	Minnesota
Kate Amano/Holly Vuong	California	Andy Case/John Thornton	Mississippi
George Bradner	Connecticut	Connie Van Slyke	Nebraska
Sharon Shipp	District of Columbia	Cherry Mui	New York
Anoush Brangaccio	Florida	David Forte	Washington
Sandry Darby	Maine		

NAIC Committee Support: Butch Kinerney/Aaron Brandenburg

AGENDA

1. Consider Adoption of its July 14 Minutes —*Commissioner Timothy J. Temple (LA)* — Attachment A

2. Receive an Update on the Mitigation Model Law Development —*Rebekah Allen (VA) and Brian Powell (NAIC)*

3. Hear a Report from The Water Institute on Reflecting Mitigation Investments in Premiums—*Renee Collini (The Water Institute)*

4. Hear a Presentation from Coalition Against Insurance Fraud —*Michelle Rafeld (*Coalition Against Insurance Fraud)

5. Discuss Any Other Matters Brought Before the Working Group —*Commissioner Timothy J. Temple (LA)*

6. Adjournment

#1. Consider Adoption of its July 14 Minutes

Attachment A

Commissioner Timothy J. Temple

Draft: 7/27/26

Pre-Disaster Mitigation and Risk Modeling (EX) Working Group
Virtual Meeting
July 14, 2026

The Pre-Disaster Mitigation and Risk Modeling (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX) Task Force met July 14, 2026. The following Working Group members participated: Timothy J. Temple, Chair, represented by Chris Cerniauskas (LA); Glen Mulready, Vice Chair (OK); Mark Fowler and Travis Taylor (AL); Holly Vuong (CA); George Bradner (CT); Anoush Brangaccio (FL); Matthew Mancini (MA); Joy Y. Hatchette (MD); Sandra Darby (ME); Eric Schroeder (MI); Peter Brickwedde (MN); John Thornton (MS); Connie Van Slyke (NE); Cherry Mui (NY); and David Forte (WA). Also participating were: Elizabeth Kelleher Dwyer (RI) and Scott A. White and Rebekah Allen (VA).

1. Adopted its June 10 Minutes

The Working Group met June 10. During this meeting, the Working Group took the following action: 1) adopted its May 12 meeting minutes; 2) received an update on the mitigation law development; 3) discussed state mitigation program successes and challenges; and 4) received an update on the NAIC state mitigation program mapping tool and the mitigation discount tables.

Commissioner Fowler made a motion, seconded by Brangaccio, to adopt the Working Group's June 10 minutes (Attachment X). The motion passed unanimously.

2. Received an Update on the Development of the Mitigation Program Model Law

Allen reported that the mitigation model law drafting group had completed its review of the substantive text and had one regularly scheduled meeting remaining on July 28. She said the group was resolving a small number of outstanding issues and completing drafting notes. Following that meeting, the draft was expected to be submitted to the NAIC legal team for review and prepared for presentation during the 2026 Summer National Meeting.

Commissioner Mulready said the proposed NAIC model builds on a mitigation model previously adopted by the National Council of Insurance Legislators (NCOIL). He said the NAIC and NCOIL should communicate carefully about the relationship between the two models and described the NAIC effort as an enhancement that reflects developments since the NCOIL model was adopted. Director Dwyer agreed that the work should be framed as an expansion of the earlier model and said NCOIL could use the NAIC's work as it considers future updates.

In response to a question from Val Clarke (Lloyd's) regarding surplus lines insurers, Allen said the current draft addresses entities writing homeowners insurance and could include the residual market. She emphasized that the principal purpose of the model is to establish and support mitigation programs, while insurer-related provisions are a smaller part of the broader framework.

Brian Powell (NAIC) said the draft is intended to be peril-agnostic and to expand on the NCOIL model by providing broader authority for mitigation standards, funding, and for departments of insurance and commissioners to direct and develop state programs. He said the model includes extensive drafting notes to help states adapt the language to different perils, program structures, and legal frameworks.

In response to a question from David Snyder (American Property Casualty Insurance Association—APCIA), Commissioner Mulready said the draft was expected to be exposed following the Summer National Meeting, with comments used to make any necessary revisions before consideration by the Executive (EX) Committee at the Fall National Meeting. Butch Kinerney (NAIC) said the planned exposure period was 30 days. Commissioner Mulready said the goal remained to complete approval of the model before the end of 2026.

3. Heard Updates on State Mitigation Programs and Implementation Challenges

Cerniauskas said Louisiana has required insurers to offer mitigation-related endorsements for several years, but consumer uptake has been lower than anticipated. He said the state is considering additional promotion and outreach while also planning for the possibility that endorsement use could increase sharply following a major catastrophe.

Cerniauskas said Louisiana was progressing through its first 3,000 FORTIFIED grants, funded through fees and taxes, and was preparing to issue approximately 5,000 additional grants, supported by $50 million from the Louisiana Citizens Property Insurance Corporation. He said the state was also pursuing a Federal Emergency Management Agency (FEMA) Building Resilient Infrastructure and Communities (BRIC) grant and evaluating the concentration of resilient homes that could become meaningful to insurers and reinsurers. He said estimates of 20% to 30% had been discussed and that the state was working with Guy Carpenter and others on that question.

Cerniauskas emphasized the need to build out the entire FORTIFIED ecosystem as funding expands, including qualified roofing contractors, evaluators, and sufficient Insurance Institute for Business & Home Safety (IBHS) processing capacity. He said Louisiana may also need to review whether homes for which endorsements are sold are structurally eligible to receive a FORTIFIED designation at the time of loss. He identified local gap funding as an emerging success, noting that Jefferson Parish had initiated an approach in which local funds help keep grants within the parish, and that the City of New Orleans was considering allocating approximately $600,000 for a similar effort.

Taylor reported that Alabama's program had reached 10,708 homes and invested just under $106 million. He said the program anticipated completing approximately 1,400 additional homes in the next fiscal year.

Commissioner Fowler said the growth of FORTIFIED programs across multiple states is putting pressure on the supply of trained evaluators and inspectors. He said the IBHS standards require a rigorous inspection and verification process that cannot be expanded instantly. He cited post-Hurricane Sally research as evidence that the evaluator and documentation process was a key distinction between homes constructed only to code and homes receiving a FORTIFIED designation. Commissioner Mulready and Taylor agreed that verification was central to the performance demonstrated in the study.

Commissioner Fowler said that Alabama requires insurers to offer a FORTIFIED endorsement and that there has been meaningful uptake. He said the department had identified a small number of situations in which insurers sold endorsements but failed to deliver the promised benefit after a loss, requiring the companies to provide additional funding. He said regulators should remain attentive to whether endorsements are implemented as represented at the point of claim.

4. Discussed Endorsement Items

Commissioner Mulready led a discussion on the importance of tracking endorsement sales and program data, particularly FORTIFIED roof endorsements, to improve planning and resource allocation, and to serve as a critical component of mitigation programs that encourage resilient rebuilding after losses. Suggestions included incorporating endorsement data into existing homeowners insurance data calls and exploring data collection

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methods while respecting legal constraints, and enhancing data sharing to better understand program uptake and needs.

Fred Malik (IBHS) said FORTIFIED roof endorsements can help homeowners obtain a more resilient roof at the critical point when a roof is being replaced following a catastrophe. He said homeowners are often focused on speed and limiting out-of-pocket costs after a loss, which can lead them to restore a roof quickly without incorporating resilience improvements. A voluntary endorsement can change that decision by providing the resources needed to rebuild to the FORTIFIED standard.

Malik said IBHS currently lacks sufficient visibility into how many FORTIFIED endorsements have been sold or remain active in particular markets. That information would help IBHS plan staffing and resources before and after a catastrophe. Commissioner Mulready and Bradner discussed the possibility of adding endorsement information to future NAIC Homeowners Market Data Calls, potentially providing ZIP-code-level information on where the endorsements are in force.

Malik also described challenges in the post-storm sales environment. He said homeowners may be approached by storm-chasing contractors and pressured to sign contracts before speaking with their insurer. That can conflict with endorsement and FORTIFIED requirements, including stripping the roof to the deck, verifying deck nailing, using a certified roofing contractor, and engaging an independent evaluator. He said homeowners need immediate information at the point of loss about the endorsement requirements and where to obtain qualified assistance.

Working Group members discussed the possibility that a major catastrophe could create shortages of certified roofing contractors and evaluators. Bradner said states should learn from jurisdictions that have already managed post-disaster surges. Cerniauskas said planning and communication are essential, but states should not relax standards to accelerate production, as the quality and performance associated with the FORTIFIED designation must be protected. Malik said IBHS is expanding relationships with roofing manufacturers and the International Association of Certified Home Inspectors (InterNACHI) to reach contractor and inspector networks that can be trained and credentialed more quickly.

Hatchette raised concern that limited contractor capacity could delay repairs long enough for some policyholders to exhaust additional living expense coverage. Michael Newman (IBHS) said that installing a FORTIFIED roof does not inherently take longer than installing a conventional roof, but the Working Group agreed that a shortage of certified contractors could create a practical delay. Bradner said Connecticut was beginning to identify and train contractors before its program became fully operational.

Director Dwyer asked whether the required evaluation and documentation touchpoints could delay roof installation. Malik said the field visits should not delay completion when roofing contractors and evaluators communicate effectively about the installation schedule. He said IBHS has also permitted roofing contractors to collect portions of the required documentation to help avoid unnecessary delays.

Jeff Klein (American Bankers Association—ABA) noted that bills in approximately 15 to 20 states would create disaster savings accounts and said funds in those accounts could potentially be used for FORTIFIED roofs and other mitigation expenses. He also asked whether FORTIFIED certifications could support deployment across state lines after a catastrophe. Malik said an IBHS-certified contracting firm may work in another state, provided the certified firm maintains an appropriate representative in the state and does not simply subcontract the work to an uncertified roofer.

Brickwedde said states should consider both the evaluator's and the contractor's capacity. He said Minnesota had partnered with IBHS and Smart Home America to train contractors but had fewer evaluators ready to support projects. Malik said recruiting and retaining evaluators becomes easier when they can see a sustained market for FORTIFIED work. He said experience in Minnesota and Oklahoma had reinforced the value of alliances with organizations whose members already possess relevant inspection knowledge.

Commissioner White asked whether IBHS could collect information from member insurers on their use of endorsements. Newman said federal and state antitrust requirements limit IBHS discussions with members about company business practices and that IBHS would not collect that information directly from member insurers.

Data transparency emerged as a key concern, with calls to better track endorsement sales and program participation to inform planning and resource allocation. While IBHS cannot collect detailed member business data due to legal constraints, integrating endorsement data into existing insurance data calls was proposed.

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

#2. Receive an Update on the Mitigation Model Law Development

Rebekah Allen (VA) and Brian Powell (NAIC)

NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

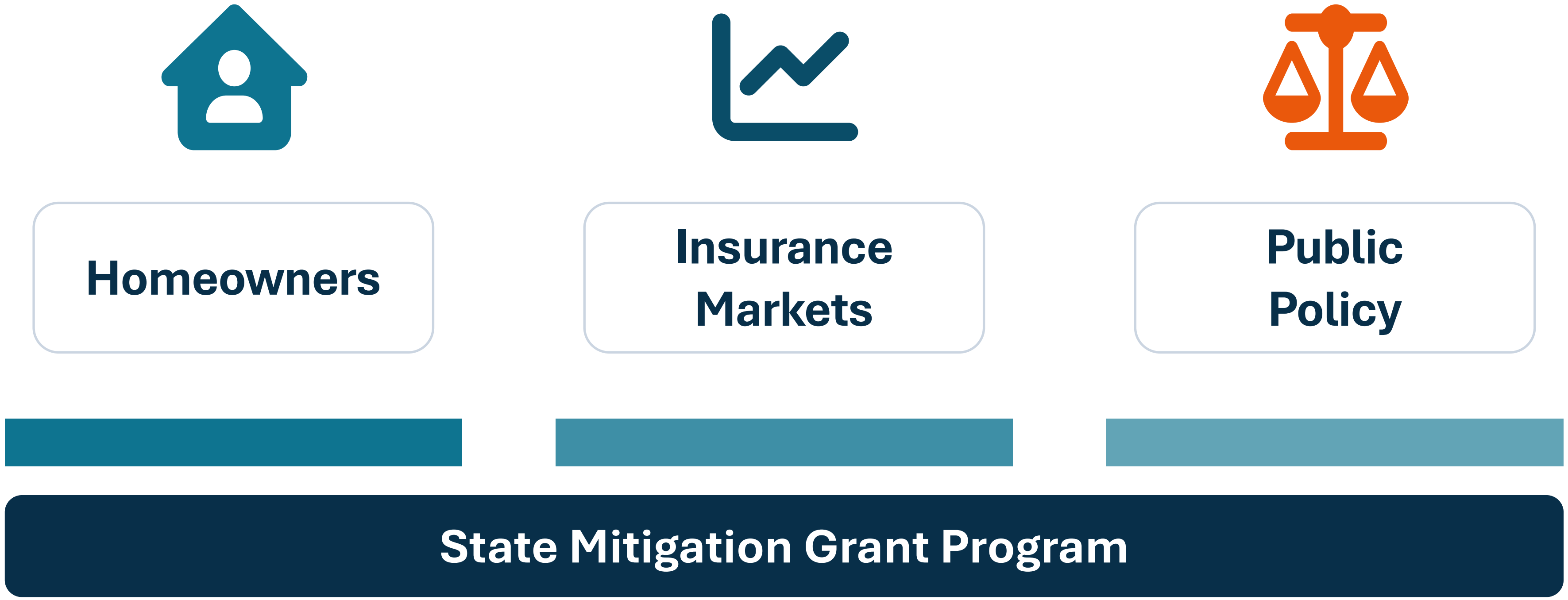
NAIC Mitigation Grant Program Model Law

Rebekah Allen, Virginia State Corporation Commission, Bureau of Insurance

Brian Powell, NAIC

Purpose of the Model Law

The model law gives states a consistent framework to establish, administer, and oversee mitigation grant programs through departments of insurance.



The Problem the Model Law Addresses

Severe weather, vulnerable housing, insurance availability, and affordability are converging into a shared policy challenge. A consistent mitigation framework helps states respond before losses occur.

Severe Events → **Higher Losses** → **Market Pressure** → **Affordability Concerns** → **Consistency Across States**

Pre-Disaster Mitigation & Risk Modeling Working Group

Mission: Implement research, development, and training for state-led risk mitigation and catastrophe modeling applications, supported by NAIC advisory and technical resources.

Relevant Charges:
Create and coordinate resilience tools to assist state regulators in developing, enhancing, and maintaining state-based mitigation grant programs, ensuring consistency while allowing for state-specific adaptations to local priorities.

Review status of current state programs and consider development of a model law related to mitigation programs.

Multiple meetings of Drafting Group, Working Group, One-on-Ones

Charge and Drafting Process

A focused drafting process brought together state insurance regulators and subject-matter expertise to create a practical model for state mitigation grant programs.

1. **Drafting Group Formed**
2. **Recurring Working Sessions**
3. **Model Language Developed**
4. **Public Exposure and Comment**
5. **Consideration for Adoption**

Practical • Adaptable • Responsive to state market needs

Phase 1:
Request for Model Law adopted Spring National Meeting 2026

Phase 2:
Organized Drafting Group – April 2026

- Virginia
- Washington
- Massachusetts
- Minnesota
- Mississippi
- Illinois
- Washington DC
- Louisiana
- Arizona

Phase 3: 8 Drafting Group Meetings since along with a host of internal meetings and collaborations.

Program Design at a Glance

The program is **state-administered**, **voluntary**, and **peril-agnostic** and **standard-agnostic**. It focuses on retrofitting residential structures to reduce future disaster losses.

What the Model Law Covers

The draft law provides the building blocks to launch, govern, fund, monitor, and protect a mitigation grant program.

Program Authority

Standards and Eligibility

Grant Administration

Insurance Coordination

Oversight

Specific Sections

- *Legislative Findings and Purpose*
- *Definitions*
- *Establishment of the Mitigation Grant Program*
- *Use of Recognized Mitigation Standards*
- *Grant Amounts and Cost Sharing*
- *Contractor and Evaluator Eligibility Requirements*
- *Applicant Eligibility, Application, and Selection*
- *Insurance Premium Discounts and Optional Endorsements*
- *Insurance and Data Coordination*
- *Program Evaluation and Reporting; Market Condition.*
- *Rulemaking Authority*
- *Audit, Anti-Fraud, and Penalties*
- *Funding*
- *Severability*
- *Effective Date*

Safeguards: Accountability, Fraud, and Confidentiality

Public confidence depends on strong safeguards: audits, penalties, anti-fraud protections, confidentiality, and responsible administration.

Integrity

Transparency

Confidentiality

Compliance

Audits • Penalties • Anti-fraud protections • Responsible administration

Strategic Impact: Building a Culture of Resilience

The model law is a catalyst for aligning public policy, insurance, construction practices, and consumer action around long-term risk reduction.

Creates a Sustainable Ecosystem for Risk Reduction

Strengthens Housing Resilience at Scale

Resilience

Reduces Insurance Losses and Stabilizes Markets

Aligns Public Policy, Private Insurance, and Construction Practices

Path Forward and Next Steps

Next steps include exposure, stakeholder comment, language refinement, and consideration for adoption.

1. **Exposure Period**
2. **Comment Deadline**
3. **Review Meeting**
4. **Revision Window**
5. **Adoption Consideration**

RESIDENTIAL MITIGATION GRANT PROGRAM MODEL ACT

Table of Contents

Section 1. Short Title

This Act shall be known and may be cited as the Strengthen [insert state] Homes Program Act.

Section 2. Legislative Findings and Purpose

A. The Legislature finds that:

(1) Perils resulting from natural hazards and weather events, including but not limited to hurricanes, tornadoes, straight-line winds, wildfires, earthquakes, and severe convective storms, pose a recurring threat to residential structures, public safety, housing affordability, and the stability of property insurance markets;

(2) Proven, code-informed and standard-based mitigation measures can significantly reduce hazard-related damage, loss of life, and post-disaster recovery costs;

(3) State-administered residential mitigation grant programs have demonstrated measurable benefits by incentivizing homeowners to retrofit existing dwellings to higher resilience standards to preserve existing housing stock;

(4) [OPTIONAL: Encouraging resilient design and construction of new residential structures, in addition to retrofitting existing housing stock, helps expand the availability of affordable, hazard-resistant housing and avoids adding new structures to the pool of properties that may require future mitigation investment;]

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Drafting Note: This Act is drafted to focus on retrofitting existing residential structures to higher resilience standards. A state may wish to extend Program eligibility to new construction that exceeds applicable building-code requirements, or to address new construction through the eligibility and prioritization provisions of Section 8 and by rule.

(5) Coordination among state agencies, insurers, mitigation professionals, and homeowners strengthens market confidence and supports insurance availability and affordability;

(6) Exposure to natural hazards and the cost of mitigation fall unevenly across geographic, economic, and demographic groups; and

(7) Reducing the frequency and severity of losses from natural hazards and weather events through mitigation efforts supports the availability and affordability of property insurance, promotes stable underwriting conditions, and reduces the risk of market disruption following catastrophic events.

Drafting Note: This finding can be modified to let a state anchor the Act's insurance market purpose (see Section 2B(4) below) to conditions specific to that state. States contemplating how to scope this finding to their state may wish to consider (i) which market indicators to cite, (ii) how specifically to cite them, and (iii) how to keep the finding evergreen.

B. The purposes of this Act are to:

(1) Establish a [statewide] residential mitigation grant program to reduce structural vulnerability of existing residential properties;

Drafting Note: A state may wish to begin the Program as a regional or peril-specific pilot rather than as a statewide program, and to provide statutory authority for the Commissioner to expand the Program by rule. The bracketed term "[statewide]" should be conformed to the scope the adopting state selects.

(2) Encourage voluntary adoption of recognized mitigation standards and best practices;

(3) Improve the resilience of the housing stock while preserving homeowner choice and flexibility; and

(4) Support stable, competitive, and affordable property insurance markets.

Section 3. Definitions

As used in this Act:

A. "Commissioner" means the chief insurance regulatory official of the state, or the chief insurance regulatory official's designee.

B. "Department" means the [insert name of insurance regulatory body].

C. “Designated Peril” means a natural hazard identified by the Commissioner by rule as eligible for mitigation funding under the Program, based on the prevalence and severity of the hazard in this State, the availability of recognized mitigation standards or engineering-based pathways, and the expected loss-reduction benefits of mitigation.

D. “Eligible Residence” means an owner-occupied single-family or multi-family residential structure located within this State and meeting eligibility criteria established by the Department.

Drafting Note: As drafted, “Eligible Residence” requires the structure to be owner-occupied, which – consistent with the drafting note to Section 8A(1) – limits the Program to primary, owner-occupied dwellings and excludes rental properties where the owner does not reside on-site. Drafters recognize this may leave a significant share of a state’s housing stock outside the Program, particularly in multi-family buildings where the owner is a landlord rather than a resident. A state wishing to reach rental housing could broaden this definition by removing or qualifying “owner-occupied” to extend eligibility to non-owner-occupied residential structures, conditioned on landlord participation requirements established by the Department by rule. If the definition is broadened to remove or qualify “owner-occupied,” the state will also need to conform Section 8A(1).

E. “Enrolled Contractor” means a contractor enrolled with the Department to perform Qualified Mitigation Measures under the Program and that otherwise meets the eligibility requirements of Section 7 of this Act.

F. “Grant Recipient” means an eligible homeowner approved to receive funding under the Program, provided, however, that grant funds shall be disbursed as set forth in Section 6 and shall not be paid directly to the Grant Recipient.

G. “Independent Third-Party Verifier” means a person approved by the Department to assess or evaluate a Qualified Mitigation Measure and that otherwise meets the eligibility requirements of Sections 7E and 7F of this Act.

H. “Premium Benchmark Table” means the schedule of minimum premium discounts adopted by the Commissioner under Section 9, expressed as percentages applied to the homeowner’s insurance premium as determined by the Commissioner.

I. “Program” means the Strengthen [insert state] Homes Program established under this Act.

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.

K. “Recognized Mitigation Standard” means a nationally or regionally recognized building standard or consensus standard addressing hazard mitigation for one or more Designated Perils, as approved by the Commissioner under Section 5.

Drafting Note: To keep this model standard-neutral, specific proprietary standards are not named in the Act. A state may recognize the FORTIFIED standards published by the Insurance Institute for Business & Home Safety (IBHS), including the FORTIFIED Roof, FORTIFIED Silver, and FORTIFIED Gold designation or other specific Recognized Mitigation Standards by rule. See Section 5.

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Section 4. Establishment of the Mitigation Grant Program

A. The Department shall establish and administer the Strengthen [insert state] Homes Program to provide financial assistance to eligible homeowners for the purpose of implementing Qualified Mitigation Measures for Eligible Residences. Grant awards under the Program are subject to available appropriations and to such other funding as may be made available under Section 15.

Drafting Note: A state may wish to define Program scope in terms of existing structures, to extend eligibility to qualifying new construction, and to address the relative priority of retrofit versus new construction through the prioritization criteria in Section 8.

B. Participation in the Program by homeowners, contractors, and by persons performing pre- and post-mitigation evaluations shall be voluntary.

C. Nothing in this Act shall be construed to create an entitlement to grant funding. Approval of an application does not guarantee availability of funds, and the Department may limit, suspend, or discontinue new grant awards based on the availability of funds.

Section 5. Use of Recognized Mitigation Standards

A. The Commissioner shall, by rule, designate Designated Perils and approve one or more Recognized Mitigation Standards for compliance with Program requirements for each Designated Peril. The Commissioner shall periodically review approved standards and may add, modify, or remove standards as the science of mitigation, available consensus standards, or market conditions evolve.

B. The Commissioner may authorize additional standards, mitigation tiers, or engineering-based approaches determined to be substantially equivalent in loss-reduction performance to a Recognized Mitigation Standard for the same Designated Peril, based on engineering analysis, peer-reviewed research, catastrophe modeling, or actuarial evidence. Any alternative approach authorized under this subsection shall be deemed a Recognized Mitigation Standard for the purposes of this Act and shall be eligible for funding under the Program.

C. Approval of any particular Recognized Mitigation Standard shall not be construed to exclude or preempt approval of other standards, methodologies, or engineering-based approaches that meet or exceed the Program's risk-reduction objectives.

Section 6. Grant Amounts and Cost Sharing

A. The Department shall establish maximum grant award amounts, which may vary based on geographic location, hazard exposure, mitigation tier, household income, or cost of mitigation.

B. The Department may require homeowner cost sharing under the Program, except that the Department may reduce or waive such requirements for low- to moderate-income households consistent with the purposes of this Act.

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C. Grant awards shall be used for approved Qualified Mitigation Measures and may, as determined by the Commissioner by rule, be used for related evaluations, inspections or certifications, building permits, and administrative costs.

D. The Department shall disburse grant awards directly to the Enrolled Contractor designated for the Eligible Residence. The Commissioner shall establish by rule disbursement processes and procedures, which may include documentation of completion of the satisfactory Qualified Mitigation Measure.

E. Where homeowner cost sharing is required under Section 6B, the Commissioner may require evidence that the Grant Recipient's cost-share has been paid or secured before, or pro-rata with, any grant award disbursement.

F. The Department is not a party to the contract among and between the Grant Recipient and the Enrolled Contractor or among and between the Grant Recipient and the Independent Third-Party Verifier. The Department shall not be liable to any party for workmanship, negligence by the Enrolled Contractor or Independent Third-Party Verifier, breach of contract, or any other issue arising under the contract.

G. The Department may offset or withhold disbursements for non-performance, deficient documentation, or suspected fraud, and may recoup amounts disbursed in error or for work or other actions that violate this Act pursuant to Section 14.

Section 7. Contractor and Verifier Eligibility Requirements

A. Qualified Mitigation Measures funded under the Program shall be performed by Enrolled Contractors who are licensed, bonded, and insured as required by state law.

B. The Commissioner may establish by rule eligibility or other requirements, including additional insurance requirements, training, or credentialing requirements for Program participation by Enrolled Contractors.

Drafting Note: A state should consider the degree of oversight, if any, the Department will exercise over the conduct of Enrolled Contractors in the Program. Enrollment under this Act is not a license; it establishes eligibility to perform work funded under the Program and is not intended to displace the contractor-licensing authority of the state department responsible for licensing contractors. A state may wish to calibrate the Department's oversight, audit, and enforcement role accordingly.

C. Independent Third-Party Verifiers shall:

(1) Conduct evaluations of work intended to meet a Recognized Mitigation Standard, and

(2) Be independent from the Grant Recipient and the Enrolled Contractor performing work intended to meet a Recognized Mitigation Standard.

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D. The Commissioner may establish by rule eligibility or other requirements, including additional insurance, licensure, and training requirements, for Program participation by Independent Third-Party Verifiers.

E. If a Recognized Mitigation Standard requires the use of credentialed Independent Third-Party Verifiers, the Independent Third-Party Verifiers shall:

(1) Hold current credentials issued by the standard-setting organization, or its successor organization;

(2) Remain in good standing with the standard-setting organization for the applicable Recognized Mitigation Standard, as may be applicable, with the Department and state where the program resides; and

(3) Comply with all documentation, reporting, and verification requirements.

F. The Department may place on probation, suspend, or revoke the eligibility of an Enrolled Contractor or Independent Third-Party Verifier for participation in the Program due to noncompliance, poor workmanship, or violations of Program rules, after providing notice and an opportunity to be heard [consistent with the State's administrative procedure act]. The Commissioner shall by rule establish the terms and conditions of probation, suspension, and revocation.

Drafting Note: Drafters recognize that a state's administrative procedure act may not be the law governing these types of agency actions, so the bracketed text should be replaced with the appropriate reference to the controlling body of law.

G. Suspension or revocation of an Enrolled Contractor's or Independent Third-Party Verifier's enrollment under this section shall not, by itself, invalidate mitigation work satisfactorily completed before the effective date of the suspension or revocation. The Commissioner shall establish by rule procedures addressing grant disbursements for mitigation work that is in progress, or under contract, at the time of an Enrolled Contractor's or Independent Third-Party Verifier's suspension or revocation, including procedures allowing a Grant Recipient to complete the work with a different Enrolled Contractor or Independent Third-Party Verifier.

H. An Enrolled Contractor shall not serve as the Independent Third-Party Verifier for the same Eligible Residence, and the Commissioner shall by rule prevent other conflicts of interest among Enrolled Contractors, Independent Third-Party Verifiers, and Grant Recipients.

I. The Department's approval of an Enrolled Contractor or Independent Third-Party Verifier for enrollment shall not constitute an endorsement of workmanship or pricing of the Enrolled Contractor or Independent Third-Party Verifier, and shall not constitute a contract with the State.

Section 8. Applicant Eligibility, Application, and Selection

A. To be eligible for a grant under the Program, an applicant shall:

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(1) Be the owner of record and occupy or intend to occupy an Eligible Residence as a primary dwelling;

Drafting Note: The owner-occupancy requirement is drafted to target primary residences. A state that wishes to reach multi-family or renter-occupied properties may instead condition eligibility on owner occupancy of at least one unit, on a stated percentage of owner-occupied units, or on landlord participation requirements established by the Department by rule.

(2) Maintain an in-force homeowner's insurance policy issued by an insurer authorized to write business in this State or be eligible for coverage through the residual market if not otherwise eligible for coverage in the admitted market;

Drafting Note: 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.

(3) Be current on property taxes and mortgage obligations, or otherwise meet hardship criteria established by the Department; and

(4) Agree to comply with all Program requirements, inspections, and documentation.

B. The Commissioner may establish by rule additional eligibility requirements consistent with the Program's purpose and goals.

Drafting Note: Depending on the Designated Perils addressed by the Program, a state may wish to specify the type of coverage an applicant must maintain—for example, fire, wind, or other peril-specific coverage—rather than homeowners insurance generally.

C. The Commissioner may establish prioritization criteria consistent with Program funding sources.

Drafting Note: A state may wish to authorize the Commissioner to establish prioritization criteria by rule rather than to fix them in statute. In establishing priorities, a state may wish to consider giving priority to: residences located in areas of higher exposure to one or more Designated Perils; applicants insured in the admitted or residual market; low- to moderate-income households; projects demonstrating higher relative loss reduction once mitigated; existing residences; applicants residing on tribal lands or in historically underserved communities; and applicants who are elderly, disabled, or veterans, consistent with applicable nondiscrimination laws.

D. The Department shall establish an application process for grants under the Program, including eligibility verification and documentation requirements.

E. The Department may partner with non-profit organizations, community development financial institutions, and tribal entities to conduct outreach, accept and process applications, and assist applicants with documentation.

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Section 9. Insurance Premium Discounts and Optional Endorsements

A. Any insurer authorized to write homeowners insurance in this State shall provide an actuarially justified premium discount or rate reduction to a policyholder who completes Qualified Mitigation Measures and maintains documentation of such completion.

Drafting Note: The drafters considered permissive language (“may”) but used “shall” because a mandatory discount was viewed as stronger and more consistent with the purposes of this Act. This subsection does not limit the discount to Qualified Mitigation Measures completed “under the Program.” The discount is intended to be available to any policyholder who completes Qualified Mitigation Measures and maintains documentation, regardless of whether the work was grant-funded. The phrase “or rate reduction” accommodates states whose rating laws characterize a mandated mitigation credit as a rate reduction rather than a premium discount. A state that adopts this terminology should carry it through the remainder of Section 9.

B. Premium discounts for Qualified Mitigation Measures shall apply to the homeowner’s insurance premium as determined by the Commissioner. The discount shall remain in effect for so long as the Qualified Mitigation Measure remains in place and shall continue, subject to verification by the insurer, upon transfer of the property to a new owner who maintains the Qualifying Mitigation Measure.

Drafting Note: In some states, insurers do not separately rate for specific hazards (for example, wind or hail). A state should conform this subsection to its rating framework and may direct the Commissioner to determine how mitigation discounts apply where the insurer does not separately rate for the relevant Designated Peril.

C. The Department shall develop and publish a Premium Benchmark Table that establishes minimum discount levels associated with the completion of Qualified Mitigation Measures or attainment of a Recognized Mitigation Standard.

D. The Premium Benchmark Table shall:

(1) Reflect the relative loss-reduction value of mitigation measures represented by the discount;

(2) Be informed by actuarial data, catastrophe modeling, claims experience, and relevant research; and

(3) Establish minimum discount percentages while permitting insurers to offer greater discounts.

E. Insurers shall file and maintain rating plans consistent with the Premium Benchmark Table and applicable rating laws.

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 the Premium Benchmark Table.

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G. An insurer authorized to write homeowners insurance in this State shall make available an optional coverage endorsement for Eligible Residences that have not completed Qualified Mitigation Measures.

H. The coverage endorsement under Section 9G shall:

(1) Provide coverage, for a fee, which pays following a specific covered loss, 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;

Drafting Note: A state should specify how closely a covered loss must relate to the mitigation feature being upgraded for the endorsement to correspond—for example, whether the endorsement corresponds only when the damaged feature is one addressed by the applicable Recognized Mitigation Standard or Qualified Mitigation Measure. The Department may address this relationship by rule.

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

(3) Be filed with and approved by the Department consistently with applicable insurance laws.

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.

Drafting Note: 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.

Section 10. Insurer Data Collection

A. An insurer authorized to write homeowners insurance in this State shall, upon request and in a form prescribed by the Commissioner, provide loss-experience and policy-level data necessary to support the Premium Benchmark Table required under Section 9.

B. An insurer authorized to write homeowners 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.

Section 11. Confidentiality

A. Any documents, materials, or other information in the control or possession of the Department that are furnished by a person applying for a grant under the Program or a Grant Recipient pursuant to Sections 8 and 6E, an Enrolled Contractor pursuant to Section 7, an Independent

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Third-Party Verifier pursuant to Section 7D, or an insurer pursuant to Sections 9E, or any information obtained by the Department in an investigation or audit pursuant to Sections 7F, 7G, and 14, shall be confidential by law and privileged shall not be subject to [insert reference to state open records, freedom of information, sunshine, or other appropriate law], shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action. However, the Commissioner is authorized to use the documents, materials, or other information in the furtherance of any regulatory duties, including but not limited to program evaluation, hazard mitigation planning, and reporting, or in any regulatory or legal action brought as a part of the Commissioner's duties.

Drafting Note: The confidentiality protection in this subsection should be coordinated with the adopting state's public-records/open-records act and its insurance information and privacy protection laws. A state should consider what homeowner-specific information the Program will collect, how long it will be retained, the homeowner's right to access and correct that information, and the limited circumstances in Section 11D in which it may be shared. A state may wish to provide that personally identifiable homeowner information is exempt from disclosure except in aggregated, de-identified form.

B. Any documents, materials, or other information in the control or possession of the Department that are furnished by an insurer pursuant to Section 10 shall be treated as proprietary trade-secret information and shall be confidential by law and privileged, shall not be subject to [insert reference to state open records, freedom of information, sunshine, or other appropriate law], shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action.

C. Neither the Commissioner nor any person who received documents, materials, or other information while acting under the authority of the Commissioner shall be required to testify in any private civil action concerning any confidential documents, materials, or information subject to Section 11A of this Act.

D. In order to assist in the performance of the Commissioner's duties under this Act, the Commissioner may:

(1) Share documents, materials or other information, including the confidential and privileged documents, materials or information subject to Section 11A, with other state, federal, and international regulatory agencies, with the National Association of Insurance Commissioners, its affiliates or subsidiaries, and with state, federal, and international law enforcement authorities, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information;

(2) Receive documents, materials, or information, including otherwise confidential and privileged documents, materials or information, from the National Association of Insurance Commissioners, its affiliates or subsidiaries and from regulatory and law enforcement officials or other foreign or domestic jurisdictions, and shall maintain as confidential or privileged any document, material or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information;

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(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;

(4) Share documents, materials, or other information subject to Section 11A with a Grant Recipient or a person applying for a grant under the Program for the purpose of identifying Enrolled Contractors and Independent Third-Party Verifiers;

(5) Share documents, materials, or other information previously submitted to the Department by or on behalf of a Grant Recipient or a person applying for a grant under the Program, an Enrolled Contractor, or an Independent Third-Party Verifier, including any written correspondence between the Department and a Grant Recipient, a person applying for a grant under the Program, an Enrolled Contractor, or an Independent Third-Party Verifier; and

(6) Enter into agreements governing sharing and use of information consistent with this Act.

E. No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information shall occur as a result of disclosure to the Commissioner under this Act or as a result of sharing as authorized in Section 11D.

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 shared for the purpose of evaluating or reporting on Program operations, Program effectiveness, or market conditions as prescribed by Section 12.

Section 12. Program Evaluation and Reporting; Market Condition.

A. The Department shall periodically evaluate Program performance, which may include participation rates, mitigation outcomes, cost-effectiveness, and market condition.

B. The Department shall [no less than annually] submit report to the [Governor and] Legislature summarizing Program activity and recommendations for improvement.

Drafting Note: While routine periodic reporting on the Program is recommended, drafters recognized that the specific cycle on which reports should be produced will likely depend on a logical period for the adopting state, such as its fiscal year or legislative session, so that the report is useful to policymakers considering appropriations or other Program changes. A state may also wish to leave the specific time interval to be determined by rule of the Commissioner, rather than fixing it in statute. Additionally, Departments may routinely report to the Governor in addition to its Legislature; if that is the case, then the Governor should be included in the recipient list.

Section 13. Rulemaking Authority

A. The Commissioner may, in accordance with [the state statute setting forth the ability of the Department to adopt regulations] adopt rules as the Commissioner finds necessary to carry out

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the provisions of this Act, including, but not limited to, eligibility criteria, mitigation standards, grant administration procedures, and compliance requirements.

B. Where this Act, or rules adopted by the Commissioner, assigns a duty to the Department, the Department may, by interagency agreement, delegate operational responsibilities to another appropriate state agency, provided that policy authority over the Program remains with the Department.

Section 14. Audit, Anti-Fraud, and Penalties

A. The Department shall establish an audit program for grants disbursed under this Program, which may include, but are not limited to, risk-based sampling of completed projects, contractor billing reviews, and post-mitigation inspection verification.

B. It is a violation of this Act for a person to make a false statement, misrepresentation, or omission in connection with an application for a grant or in connection with mitigation work performed under this Act if that person knew or should have known of its falsity or omission.

C. The Commissioner may, at the Commissioner's discretion, impose on any person who violates Section 14B:

(1) Civil penalties of not more than [insert amount] per violation;

Drafting Note: States vary in the civil penalty amounts authorized for comparable insurance-related or grant-related fraud violations. A state should set the maximum per-violation amount by reference to penalties available under its existing insurance fraud, consumer protection, or state grant fraud statutes, and may wish to authorize enhanced penalties for repeat or knowing violations.

(2) Suspension from the Program;

(3) Revocation of eligibility to participate in the Program; and

(4) Restitution of any Program funds wrongfully obtained.

D. The penalties prescribed in Section 14C shall be in addition to any other remedies available under law.

E. Where disbursements have been made directly to an Enrolled Contractor for work in violation of Section 14C, the Department shall seek recovery solely from the Enrolled Contractor and any surety or bond, unless other parties are found to have participated in the false statement, misrepresentation, or omission.

Drafting Note: This subsection is limited to recovery of Program funds from the Enrolled Contractor and any surety or bond. A state that wishes to authorize the Department to recover interest on wrongfully disbursed funds, or attorneys' fees and costs incurred in a recovery action, should add explicit statutory authorization here, as some states require express authority before a state agency may seek interest or fee-shifting in a civil recovery action.

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Section 15. Funding

A. The Program may be funded through legislative appropriations, federal grants, assessments, private contributions, or other lawful sources. The Department may apply for, accept, and expend gifts, grants, bequests, donations, and other funds from public or private sources to support the Program.

B. Funds shall be used exclusively for the purposes of this Act and related administrative costs in administering the Program. The Program may make grants or funding available to nonprofit entities for projects to [construct or] retrofit Eligible Residences to resist loss due to Designated Perils if such grants or funding to nonprofit entities are allowable under the Program's rules, requirements, guidelines, or criteria. However, a nonprofit entity shall agree to administer the grants or funds as the Program would be required to administer grants or funds, and the entity shall provide documentation to the Department in a timely manner as requested by the Commissioner.

Drafting Note: "Related administrative costs" is intended to include the Department's costs of staffing and operating the Program, including personnel, systems, and contractor or verifier oversight. A state may wish to cap administrative costs at a specified percentage of appropriated or collected Program funds to ensure that the majority of funding reaches homeowners. Consistent with the drafting notes to Section 2A(4), this subsection brackets "construct or" because this Act is drafted to focus on retrofitting existing residential structures. A state that extends Program or nonprofit grant eligibility to new construction should remove the brackets and confirm that Eligible Residences is conformed to, or replaced with, a defined term encompassing new construction.

C. There is hereby created in the State Treasury the Strengthen [insert state] Homes Trust Fund, into which all Program revenues and appropriations shall be deposited and from which all Program expenditures shall be made. Moneys in the Trust Fund shall not lapse, shall not revert, and shall not be transferred or appropriated for any purpose other than this Act. Interest earned on Trust Fund balances shall be retained by the Trust Fund.

Drafting Note: The non-lapsing, non-reverting structure of the Trust Fund is intended to ensure that appropriated and collected Program funds remain available for mitigation grants from year to year and are not swept into a state's general fund at the close of the fiscal period. A state should confirm that this structure is consistent with its constitutional and budgetary requirements governing dedicated or special funds.

D. Any Program funds recovered by the Department and civil penalties imposed pursuant to Section 14 shall be remitted or otherwise reverted to the Strengthen [insert state] Homes Trust Fund established in Section 15C.

Drafting Note: If a state adds authority to recover interest or attorneys' fees consistent with the drafting note to Section 14E, it should specify here whether those amounts are also remitted or reverted to the Trust Fund. In addition, some states require civil penalties collected by a state agency be deposited into a state's general fund or another fund designated by law, rather than a program-specific trust fund. A state should conform this subsection to its law governing the disposition of civil penalties collected by state agencies.

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Section 16. Severability

If any provision of this Act or its application is held invalid, such invalidity shall not affect other provisions or applications of the Act that can be given effect without the invalid provision or application.

Section 17. Effective Date

A. This Act shall take effect on [insert date]. The Commissioner may phase implementation of the Program over a period of [time] or through a regional pilot program.

Drafting Note: Consistent with the drafting note to Section 2A(1), a state that begins the Program as a regional- or peril-specific pilot should specify, either here or in Section 4, how and when the pilot phase transitions to statewide implementation. A state should also coordinate the effective date and any phase-in period with the Program's rulemaking timeline under Section 12 and its appropriations process, so that the Commissioner has adequate lead time to adopt implementing rules before the Program becomes operative. Drafters also note that the authority to create a pilot program may, by custom and practice in a given state, be found elsewhere in the enabling legislation such as an enactment clause rather than in the body of the Act as found in this model.

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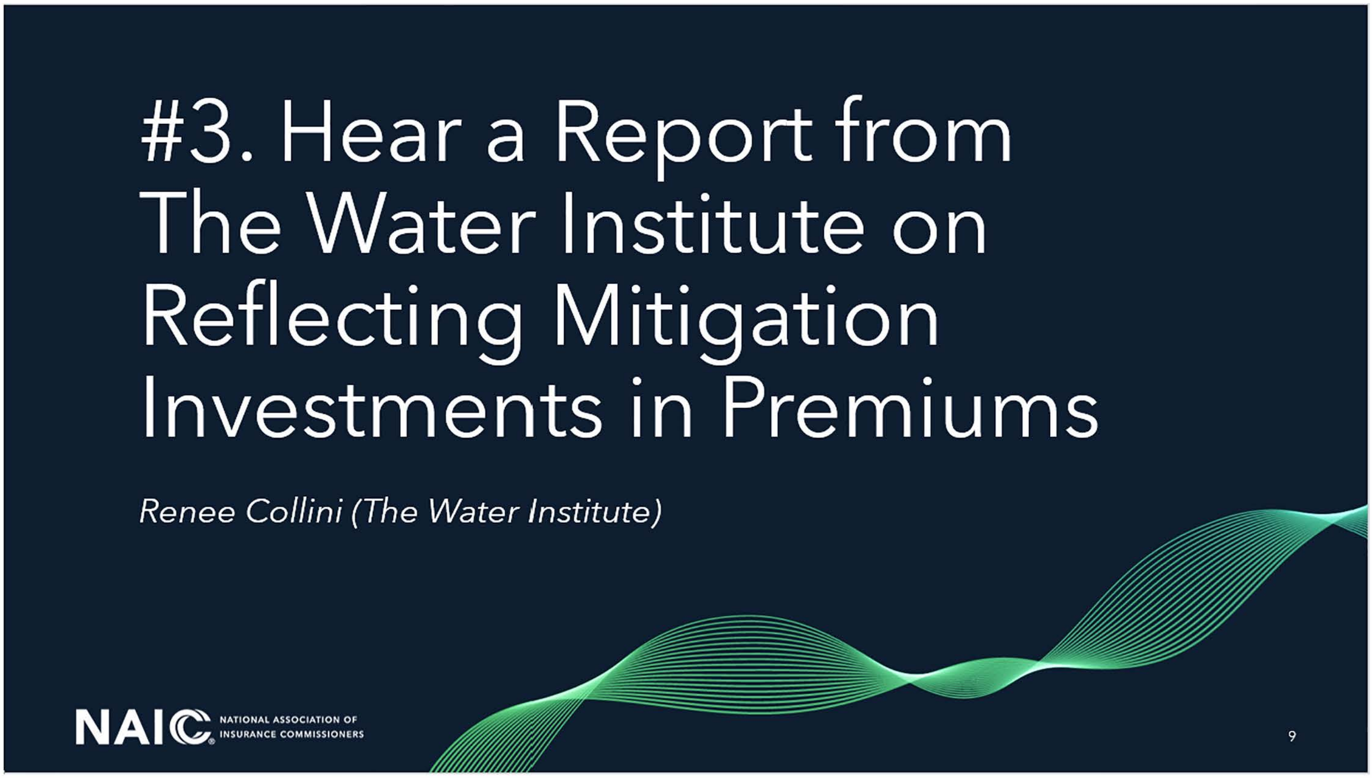


Presentation will be added when available.

#4. Hear a Presentation from Coalition Against Insurance Fraud

Michelle Rafeld (Coalition Against Insurance Fraud)

Ahead of the Storm: Modernizing Catastrophe Fraud Prevention

Michelle Rafeld
Executive Director

Coalition Against Insurance Fraud

Michelle Rafeld

Executive Director

Coalition Against Insurance Fraud

Coalition Against Insurance Fraud

- Education
- Advocacy
- Research

The Evolving
Insurance Fraud Landscape

The Evolving Insurance Fraud Landscape

Coalition Against Insurance Fraud

Insurance fraud isn't merely evolving…

…it's compounding

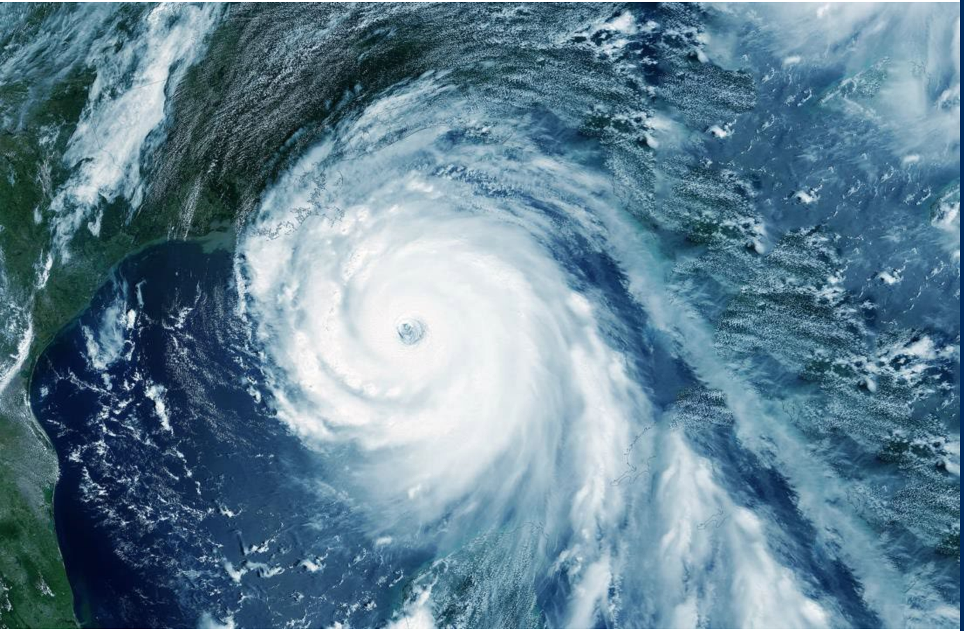
Coalition Against Insurance Fraud

The Insurance Industry Is Up Against Something Unlike It's Ever Seen

The Insurance Industry Is Up Against Something Unlike It's Ever Seen

Coalition Against Insurance Fraud

Catastrophe Fraud Has Evolved Beyond Common Fraud Schemes



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- Contractor Fraud
- Deceptive Advertising
- Intentional Damage
- Theft Of Insurance Proceeds
- Public Adjuster Fraud

Today’s Industry Threats

Today’s Industry Threats

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Technology / Artificial Intelligence

Technology / Artificial Intelligence

AI tools make it easy to fabricate or alter photos, estimates, invoices and other storm-claim evidence.

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Transnational Organized Crime Groups

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- Sophisticated organized crime groups are committing insurance fraud worldwide.
- High potential profits have made insurance fraud an attractive and recurring source of criminal revenue.
- Transnational networks deliberately operate across borders to exploit jurisdictional and legal gaps.
- Cross-border activity makes these crimes more difficult to investigate and prosecute.

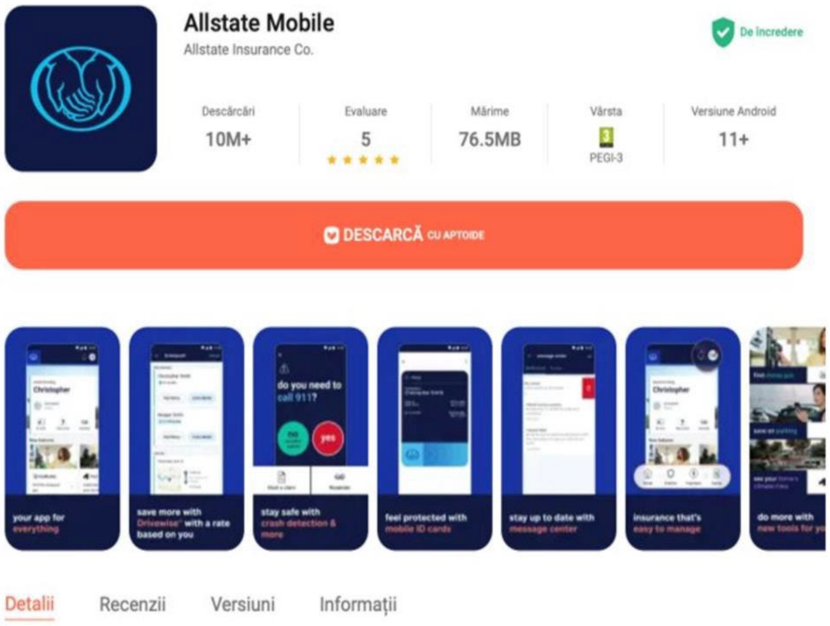
Cyber Criminals

- Exploit weaknesses in carrier systems and digital claims platforms
- Steal policyholder data and credentials to commit identity fraud
- Take over accounts and redirect claim payments
- Use AI and automation to scale fraudulent activity
- Manipulate digital documents, photos and claim evidence
- Sell stolen data and system access to other criminal groups
- Continually adapt tactics to evade detection and security controls

Cyber Security Incidents

- The insurance industry is being targeted by hackers
- Often use publicly available employee information to impersonate staff
- Looking to steal data to commit fraud, or sell to others to commit fraud

Cloned Websites To Steal Consumer Data



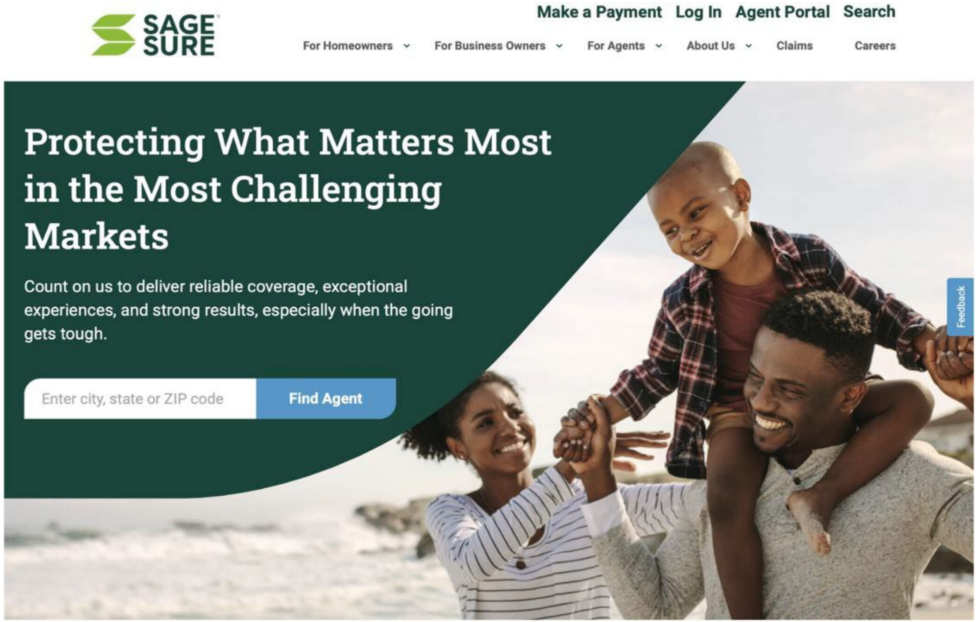
- Allstate’s mobile application was copied and placed on a Russian based app market
- App was connected to malware & phishing schemes

Coalition Against Insurance Fraud

Example provided by Coalition member 4WARN

Cloned Websites To Steal Consumer Data

- Identification of copycat MGA website by 4WARN
- Believed to be operated by a Russian cyber group
- Goal was to “sell insurance” and/or phish for claimant personal information they could resell on the dark web.



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Example provided by Coalition member 4WARN

Human Trafficking

- Transnational criminal networks are using human trafficking to carry out insurance fraud schemes
- Victims are lured by fraudulent employment opportunities / pretenses
- Once recruited, they may be held against their will, threatened, and forced to participate in insurance fraud

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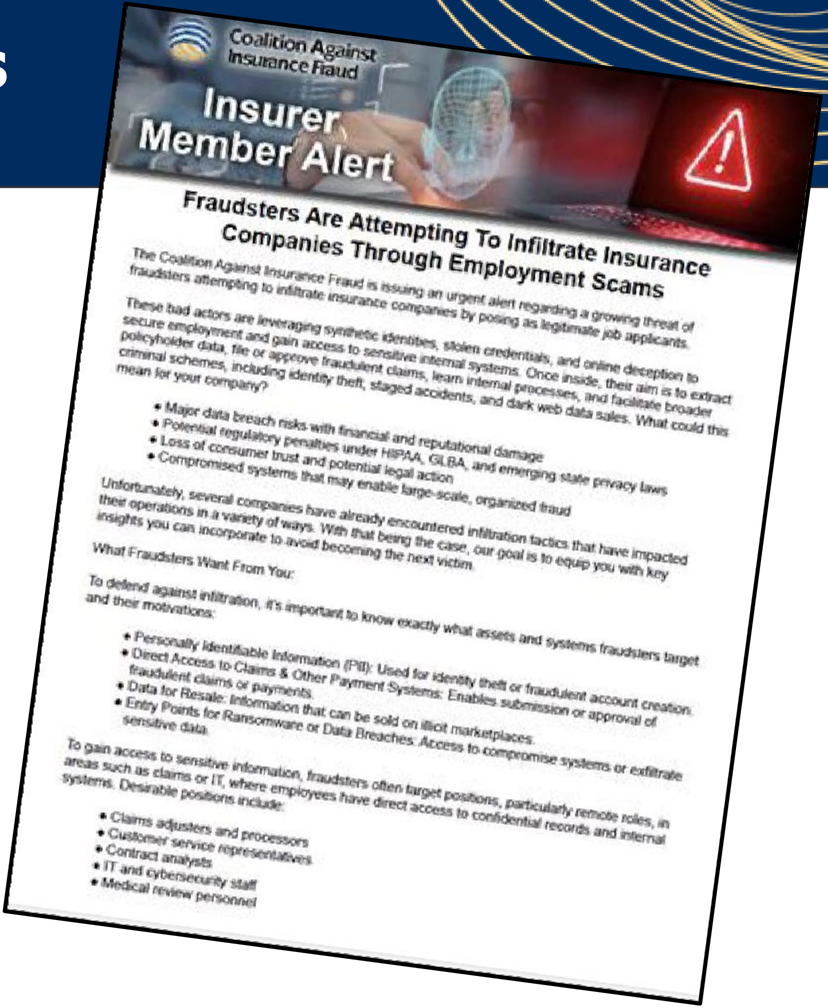
Employee Infiltration Schemes

- Fraudsters are attempting to infiltrate insurance companies by posing as legitimate job applicants
- Goal is to gain access to sensitive internal systems and data
- Those who obtain claims positions have the ability to initiate or redirect payments



Coalition Against Insurance Fraud

Insurer Member Alert

Fraudsters Are Attempting To Infiltrate Insurance Companies Through Employment Scams

The Coalition Against Insurance Fraud is issuing an urgent alert regarding a growing threat of fraudsters attempting to infiltrate insurance companies by posing as legitimate job applicants.

These bad actors are leveraging synthetic identities, stolen credentials, and online deception to secure employment and gain access to sensitive internal systems. Once inside, their aim is to extract policyholder data, file or approve fraudulent claims, learn internal processes, and facilitate broader criminal schemes, including identity theft, staged accidents, and dark web data sales. What could this mean for your company?

- Major data breach risks with financial and reputational damage
- Potential regulatory penalties under HIPAA, GLBA, and emerging state privacy laws
- Loss of consumer trust and potential legal action
- Compromised systems that may enable large-scale, organized fraud

Unfortunately, several companies have already encountered infiltration tactics that have impacted their operations in a variety of ways. With that being the case, our goal is to equip you with key insights you can incorporate to avoid becoming the next victim.

What Fraudsters Want From You:

To defend against infiltration, it's important to know exactly what assets and systems fraudsters target and their motivations:

- Personally Identifiable Information (PII): Used for identity theft or fraudulent account creation.
- Direct Access to Claims & Other Payment Systems: Enables submission or approval of fraudulent claims or payments.
- Data for Resale: Information that can be sold on illicit marketplaces.
- Entry Points for Ransomware or Data Breaches: Access to compromise systems or exfiltrate sensitive data.

To gain access to sensitive information, fraudsters often target positions, particularly remote roles, in areas such as claims or IT, where employees have direct access to confidential records and internal systems. Desirable positions include:

- Claims adjusters and processors
- Customer service representatives
- Contract analysts
- IT and cybersecurity staff
- Medical review personnel

Illicit Licensing Fraud

MID Revokes the Licenses of 59 Insurance Agents for Fraud

July 23, 2026 / NEWS

JACKSON, Miss. – The Mississippi Insurance Department (MID) is revoking the licenses of 59 insurance agents after they failed to appear at a hearing this week. The agents are accused of obtaining or maintaining a Mississippi resident producer license through material misrepresentation or false pretenses, in violation of state law. All 59 agents were served with a Notice of Hearing in June. Despite receiving notice, none of the agents appeared to refute the claims against them at the July 20, 2026, hearing in Jackson.

- Identity theft
- Synthetic identity use
- Testing fraud
- License use by unlicensed individuals
- Advance commission schemes
- Submission of fraudulent claims

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Venture Capitalists / Third Party Funding

Third-party litigation funding can finance mass marketing and claim solicitation after major storms, creating opportunities for inflated claims, questionable lawsuits and even claims filed on behalf of policyholders who never retained the law firm.

Partner Reveals McClenny Moseley Raised $40 Million from Private Investors

By Jim Sams | August 10, 2023

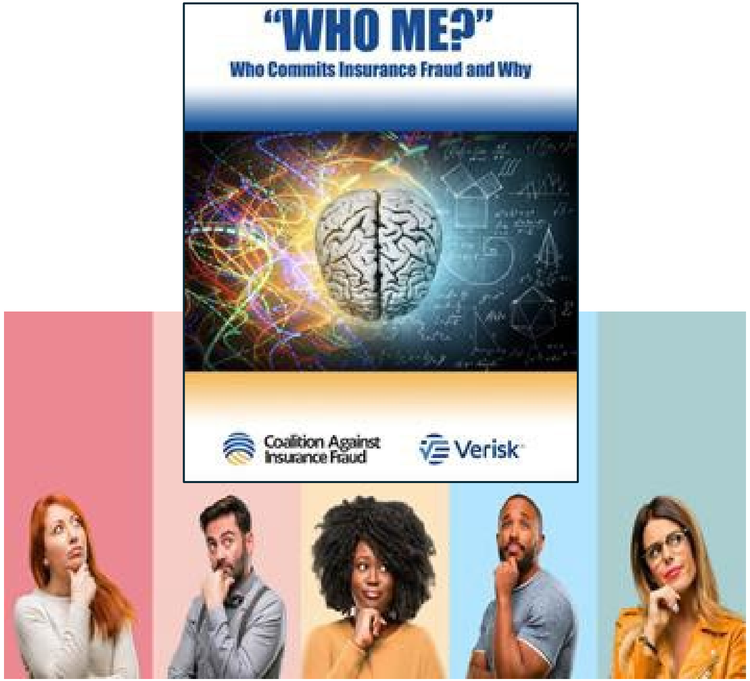
Coalition Against Insurance Fraud

Aggressive Legal Marketing and Increased Storm Litigation

Coalition Against Insurance Fraud

- Increased advertising immediately after catastrophic event
- Target carrier names and storm-related claim searches
- Purchase ads that appear before insurers' official websites
- Create carrier-specific pages to attract policyholders
- Use urgent messaging to generate immediate legal inquiries
- Route consumers through third-party lead generators
- Scale mass solicitation across affected areas

Changing Consumer Attitudes

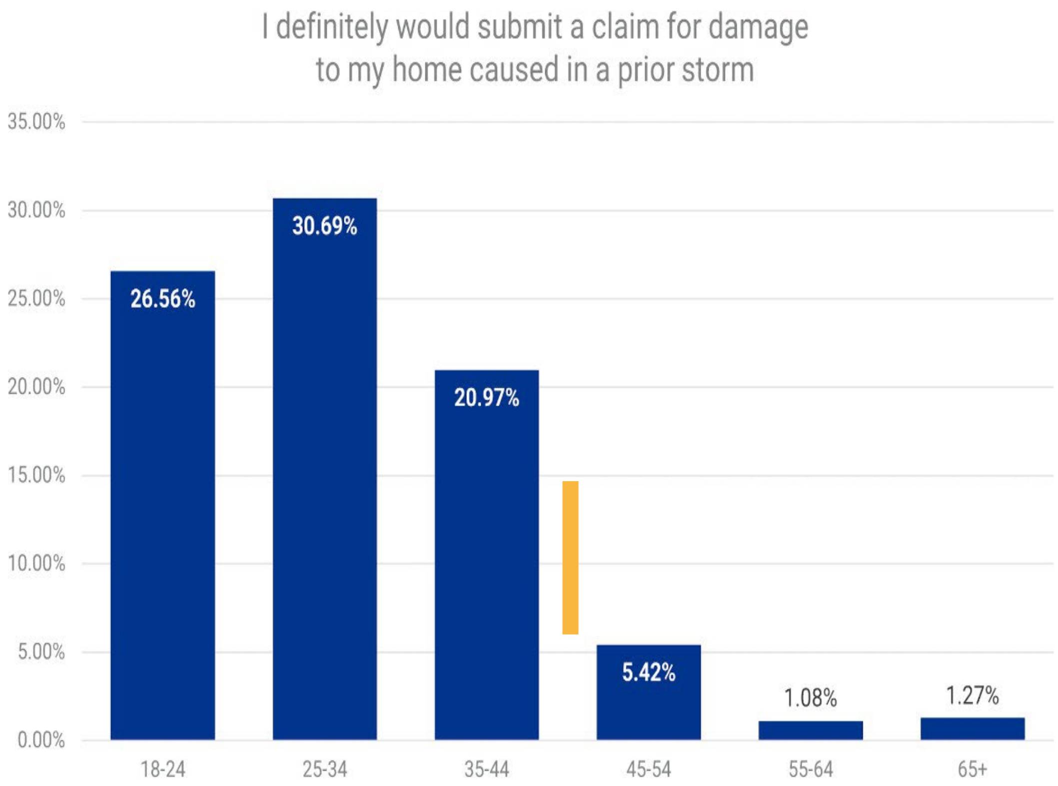


- 15% of the US population (50 million Americans) don't view insurance fraud as a crime
- Percentage is even higher for those 18-44 years of age
- Don't believe they're affected by insurance fraud
- Jealous or envious of others who commit it
- Believe there's a low probability of being caught

2023 Coalition /Verisk
Who Me? Who Commits Insurance Fraud & Why

Changing Consumer Attitudes

20%-30% of consumers between the ages of 18-44 stated they'd submit a fraudulent claim for prior storm damage



Coalition Against Insurance Fraud

Which leads us to today…

"We're not in Kansas anymore…"

Dorothy – Wizard of Oz

Coalition Against Insurance Fraud

Estimated Annual Cost of Insurance Fraud in the U.S.

$308.6 Billion

Coalition 2022 "Cost of Insurance Study"

Coalition Against Insurance Fraud

The Potential Cost of Catastrophe Fraud

Tornadoes, hail, straight-line winds and severe thunderstorms caused $51 billion in U.S. insured losses in 2025

Marks the third straight year such losses have exceeded $50 billion

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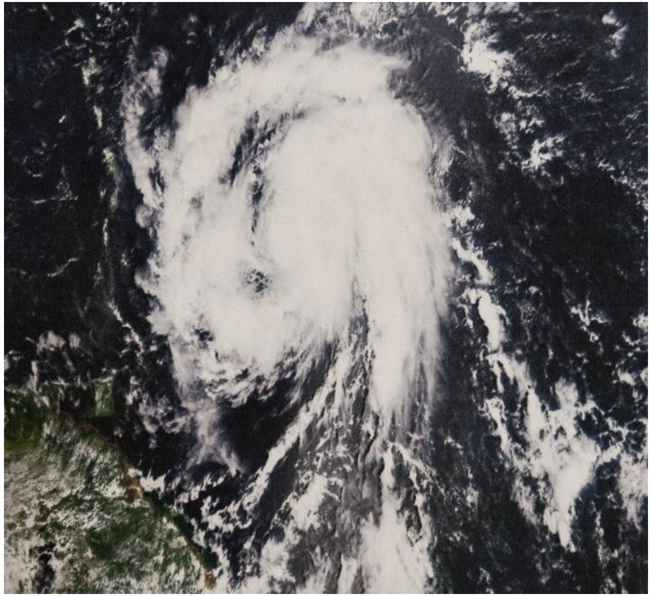
If 2% to 5% of all claims paid involved fraud...

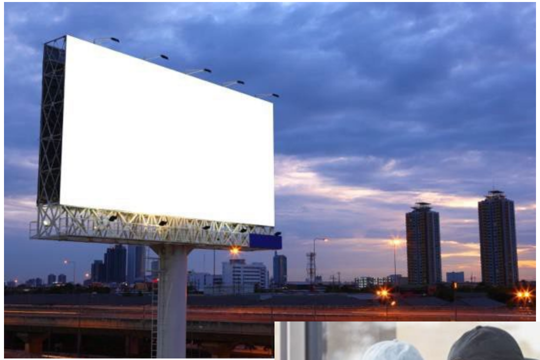


…the industry could be losing **$1 - $2.5 billion** annually to catastrophe fraud

Insurance Fraud Must Be Made A Significant Priority

Coalition Against Insurance Fraud

Proactive Public Awareness: The First Line of Defense



- Maintain year-round education on catastrophe fraud risks and warning signs
- Annually prepare and update disaster-response messaging and resources
- Coordinate consistent messaging with insurers, law enforcement and consumer groups
- Utilize materials from fraud fighting organizations (Coalition, NICB, etc.)
- Use social media and digital platforms to expand audience reach
- Deliver timely, location-specific warnings before and after catastrophes

Coalition Against Insurance Fraud

Other Catastrophe Modernization Efforts

- Increased collaboration and communication between carriers and regulators before, during and after catastrophes
- Coordinate disaster-response planning, public awareness and training
- Proactively identify emerging fraud risks and implement mitigation measures
- Develop consistent catastrophe fraud reporting and data standards
- Modernize model laws, regulations and antifraud guidance
- Explore the use of shared technology and analytics to help fight catastrophe fraud

Coalition Against Insurance Fraud

Coalition Against Insurance Fraud

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Washington, DC 20005

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Website: www.insurancefraud.org

Coalition Against Insurance Fraud

#5. Discuss Any Other Matters Brought Before the Working Group

Commissioner Timothy J. Temple

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS