Draft date: 11/5/26

2026 Fall National Meeting
Dallas, Texas

JOINT MEETING OF THE PRE-DISASTER MITIGATION AND RISK MODELING (EX) WORKING GROUP AND THE SEVERE PERIL (EX) WORKING GROUP
Saturday, November 14, 2026
2:30 – 4:00 p.m.
Convention Center—Texas D456—Level 3

ROLL CALL

PRE-DISASTER MITIGATION AND RISK MODELING (EX) WORKING GROUP

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: Aaron Brandenburg

SEVERE PERIL (EX) WORKING GROUP

Angela L. Nelson, Chair	Missouri	Chris Cerniauskas	Louisiana
Heather R. Carpenter, Vice Chair	Alaska	Sandra Darby	Maine
Mark Fowler	Alabama	Joy Y. Hatchette	Maryland
Lori Dreaver Munn/Tom Zuppan	Arizona	Jackie Horigan	Massachusetts
Rabab Charafeddine/Kate Amano	California	Peter Brickwedde	Minnesota
George Bradner	Connecticut	Andy Case/John Thornton	Mississippi
Sharon Shipp	District of Columbia	Amar Kakirde	New York
Anoush Brangaccio	Florida	David Forte	Washington

NAIC Committee Support: Aaron Brandenburg

AGENDA

1. Consider Adoption of the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group's Oct. 15 Minutes—*Commissioner Timothy J. Temple (LA)* — Attachment A

2. Consider Adoption of the Severe Peril (EX) Working Group's Oct. 5 Minutes—*Director Angela L. Nelson (MO)* — Attachment B

3. Consider Adoption of the Residential Mitigation Grant Program Model Act —*Rebekah Allen (VA)* — Attachment C

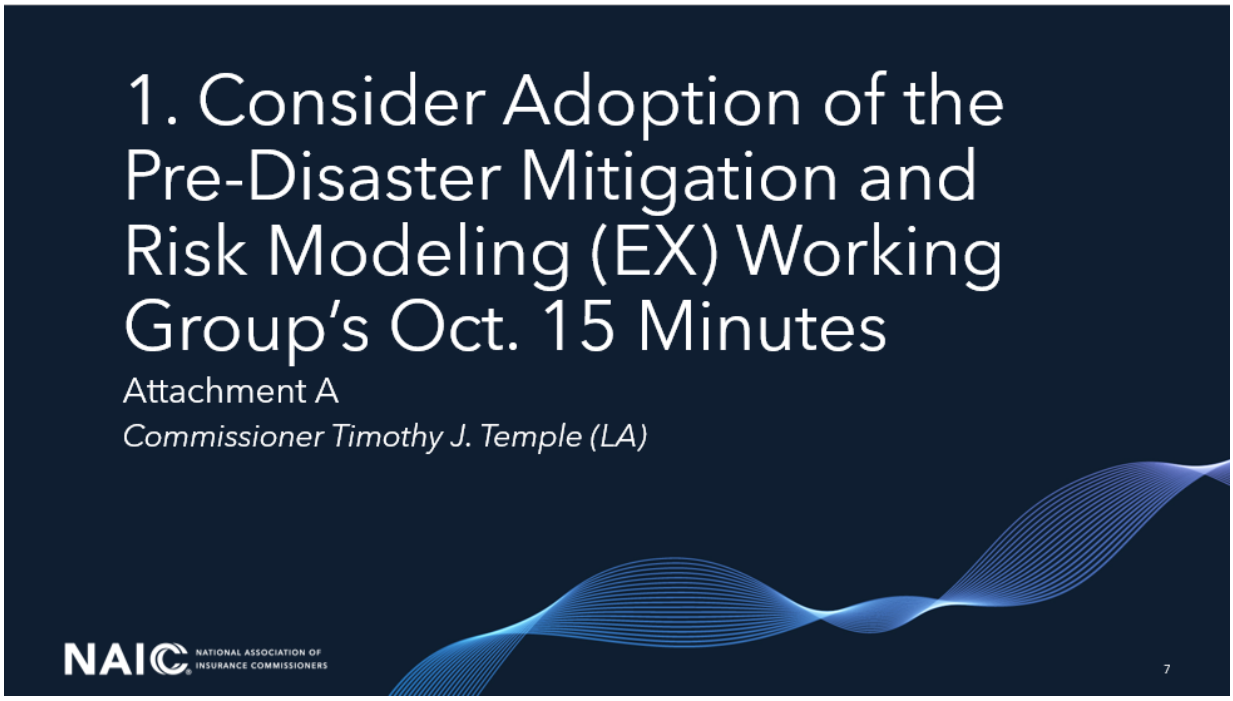
4. Consider Adoption of the Flood Insurance Blueprint —*Director Angela L. Nelson (MO)* — Attachment D

5. Hear a Presentation from the International Code Council (ICC) on Building Codes—*Lesley Garland (ICC)*

6. Hear a Presentation on the Connecticut Insurance Department's Climate Risk Mapping Tool—*George Bradner (CT)*

7. Discuss Any Other Matters Brought Before the Working Groups —*Commissioner Timothy J. Temple (LA) and Director Angela L. Nelson (MO)*

8. Adjournment


1. Consider Adoption of the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group's Oct. 15 Minutes
Attachment A
Commissioner Timothy J. Temple (LA)
NAIC
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
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Draft: 11/4/26

Pre-Disaster Mitigation and Risk Modeling (EX) Working Group
Virtual Meeting
October 15, 2026

The Pre-Disaster Mitigation and Risk Modeling (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX) Task Force met Oct. 15, 2026. The following Working Group members participated: Timothy J. Temple, Chair, (LA); Glen Mulready, Vice Chair (OK); Mark Fowler and Travis Taylor (AL); Tom Zuppan (AZ); Anoush Brangaccio (FL); Jackie Horigan (MA); Joy Y. Hatchette (MD); Parker Fisher (MI); Peter Brickwedde (MN); Andy Case (MS); Sahana Zutshi (NY); and Lauren Burnes (WA). Also participating were: Jimmy Harris (AR); Brad Wilson (KY); and Rebekah Allen (VA).

1. Adopted its Sept. 15 Minutes

The Working Group met Sept. 15. During this meeting, it took the following action: 1) received an update on the draft mitigation program model law; and 2) discussed fortified roof endorsements.

Commissioner Fowler made a motion, seconded by Hatchette, to adopt the Working Group's Sept. 15 minutes (Attachment XX). The motion passed unanimously.

2. Received an Update on the Draft Mitigation Program Model Law

Allen reported that the drafting group had met twice since the Working Group's prior meeting and had reviewed the comments received during the exposure period. She said the drafting group revised the model in response to those comments and submitted the revised draft to NAIC Legal for review. Allen said she would work with NAIC committee support to prepare formal responses to the comments for inclusion in the project history.

Commissioner Fowler asked about the next steps for the model. NAIC committee support explained that after the Working Group receives the final product from the drafting group, it can expose it for additional comment. The Working Group would need to adopt the model before forwarding it to the Natural Catastrophe and Risk Resilience (EX) Task Force.

Commissioner Fowler encouraged commenters to review the redline and provide feedback. Commissioner Temple said the Working Group should continue moving the project forward while allowing its members and interested parties an additional opportunity to review the revised draft.

The Working Group agreed that an additional public exposure period will take place prior to consideration of the model for adoption at the Fall National Meeting.

3. Received a Follow-Up Presentation on Endorsements

Brian Powell (NAIC) continued the Working Group's discussion of the Insurance Institute for Business & Home Safety (IBHS) FORTIFIED roof endorsements. He said states need better information about the number and location of endorsements in force and that the infrastructure needed to support them, including qualified contractors and evaluators and the processing of documentation through IBHS.

Commissioner Temple described Louisiana's requirement that admitted insurers offer a FORTIFIED roof endorsement. He identified potential challenges following a catastrophe, including the capacity to process a large volume of FORTIFIED roof projects, determining whether a structure can receive a FORTIFIED roof, administering premiums, and ensuring that endorsement language clearly establishes the insurer's obligations. He also emphasized the need to educate agents, adjusters, insurers, and consumers and said additional discussion with IBHS would be helpful.

Commissioner Fowler said Alabama requires insurers to offer the endorsement and has encountered instances in which damaged roofs covered by an endorsement were replaced without being FORTIFIED because homeowners, agents, or adjusters did not recognize that the endorsement applied. He said some insurers subsequently refunded amounts or offered to replace the roofs. Alabama is working to obtain better data on endorsement penetration and implementation. Commissioner Temple said Louisiana had encountered similar situations and emphasized that the issues appeared to result from unfamiliarity with a relatively new product rather than intentional misconduct.

Commissioner Harris asked how many states require the endorsement. Powell estimated that approximately six states have such requirements. Wilson said Kentucky recently issued a bulletin addressing endorsement filings that attempted to restrict coverage. He emphasized that endorsements could result in more FORTIFIED homes than the state's grant program because grant funding is limited.

Aaron Brandenburg (NAIC) said the homeowners market data call collected ZIP Code-level information on mitigation discounts, including FORTIFIED discounts. He noted concerns about data quality and said proposed refinements had been discussed. He also said the Homeowners Market Data Call (C) Task Force was considering whether to add mitigation endorsement data elements to the next data call.

Horigan asked about IBHS training for producers and other interested parties. Powell said the available course provides an overview of FORTIFIED construction from the homeowner's perspective and includes some information on endorsements. He said NAIC committee support and IBHS were exploring scalable education opportunities, including a train-the-trainer approach for agents, adjusters, and other stakeholders. The Working Group agreed to continue its discussion of endorsement data, education, implementation, and post-catastrophe capacity.

4. Discussed Options for Financing Large-Scale Mitigation Projects

Brickwedde led a discussion of how state insurance regulators could help move community-scale mitigation projects from pilot programs to broader implementation. He said prior presentations had demonstrated the value of mitigation at the neighborhood and community levels. He asked the Working Group to consider where projects would be most useful and how they could be financed and scaled.

Brickwedde described the Mississippi River Cities and Towns Initiative's (MRCTI's) work with Munich Re to develop a parametric product to provide financial resources following flooding. He also discussed Minnesota's work with its housing finance agency to incorporate insurance and risk information into affordable housing project development and the potential use of homeowners market data to inform disaster response, infrastructure priorities, and financing. He cited catastrophe bonds issued by the North Carolina residual market as an example of financing that could support disaster response and home hardening.

Commissioner Temple said the NAIC could convene catastrophe modelers, reinsurers, primary insurers, and state insurance regulators to identify projects with the greatest potential return and connect measurable risk reduction to insurance and reinsurance pricing. He described Louisiana's coastal protection and restoration work and said

insurance considerations should be incorporated at the front end of project planning. Commissioner Mulready agreed that a more robust discussion with reinsurers would be helpful. Commissioner Fowler supported a coordinated effort to identify additional sources of financing.

Brickwedde asked whether states had partnered with organizations outside the insurance sector. Commissioner Fowler said Alabama had previously approached employers and other industries for mitigation support, but the effort predated the availability of substantial data demonstrating the effectiveness of the program. He said the timing may now be better because states have more experience, empirical data, and evidence of market benefits. Powell said national engagement with home builders, lenders, mortgage organizations, legislators, and other stakeholders had increased as mitigation programs produced additional proof points.

Commissioner Mulready said Oklahoma had successfully engaged real estate professionals, but some lower-income grant applicants could not afford the evaluator's fee. He said the state had approached foundations and might need to consider a legislative change allowing certain evaluation costs to be paid from grant funds. Commissioner Temple said some Louisiana parishes had provided funding to help residents pay evaluation costs and bridge gaps between grant amounts and project costs. He encouraged states to engage county and local governments and suggested outreach to a national association representing county governments. Powell said NAIC staff had contacts with such organizations and offered to collaborate.

In response to questions, Commissioner Fowler said Alabama planned a smaller data call on the effects of a recent storm and would decide after reviewing the results whether to conduct a broader study of FORTIFIED home performance. Participants also discussed engaging Federal Home Loan Banks (FHLBs) and other lenders. Commissioner Temple said the Dallas FHLB had offered grants of up to approximately $17,000, and Commissioner Fowler said the FHLBs should be included more broadly in future discussions.

David Snyder (American Property Casualty Insurance Association—APCIA) offered to share APCIA's roundtable findings from discussions with mortgage bankers, real estate professionals, and other stakeholders. He also offered to seek feedback from primary insurers about community-scale mitigation and reiterated APCIA's interest in a mitigation program model law that could be supported and implemented nationally. Commissioner Temple said the Working Group would follow up on those offers.

5. Discussed Other Matters

Commissioner Temple announced that the Working Group expected to meet Nov. 14 in joint session with the Severe Peril (EX) Working Group at the Fall National Meeting. He said the meeting would include a deeper discussion of building codes, code compliance, and accountability, with presentations from representatives involved in building code issues.

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

2. Consider Adoption of the Severe Peril (EX) Working Group's Oct. 5 Minutes

Attachment B

Director Angela L. Nelson (MO)

NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

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Draft: 10/23/26

Severe Peril (EX) Working Group
Virtual Meeting
October 5, 2026

The Severe Peril (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX) Task Force met Oct. 5, 2026. The following Working Group members participated: Angela L. Nelson, Chair (MO); Heather Carpenter, Vice Chair (AK); Mark Fowler (AL); Tom Zuppan (AZ); Michael Peterson (CA); George Bradner (CT); Sharon Shipp (DC); Anoush Brangaccio (FL); Timothy J. Temple (LA); Jackie Horigan (MA); Joy Y. Hatchette (MD); Peter Brickwedde (MN); Andy Case (MS); and David Forte (WA).

1. Adopted its Sept. 1 Minutes

The Working Group met Sept 1. During this meeting, it took the following action: 1) adopted its June 13 minutes; 2) discussed leadership direction on the flood insurance blueprint; 3) received an update on the NAIC real-time reporting tool; and 4) heard a presentation from Pennsylvania on its flood ombudsman program.

Commissioner Fowler made a motion, seconded by Director Carpenter, to adopt the Working Group's Sept. 1 minutes (Attachment XX). The motion passed unanimously.

2. Received a Status Update on Flood Insurance Blueprint Activities

Butch Kinerney (NAIC) reported on implementation of the Working Group's flood insurance blueprint, noting that three principal workstreams had been established and that 11 state regulators had volunteered to participate, with some serving on multiple efforts. Initial workstream meetings had begun, and additional participation from regulators was encouraged. He explained that the research, data, and market development workstream could be divided into separate research and data-planning efforts as work progresses.

Kinerney described the flood insurance quick connect guide as an initial major deliverable. The guide is intended to provide practical outreach tools for state insurance regulators to engage local community leaders and other trusted voices, including elected and appointed officials, public safety personnel, insurance agents, real estate professionals, attorneys, and financial planners. The guide, which was undergoing a second review, is designed to help regulators initiate conversations about both public and private flood insurance and is targeted for completion by year-end. Regulator feedback has emphasized the need for readily deployable materials, such as introductory emails and talking points, as well as newer communications formats, including video.

Other workstreams focus on consumer and market research, producer engagement, and updated consumer communications. Kinerney said future research should explore why consumers do or do not purchase flood coverage, their interest in alternative products, and how price and product design may influence decisions. Producer engagement will examine barriers to recommending flood insurance and identify tools and incentives that may support more frequent conversations with customers. NAIC Communications staff are also reviewing and updating existing consumer materials, with regulator input anticipated.

Next steps include completing the quick connect guide, advancing a producer engagement strategy, and identifying priority research and data recommendations for 2027.

During the discussion, Brenda J. Cude (Individual Consumer Advocate) requested opportunities for consumer representatives to review work products. Bradner volunteered to participate in the data and producer engagement efforts and indicated he would explore participation by Connecticut communications staff. David Snyder (American Property Casualty Insurance Association—APCIA) offered to circulate draft outreach materials to local elected officials and suggested regional councils of governments as another way to reach municipalities. Amy Bach (United Policyholders—UP) offered to share recent consumer communications materials addressing flood risk and public and private coverage options.

3. Received a Briefing from Munich Re on Novel Flood Insurance Products

Bonnie Guth (Munich Re) and Serena Garrahan (Munich Re) presented on an inland flood endorsement product offered by Munich Re companies intended to help close the flood insurance protection gap for homeowners outside special flood hazard areas.

Garrahan explained that the product is offered through participating insurers as an endorsement to existing policies rather than as a separate flood insurance policy. This structure is intended to simplify purchase and claims handling. Coverage is available with limits ranging from $5,000 to $50,000 per occurrence, subject to a maximum aggregate limit equal to twice the per-occurrence limit. The endorsement offers a combined limit covering specified property and related expenses, with limited coverage for basement personal property and loss of use that differs from NFIP coverage. It is available for homeowners, renters, and certain farm dwelling policies. The product is fully reinsured by Munich Re and offered through participating carriers under their own policy forms.

Garrahan said the endorsement was introduced in 2016, had been approved in 46 states, and had more than 200,000 active endorsements across participating carriers. At the time of the presentation, it was not offered in Alaska, Florida, Hawaii, or Louisiana. The product is designed for low- to moderate-risk properties outside mapped special flood hazard areas and storm-surge-exposed locations. It does not satisfy mandatory flood insurance purchase requirements applicable to certain mortgaged properties in high-risk zones. Guth and Garrahan emphasized that the endorsement is intended to address more limited flood losses rather than to replace comprehensive coverage for catastrophic losses.

Regulators discussed opportunities to improve consumer awareness and distribution. Bradner asked about Connecticut availability and policy uptake, citing the state's use of First Street flood-risk mapping in agent education. Garrahan confirmed that carriers offer the endorsement in Connecticut and agreed to provide additional information separately. Representatives from Maryland and Illinois also expressed interest in being connected with Munich Re. In response to a question about risk assessment, Garrahan clarified that eligibility excludes mapped high-risk flood zones and surge-exposed areas, while private risk modeling supports underwriting and pricing.

Kenneth Klein (Individual Consumer Advocate) asked how frequently the coverage would respond to losses above the deductible but within the relatively low policy limit and how substantially it could assist affected homeowners. Munich Re representatives acknowledged the importance of explaining coverage limits and described the product as a more affordable option for losses that might otherwise be uninsured. Director Nelson observed that even relatively modest water-damage repairs can impose significant financial burdens on households. Bradner and Garrahan also discussed the value of coverage for basement property and temporary loss of use. Peterson asked whether the endorsement incorporates mitigation incentives. Garrahan stated that it does not currently offer mitigation credits.

4. Received a Briefing on the NFIP Data Sharing Agreements with State, Local, and Tribal Territories

Kelly Bronowicz (Federal Emergency Management Agency—FEMA) introduced Ariana DiMeo (FEMA) to discuss state, tribal, and territorial (STT) agreements for access to NFIP data. DiMeo explained that the new STT framework replaces earlier, more restrictive information-sharing arrangements and enables authorized state, tribal, and territorial personnel to access policy and other NFIP information through FEMA's PIVOT system. Data downloaded and curated for a state purpose becomes a state record and is subject to the applicable state's information-security and disclosure requirements. Approximately 25 STT agreements were in place at the time of the meeting.

DiMeo outlined how participating agencies designate authorized personnel for PIVOT access, including arrangements for units within agencies and designated account holders. She encouraged agencies to designate more than one authorized user to ensure continuity. FEMA also offers job aids, a community of interest, and individual or group training to help jurisdictions access and use the information.

Director Carpenter and Director Nelson emphasized that smaller state insurance departments may lack the staff or technical capacity to extract, manage, and analyze large datasets. They asked whether the NAIC could serve a coordinating or support role to help states use NFIP information alongside homeowners and private flood insurance datasets already maintained by the NAIC. Director Nelson noted that a centralized arrangement could reduce duplicate effort and support more comprehensive cross-market analysis. DiMeo explained that FEMA's current framework provides access to states and leaves subsequent decisions on use and sharing of state records to the jurisdictions themselves. She also noted opportunities for collaboration with public universities and research entities.

The Working Group expressed interest in continued discussions about practical mechanisms for NAIC assistance, particularly for resource-constrained states. Director Carpenter requested information on existing agreements, procedures for obtaining access, and step-by-step guidance to share with regulators and commissioners. DiMeo offered further briefings, training, and direct assistance. Kinerney agreed to coordinate follow-up and distribute relevant information to the Working Group and other interested commissioners.

Having no further business, the Severe Peril (EX) Working Group adjourned.

3. Consider Adoption of the Residential Mitigation Grant Program Model Act

Attachment C

Rebekah Allen (VA)

NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

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RESIDENTIAL MITIGATION GRANT PROGRAM MODEL ACT

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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, cost of housing , 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 property owners 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;]

Confidential

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 property owners strengthens market confidence and supports insurance availability and cost;

(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 cost 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 property owner 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].

Drafting Note: A state that administers the Program jointly with, or through, another state agency (for example, an emergency management or housing agency) may substitute or add that agency here. See Section 13B.

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.

Drafting Note: If a Legislature wishes to guarantee Program coverage of a particular hazard without waiting for rulemaking, a state may wish to name one or more specific perils directly in statute by altering the definition of "Designated Peril" to be "[insert specific natural hazard] and any additional natural hazards…" The Commissioner's authority to designate additional perils by rule applies whether or not a specific hazard is added to the definition; the Commissioner's authority would be limited in that any hazard named in statute would require legislative amendment to remove.

D. "Eligible Residence" means a residential structure located within this State that meets the eligibility criteria set forth in Section 8A and any additional eligibility criteria established by the Commissioner under Section 8B.

Drafting Note: "Eligible Residence" can reach any number of residential structures depending on the permutation of eligibility criteria the Department decides upon, such as owner-occupied single-family homes, owner-occupied structures of a set number of dwelling units (for example, a duplex), or single-family rental homes. Eligibility or exclusions can be wholly addressed in Section 8A or core eligibility criteria or exclusionary criteria can be included in the Eligible Residence definition with "and other eligibility criteria established by the Commissioner under Section 8B." Examples of how the definition and Section 8A(1) could be framed, from narrowest to broadest, include: (i) owner-occupied single-family homes only; (ii) owner-occupied structures of up to four dwelling units, such as a duplex, triplex, or fourplex, in which the owner occupies at least one unit; (iii) single-family or one-to-four-unit rental properties, conditioned on landlord participation requirements; and (iv) multifamily structures of five or more dwelling units, conditioned on owner occupancy of at least one unit or on cost commitments. In Section 8A(1), Options (a) through (d) implement these examples. A state may also tailor eligibility by Designated Peril or region; see the Drafting Notes to Section 2B(1) and Section 8B. Whichever option a state selects, the definition of "Eligible Residence" or Section 8A(1) can include exclusionary criteria that excludes vacation rentals, short-term rentals, and properties held for resale. A state wishing to prioritize low- and moderate-income households may wish to extend the definition to multifamily structures by qualifying or removing the owner-occupancy requirement, in which case the state will also need to conform to Section 8A(1) and Section 9.

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 property owner 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 a 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 7C, 7D, 7E, and 7F of this Act.

H. "Maintain" means, with respect to a Qualified Mitigation Measure, that the measure remains in place and in effect, as shown by a current certificate or designation under the applicable Recognized Mitigation Standard, including any renewal or re-designation the standard requires or, where no certificate is issued, by verification under rules adopted by the Commissioner.

I. "Premium Benchmark Table" means the schedule of reference premium discounts published by the Department under Section 9, expressed as percentages applied to the homeowner's [or dwelling] insurance premium.

J. "Program" means the Strengthen [insert state] Homes Program established under this Act.

K. "Qualified Mitigation Measures" means construction or retrofit activities that materially reduce the risk of loss from one or more Designated Perils and that (1) are undertaken in accordance with, or result in a residence meeting, an applicable Recognized Mitigation Standard; or (2) where no applicable Recognized Mitigation Standard is reasonably available for a Designated Peril, are approved by the Commissioner under Section 5C.

L. "Recognized Mitigation Standard" means a verifiable, science-based building standard or consensus standard addressing hazard mitigation for one or more Designated Perils that is developed and maintained by a nationally or regionally recognized standard-setting organization, incorporates independent verification of compliance, and is supported by documented, peril-specific loss-reduction evidence, as adopted 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 or the Wildfire Prepared standards published by the Insurance Institute for Business & Home Safety (IBHS), including the FORTIFIED Roof, FORTIFIED Silver, and FORTIFIED Gold designations, and the Wildfire Prepared Essential and Enhanced designations, or other specific Recognized Mitigation Standards by rule. See Section 5. Alternatively, if a Legislature wishes to guarantee Program coverage of a particular standard without waiting for rulemaking, a state may wish to name one or more specific standards directly in statute by altering the definition of "Recognized Mitigation Standard" to be "[insert specific standard] and any additional verifiable, science-based building standard…" The Commissioner's authority to designate additional standards by rule applies whether or not a specific standard is added to the definition; the Commissioner's authority would be limited in that any standard named in statute would require legislative amendment to remove. A state that names a standard in statute should confirm that the standard satisfies the evidentiary requirements of Section 5A.

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 property owners 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. A state that includes new construction should consider the apportionment of the new-construction's share of total grant funding, or phasing it in after a specified period, to balance retrofit of existing higher-risk housing stock as a Program goal. A state that extends the Program to rental or other investor-owned properties should also consider how to balance support for property owners against support for housing investors, whether through the options and Drafting Note to Section 8A(1) or the prioritization criteria in Section 8C.

B. Participation in the Program by property owners, contractors, and 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 grant awards based on the availability of funds.

Section 5. Use of Recognized Mitigation Standards and Qualified Mitigation Measures

A. The Commissioner shall, by rule, designate Designated Perils and adopt 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. In adding, modifying, or removing standards, the Commissioner may consult actuaries, catastrophe modelers, engineers, or building-science experts. Before adopting a Recognized Mitigation Standard, the Commissioner shall determine that the standard:

(1) Is a verifiable, science-based building standard or consensus standard addressing hazard mitigation for one or more Designated Perils;

(2) Is developed and maintained by a nationally or regionally recognized standard-setting organization;

(3) Incorporates independent verification of compliance; and

(4) Is supported by documented, peril-specific loss-reduction evidence, which may include credible data, engineering analysis, peer-reviewed research, catastrophe modeling, or actuarial studies.

Drafting Note: While the Act does not suggest publication of adopted Recognized Mitigation Standards and Qualified Mitigation Measures outside of the state's rulemaking process, a state department of insurance may make available to the public and to insurers – whether on its website or through other official channels – the list of currently Recognized Mitigation Standards and Qualified Mitigation Measures, for both the purposes of funding under the Program and for providing discounts and endorsements.

B. The Commissioner may authorize additional standards, mitigation tiers, or engineering-based approaches for a Designated Peril, based upon the same evidentiary showing required under Section 5A. 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. Where no Recognized Mitigation Standard is reasonably available for a Designated Peril, the Commissioner may, by rule, approve Qualified Mitigation Measures supported by the same documented, peril-specific loss-reduction evidence required under Section 5A(4). The Commissioner shall specify the verification required for measures approved under subsection.

D. 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 property owner 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.

C. Grant awards shall be used for approved Qualified Mitigation Measures and may, as determined by the Commissioner by rule, be used for other costs related to Qualified Mitigation Measures.

Drafting Note: The Commissioner's authority under this subsection is intentionally flexible. Costs a Commissioner may wish to authorize by rule include evaluations and inspections, certifications, building permits, verification activities by Independent Third-Party Verifiers, 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 Qualified Mitigation Measure.

E. Where property owner 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 related to work funded, in whole or in part, by the Program 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 for any act or omission of any party, including breach of contract or any issue arising under such contract, or the workmanship or intentional, reckless, or negligent misconduct by the Enrolled Contractor, Independent Third-Party Verifier, or Grant Recipient.

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.

H. [OPTIONAL: Funds available under this Program are in addition to, and not in lieu of, any funds available for qualified mitigation expenses under a program adopted by the State providing for mitigation, catastrophe, or disaster savings accounts and the tax advantages afforded thereby for mitigation and resiliency efforts.]

Drafting Note: Several states have adopted, or have pending legislation to adopt, mitigation/catastrophe/disaster savings accounts, which function similarly to Health Savings Accounts and may offer state tax advantages for contributions, interest earned, and qualified distributions for mitigation expenses. This subsection clarifies that Program grants are additive to, not a substitute for, any such state framework, allowing property owners to combine both financing tools for a mitigation project.

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 may be required by state law.

B. The Commissioner may establish by rule eligibility or other requirements, including additional insurance, training, or credentialing requirements or compliance with all applicable regulatory authorities, 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. States may wish to consider what good standing an Enrolled Contractor – or Independent Third-Party Verifier in Section 7D – should maintain with other regulatory authorities like licensure boards, business registration agencies, or taxation authorities.

C. Independent Third-Party Verifiers shall:

(1) Conduct and document on-site inspection or equivalent review of completed work intended to qualify as a Qualified Mitigation Measure against the requirements of the applicable Recognized Mitigation Standard or approved Qualified Mitigation Measure; and

Drafting Note: The detail and extent of the documentation the Independent Third-Party Verifier completes should be contemplated by the Department in its administration and rulemaking for the Program, including the property identification, specification of the work evaluated, the standard applied, and the findings by the verifier.

(2) Be independent from the Grant Recipient and the Enrolled Contractor performing work intended to qualify as a Qualified Mitigation Measure.

D. The Commissioner may establish by rule eligibility or other requirements, including additional insurance, training, or credentialing requirements or compliance with all applicable regulatory authorities, for Program participation by Independent Third-Party Verifiers.

E. If a Recognized Mitigation Standard requires the use of a credentialed Independent Third-Party Verifier, the Independent Third-Party Verifier 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; 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 prohibit 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. An Independent Third-Party Verifier's evaluation under, certification documentation for, or adherence to the requirements of the applicable Recognized Mitigation Standard shall not constitute a guarantee or warranty of the workmanship, means, or methods of the Enrolled Contractor.

Section 8. Applicant Eligibility, Application, and Selection

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

(1) Be the owner of record of an Eligible Residence that:

Drafting Note: A state should contemplate its proof-of-ownership requirements, including their effect on heirs' property, unrecorded transfers, tangled title, and manufactured homes on leased land, and consider whether they align with state policy goals for low-income and low-wealth households in rural and urban communities. The same review should cover the tax and mortgage requirement in Section 8A(3) and the priorities in Section 8C.

(a) Is an owner-occupied single family residential structure;

(b) [OPTIONAL: Is a residential structure containing not more than [four] dwelling units, at least one of which is occupied by the owner as a dwelling;]

(c) [OPTIONAL: Is a single-family residential structure, or a residential structure containing not more than [four] dwelling units, that is not occupied by the owner, provided that the owner satisfies landlord participation requirements established by the Department by rule, [which may include cost or tenant-protection commitments for a stated period or a limit on the number of properties for which a single owner may receive grants];]

(d) [OPTIONAL: Is a residential structure containing [five] or more dwelling units, provided that (i) the owner occupies at least one unit, or (ii) the owner satisfies landlord participation requirements established by the Department by rule[, which shall include a cost commitment for low- and moderate-income households for a stated period]; or

(e) [OPTIONAL: Description of any other Eligible Residence(s) the state selects];];

Drafting Note: A state that wishes to reach larger multi-family or other renter-occupied properties may 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. Options (b) through (d) are alternatives, ordered from narrowest to broadest, and a state may select one, combine several, or substitute its own description in Option (e). Because Options (c) and (d) extend Program funds to properties owned by landlords and other housing investors, a state selecting either should consider how to balance owner-occupant and investor participation, for example by capping the share of Program funding available for non-owner-occupied properties, limiting the number of properties or grants per owner, requiring an owner contribution, requiring cost or tenant-protection commitments, or giving priority to owner-occupied residences under Section 8C. A state should also decide how to treat condominium units, townhomes, cooperatives, and manufactured homes, and whether to exclude vacation rentals, short-term rentals, and properties held for resale (see the Drafting Note to the definition of "Eligible Residence").

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

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. 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. See Section 9K.

(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 homeowner's 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.

Drafting Note: The Department may establish an optional standardized form or other uniform means of documenting completion and maintenance of Qualified Mitigation Measures for consistency across Designated Perils in a jurisdiction.

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

Section 9. Insurance Premium Discounts and Optional Endorsements

A. Any insurer authorized to write homeowner's [or dwelling] insurance in this State shall file and apply an actuarially justified premium discount or rate reduction to a policyholder who completes and maintains a Qualified Mitigation Measure or meets a Recognized Mitigation Standard irrespective of the funding source for the Qualified Mitigation Measure or Recognized Mitigation Standard, retains documentation of such completion and maintenance, and provides documentation to the insurer. An insurer may satisfy this requirement by filing a discount or rate reduction equal to the applicable reference set forth in the Premium Benchmark Table under Section 9C or by filing its own actuarially supported discount or rate reduction consistent with the insurer's rating plan with the Department, provided 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.

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 or Recognized Mitigation Standard 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. The Premium Benchmark Table in Section 9C operates as a reference: an insurer that adopts the benchmark is deemed to comply, and an insurer that files a different discount need only support it under the State's rating laws, which preserves the mandatory discount while allowing for insurer-specific data. A state preferring a presumptive floor may instead provide that an insurer may file below the benchmark only upon a showing to the Commissioner that a different discount is actuarially justified.. A state that prefers to make the discount itself voluntary may wish to replace "shall file and apply" with "may file and apply" in Section 9A.

B. Premium discounts for Qualified Mitigation Measures or Recognized Mitigation Standard shall apply to the homeowner's [or dwelling] insurance premium as determined by the insurer's filed rating plan. which may limit the discount to the portion of the premium attributable to the mitigated Designated Peril and need not provide duplicative recognition for the same loss reduction. Where an insurer does not separately rate the Designated Peril, the Commissioner may by rule determine how the discount applies.. The discount shall remain in effect for so long as the Qualified Mitigation Measure or achievement of the Recognized Mitigation Standard is maintained and shall continue, subject to verification by the insurer, upon transfer of the property to a new owner who maintains the Qualified Mitigation Measure or achievement of the Recognized Mitigation Standard.

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, publish, and maintain a Premium Benchmark Table setting forth reference discount levels associated with the completion and maintenance of Qualified Mitigation Measures. An insurer may adopt the benchmark discount levels or file different discount levels, whether higher or lower, supported by actuarial data, catastrophe modeling, claims experience, relevant research, or other justification deemed reasonable by the Department. The benchmark levels do not establish required minimums or create a presumption that a different discount level is unreasonable.

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, relevant research, or other justification deemed reasonable by the Department, as available and appropriate; and

(3) Set forth reference discount percentages that insurers may adopt, without precluding an insurer from filing appropriately justified alternative discount percentages as described in Section 9C; and

(4) Be maintained through review when changes to the information described in Section 9D(2) may affect the reference discount percentages or when a Qualified Mitigation Measure or Recognized Mitigation Standard on which the table is based is revised, and be updated and republished if the Department determines that such changes materially affect the table.

E. Insurers shall file and maintain rating plans consistent with the Premium Benchmark Table, subject to Section 9A, 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 benchmark discount levels set forth in the Premium Benchmark Table.

G. Subject to eligibility criteria described in Section 9I, 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.

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, including the components the applicable Recognized Mitigation Standard requires for the replaced 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 – and consider what level of damage to the covered feature would trigger coverage under the endorsement. The Department may address this relationship by rule. Coverage "for a fee" is to indicate that insurers are not expected to provide or offer zero-cost endorsements.

(2) Be renewable for so long as the policy remains in force with the insurer, on the terms in its filed form, 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. Insurers may use inspections or other reasonable underwriting methods to evaluate eligibility and mitigation potential, subject to applicable insurance laws.

Drafting Note: Eligibility of a residence for a grant under this Act does not, by itself, subject any insurance policy covering that residence to this section or Section 10. This Section and Section 10 apply only to insurers offering the policy types identified in these sections or later expressly added by the state.

Section 10. Insurer Data Collection

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 to support the Premium Benchmark Table required under Section 9. The Commissioner may request or accept supplemental data including but not limited to aggregated data, catastrophe modeling, engineering analysis, relevant research, actuarial studies, or other credible information.

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.

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 Third-Party Verifier pursuant to Section 7D, , 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, including existing protections for rate or rule filings. A state should consider what property owner-specific information the Program will collect, how long it will be retained, the property owner'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 property owner 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 9 or Section 10, but excluding any rate or rule filing that is public under [insert reference to state rating law], 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 or 11B 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;

(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 with a Grant Recipient, a person applying for a grant under the Program, an Enrolled Contractor, or an Independent Third-Party Verifier, documents, materials, or other information subject to Section 11A that were previously submitted to the Department by or on behalf of that person, including any written correspondence between the Department and that person;

(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, 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 a report to the [Governor and] Legislature summarizing Program activity and recommendations for improvement, presented in an aggregated, de-identified form.

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

B. Except for those duties and responsibilities prescribed in Sections 9 and 10, the Commissioner may, by interagency agreement, develop and administer the Program in partnership with one or more other state agencies, or 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 the amount authorized under [reference to State's existing penalty statute] per violation;

Drafting Note: States vary in the civil penalty amounts authorized for comparable insurance-related or grant-related fraud violations. A state should cross-reference the 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.

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 property owners. 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.

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], which shall in no case be earlier than one year following enactment. 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 13, its appropriations process, and timing of policy issuances and renewals, so that the Commissioner has adequate lead time to adopt implementing rules before the Program becomes operative and insurers have adequate time to make rate or rule filings. 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.

RESIDENTIAL MITIGATION GRANT PROGRAM MODEL ACT

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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, cost of housing , 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 property owners 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 property owners strengthens market confidence and supports insurance availability and cost;

(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 cost 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 property owner 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].

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Drafting Note: A state that administers the Program jointly with, or through, another state agency (for example, an emergency management or housing agency) may substitute or add that agency here. See Section 13B.

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.

Drafting Note: If a Legislature wishes to guarantee Program coverage of a particular hazard without waiting for rulemaking, a state may wish to name one or more specific perils directly in statute by altering the definition of "Designated Peril" to be "[insert specific natural hazard] and any additional natural hazards…" The Commissioner's authority to designate additional perils by rule applies whether or not a specific hazard is added to the definition; the Commissioner's authority would be limited in that any hazard named in statute would require legislative amendment to remove.

D. "Eligible Residence" means a residential structure located within this State that meets the eligibility criteria set forth in Section 8A and any additional eligibility criteria established by the Commissioner under Section 8B.

Drafting Note: "Eligible Residence" can reach any number of residential structures depending on the permutation of eligibility criteria the Department decides upon, such as owner-occupied single-family homes, owner-occupied structures of a set number of dwelling units (for example, a duplex), or single-family rental homes. Eligibility or exclusions can be wholly addressed in Section 8A or core eligibility criteria or exclusionary criteria can be included in the Eligible Residence definition with "and other eligibility criteria established by the Commissioner under Section 8B." Examples of how the definition and Section 8A(1) could be framed, from narrowest to broadest, include: (i) owner-occupied single-family homes only; (ii) owner-occupied structures of up to four dwelling units, such as a duplex, triplex, or fourplex, in which the owner occupies at least one unit; (iii) single-family or one-to-four-unit rental properties, conditioned on landlord participation requirements; and (iv) multifamily structures of five or more dwelling units, conditioned on owner occupancy of at least one unit or on cost commitments. In Section 8A(1), Options (a) through (d) implement these examples. A state may also tailor eligibility by Designated Peril or region; see the Drafting Notes to Section 2B(1) and Section 8B. Whichever option a state selects, the definition of "Eligible Residence" or Section 8A(1) can include exclusionary criteria that excludes vacation rentals, short-term rentals, and properties held for resale. A state wishing to prioritize low- and moderate-income households may wish to extend the definition to multifamily structures by qualifying or removing the owner-occupancy requirement, in which case the state will also need to conform to Section 8A(1) and Section 9.

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 property owner 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 a Grant Recipient.

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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 7C, 7D, 7E, and 7F of this Act.

H. "Maintain" means, with respect to a Qualified Mitigation Measure, that the measure remains in place and in effect, as shown by a current certificate or designation under the applicable Recognized Mitigation Standard, including any renewal or re-designation the standard requires or, where no certificate is issued, by verification under rules adopted by the Commissioner.

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

~~I.~~J. "Program" means the Strengthen [insert state] Homes Program established under this Act.

~~J.~~K. "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 (1) are undertaken in accordance with, or result in a residence meeting, an applicable Recognized Mitigation Standard; or (2) where no applicable Recognized Mitigation Standard is reasonably available for a Designated Peril, are approved by the Commissioner under Section 5C.

~~K.~~L. "Recognized Mitigation Standard" means a verifiable, science-based building standard or consensus standard addressing hazard mitigation for one or more Designated Perils that is developed and maintained by a nationally or regionally recognized standard-setting organization, incorporates independent verification of compliance, and is supported by documented, peril-specific loss-reduction evidence, as adopted 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 or the Wildfire Prepared standards published by the Insurance Institute for Business & Home Safety (IBHS), including the FORTIFIED Roof, FORTIFIED Silver, and FORTIFIED Gold ~~designation~~designations, and the Wildfire Prepared Essential and Enhanced designations, or other specific Recognized Mitigation Standards by rule. See Section 5. Alternatively, if a Legislature wishes to guarantee Program coverage of a particular standard without waiting for rulemaking, a state may wish to name one or more specific standards directly in statute by altering the definition of "Recognized Mitigation Standard" to be "[insert specific standard] and any additional verifiable, science-based building standard…" The Commissioner's authority to designate additional standards by rule applies whether or not a specific standard is added to the definition; the Commissioner's authority would be limited in that any standard named in statute would require legislative amendment to remove. A state that names a standard in statute should confirm that the standard satisfies the evidentiary requirements of Section 5A.

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 property owners 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.

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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. A state that includes new construction should consider the apportionment of the new-construction's share of total grant funding, or phasing it in after a specified period, to balance retrofit of existing higher-risk housing stock as a Program goal. A state that extends the Program to rental or other investor-owned properties should also consider how to balance support for property owners against support for housing investors, whether through the options and Drafting Note to Section 8A(1) or the prioritization criteria in Section 8C.

B. Participation in the Program by property owners, contractors, and 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 grant awards based on the availability of funds.

Section 5. Use of Recognized Mitigation Standards and Qualified Mitigation Measures

A. The Commissioner shall, by rule, designate Designated Perils and adopt 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. In adding, modifying, or removing standards, the Commissioner may consult actuaries, catastrophe modelers, engineers, or building-science experts. Before adopting a Recognized Mitigation Standard, the Commissioner shall determine that the standard:

(1) Is a verifiable, science-based building standard or consensus standard addressing hazard mitigation for one or more Designated Perils;

(2) Is developed and maintained by a nationally or regionally recognized standard-setting organization;

(3) Incorporates independent verification of compliance; and

(4) Is supported by documented, peril-specific loss-reduction evidence, which may include credible data, engineering analysis, peer-reviewed research, catastrophe modeling, or actuarial studies.

Drafting Note: While the Act does not suggest publication of adopted Recognized Mitigation Standards and Qualified Mitigation Measures outside of the state's rulemaking process, a state department of insurance may make available to the public and to insurers – whether on its website or through other official channels – the list of currently Recognized Mitigation Standards and Qualified Mitigation Measures, for both the purposes of funding under the Program and for providing discounts and endorsements.

B. The Commissioner may authorize additional standards, mitigation tiers, or engineering-based approaches for a Designated Peril, based upon the same evidentiary showing required under Section 5A. Any alternative approach authorized under this subsection shall be deemed a

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Recognized Mitigation Standard for the purposes of this Act and shall be eligible for funding under the Program.

C. Where no Recognized Mitigation Standard is reasonably available for a Designated Peril, the Commissioner may, by rule, approve Qualified Mitigation Measures supported by the same documented, peril-specific loss-reduction evidence required under Section 5A(4). The Commissioner shall specify the verification required for measures approved under subsection.

D. 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.

~~C.~~

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 property owner 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.

C. Grant awards shall be used for approved Qualified Mitigation Measures and may, as determined by the Commissioner by rule, be used for other costs related to Qualified Mitigation Measures.

Drafting Note: The Commissioner's authority under this subsection is intentionally flexible. Costs a Commissioner may wish to authorize by rule include evaluations and inspections, certifications, building permits, verification activities by Independent Third-Party Verifiers, 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 Qualified Mitigation Measure.

E. Where property owner 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 related to work funded, in whole or in part, by the Program 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 for any act or omission of any party, including breach of contract or any issue arising under such contract, or the workmanship or intentional, reckless, or negligent misconduct by the Enrolled Contractor, Independent Third-Party Verifier, or Grant Recipient.

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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.

H. [OPTIONAL: Funds available under this Program are in addition to, and not in lieu of, any funds available for qualified mitigation expenses under a program adopted by the State providing for mitigation, catastrophe, or disaster savings accounts and the tax advantages afforded thereby for mitigation and resiliency efforts.]

Drafting Note: Several states have adopted, or have pending legislation to adopt, mitigation/catastrophe/disaster savings accounts, which function similarly to Health Savings Accounts and may offer state tax advantages for contributions, interest earned, and qualified distributions for mitigation expenses. This subsection clarifies that Program grants are additive to, not a substitute for, any such state framework, allowing property owners to combine both financing tools for a mitigation project.

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 may be required by state law.

B. The Commissioner may establish by rule eligibility or other requirements, including additional insurance, training, or credentialing requirements or compliance with all applicable regulatory authorities, 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. States may wish to consider what good standing an Enrolled Contractor – or Independent Third-Party Verifier in Section 7D – should maintain with other regulatory authorities like licensure boards, business registration agencies, or taxation authorities.

C. Independent Third-Party Verifiers shall:

(1) Conduct ~~evaluations~~and document on-site inspection or equivalent review of completed work intended to ~~meet~~qualify as a ~~Recognized~~Qualified Mitigation ~~Standard,~~Measure against the requirements of the applicable Recognized Mitigation Standard or approved Qualified Mitigation Measure; and

Drafting Note: The detail and extent of the documentation the Independent Third-Party Verifier completes should be contemplated by the Department in its administration and rulemaking for the Program, including the property identification, specification of the work evaluated, the standard applied, and the findings by the verifier.

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

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D. The Commissioner may establish by rule eligibility or other requirements, including additional insurance, training, or credentialing requirements or compliance with all applicable regulatory authorities~~,~~, for Program participation by Independent Third-Party Verifiers.

E. If a Recognized Mitigation Standard requires the use of a credentialed Independent Third-Party Verifier, the Independent Third-Party Verifier 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; 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 prohibit 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. An Independent Third-Party Verifier's evaluation under, certification documentation for, or adherence to the requirements of the applicable Recognized Mitigation Standard shall not constitute a guarantee or warranty of the workmanship, means, or methods of the Enrolled Contractor.

Section 8. Applicant Eligibility, Application, and Selection

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

(1) Be the owner of record of an Eligible Residence that:

Drafting Note: A state should contemplate its proof-of-ownership requirements, including their effect on heirs' property, unrecorded transfers, tangled title, and manufactured homes on leased land, and consider whether they align with state policy goals for low-income and low-wealth households in rural and urban communities. The same review should cover the tax and mortgage requirement in Section 8A(3) and the priorities in Section 8C.

(a) Is an owner-occupied single family residential structure;

(b) [OPTIONAL: Is a residential structure containing not more than [four] dwelling units, at least one of which is occupied by the owner as a dwelling;]

(c) [OPTIONAL: Is a single-family residential structure, or a residential structure containing not more than [four] dwelling units, that is not occupied by the owner, provided that the owner satisfies landlord participation requirements established by the Department by rule, [which may include cost or tenant-protection commitments for a stated period or a limit on the number of properties for which a single owner may receive grants];]

(d) [OPTIONAL: Is a residential structure containing [five] or more dwelling units, provided that (i) the owner occupies at least one unit, or (ii) the owner satisfies landlord participation requirements established by the Department by rule[, which shall include a cost commitment for low- and moderate-income households for a stated period]; or

(e) [OPTIONAL: Description of any other Eligible Residence(s) the state selects];];

Drafting Note: A state that wishes to reach larger multi-family or other renter-occupied properties may 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. Options (b) through (d) are alternatives, ordered from narrowest to broadest, and a state may select one, combine several, or substitute its own description in Option (e). Because Options (c) and (d) extend Program funds to properties owned by landlords and other housing investors, a state selecting either should consider how to balance owner-occupant and investor participation, for example by capping the share of Program funding available for non-owner-occupied properties, limiting the number of properties or grants per owner, requiring an owner contribution, requiring cost or tenant-protection commitments, or giving priority to owner-occupied residences under Section 8C. A state should also decide how to treat condominium units, townhomes, cooperatives, and manufactured homes, and whether to exclude vacation rentals, short-term rentals, and properties held for resale (see the Drafting Note to the definition of "Eligible Residence").

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

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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. 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. See Section 9K.

(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 homeowner's 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.

Drafting Note: The Department may establish an optional standardized form or other uniform means of documenting completion and maintenance of Qualified Mitigation Measures for consistency across Designated Perils in a jurisdiction.

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

Section 9. Insurance Premium Discounts and Optional Endorsements

A. Any insurer authorized to write homeowner's [or dwelling] insurance in this State shall ~~provide~~file and apply an actuarially justified premium discount or rate reduction to a policyholder who completes and maintains a Qualified Mitigation Measure or meets a Recognized Mitigation

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Standard 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 a discount or rate reduction equal to the applicable reference set forth in the Premium Benchmark Table under Section 9C or by filing its own actuarially supported discount or rate reduction consistent with the insurer's rating plan with the Department, provided 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. ~~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~~.

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 or Recognized Mitigation Standard 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. The Premium Benchmark Table in Section 9C operates as a ~~presumptive minimum from which~~reference: an insurer ~~may depart~~that adopts the benchmark is deemed to comply, and an insurer that files a different discount need only ~~with actuarial~~ support it under the State's rating laws, which preserves the mandatory discount while allowing for insurer-specific data. A state preferring a presumptive floor may instead provide that an insurer may file below the benchmark only upon a showing to the Commissioner that a different discount is actuarially justified.. A state that prefers to ~~authorize, rather than require, a statewide benchmark~~ make the discount itself voluntary may wish to ~~modify Sections 9C through 9F, replacing~~replace "shall file and apply" with "may file and apply" in Section ~~9E and treating the Premium Benchmark Table as a reference point rather than a binding minimum~~9A.

B. Premium discounts for Qualified Mitigation Measures or Recognized Mitigation Standard shall apply to the homeowner's [or dwelling] insurance premium as determined by the insurer's filed rating plan. which may limit the discount to the portion of the premium attributable to the mitigated Designated Peril and need not provide duplicative recognition for the same loss reduction. Where an insurer does not separately rate the Designated Peril, the Commissioner~~.~~ may by rule determine how the discount applies.. The discount shall remain in effect for so long as the Qualified Mitigation Measure or achievement of the Recognized Mitigation Standard is maintained and shall continue, subject to verification by the insurer, upon transfer of the property to a new owner who maintains the Qualified Mitigation Measure~~.~~ or achievement of the Recognized Mitigation Standard.

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, publish, and maintain a Premium Benchmark Table setting forth reference discount levels associated with the completion and maintenance of Qualified Mitigation Measures. An insurer may adopt the benchmark discount levels or file different discount levels,

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whether higher or lower, supported by actuarial data, catastrophe modeling, claims experience, relevant research, or other justification deemed reasonable by the Department. The benchmark levels do not establish required minimums or create a presumption that a different discount level is unreasonable.

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, relevant research, or other justification deemed reasonable by the Department, as available and appropriate; and

(3) Set forth reference discount percentages that insurers may adopt, without precluding an insurer from filing appropriately justified alternative discount percentages as described in Section 9C; and

(4) Be maintained through review when changes to the information described in Section 9D(2) may affect the reference discount percentages or when a Qualified Mitigation Measure or Recognized Mitigation Standard on which the table is based is revised, and be updated and republished if the Department determines that such changes materially affect the table.

E. Insurers shall file and maintain rating plans consistent with the Premium Benchmark Table, subject to Section 9A, 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~~benchmark discount levels set forth in the Premium Benchmark Table.

G. Subject to eligibility criteria described in Section 9I, 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.

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~~;~~, including the components the applicable Recognized Mitigation Standard requires for the replaced 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

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Measure~~.~~ – and consider what level of damage to the covered feature would trigger coverage under the endorsement. The Department may address this relationship by rule. Coverage "for a fee" is to indicate that insurers are not expected to provide or offer zero-cost endorsements.

(2) ~~Remain in effect~~Be renewable for so long as the ~~useful life of the Eligible Residence and~~ policy ~~period~~remains in force with the insurer, on the terms in its filed form, 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. Insurers may use inspections or other reasonable underwriting methods to evaluate eligibility and mitigation potential, subject to applicable insurance laws.

Drafting Note: Eligibility of a residence for a grant under this Act does not, by itself, subject any insurance policy covering that residence to this section or Section 10. This Section and Section 10 apply only to insurers offering the policy types identified in these sections or later expressly added by the state.

Section 10. Insurer Data Collection

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 to support the Premium Benchmark Table required under Section 9. The Commissioner may request or accept supplemental data including but not limited to aggregated data, catastrophe modeling, engineering analysis, relevant research, actuarial studies, or other credible information.

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.

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 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

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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~~.~~, including existing protections for rate or rule filings. A state should consider what property owner-specific information the Program will collect, how long it will be retained, the property owner'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 property owner 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~~9 or Section 10, but excluding any rate or rule filing that is public under [insert reference to state rating law], 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 or 11B 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;

(3) Share documents, materials, or other information subject to Section 11A with non-profit organizations, community development financial institutions, or tribal entities pursuant

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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 with a Grant Recipient, a person applying for a grant under the Program, an Enrolled Contractor, or an Independent Third-Party Verifier, documents, materials, or other information subject to Section 11A that were previously submitted to the Department by or on behalf of that person, including any written correspondence between the Department and that person; ~~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 a report to the [Governor and] Legislature summarizing Program activity and recommendations for improvement, presented in an aggregated, de-identified form.

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

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B. ~~Where this Act, or rules adopted by~~Except for those duties and responsibilities prescribed in Sections 9 and 10, the Commissioner~~, assigns a duty to the Department, the Department~~ may, by interagency agreement, develop and administer the Program in partnership with one or more other state agencies, or 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 the amount authorized under [reference to State's existing penalty statute] per violation;

Drafting Note: States vary in the civil penalty amounts authorized for comparable insurance-related or grant-related fraud violations. A state should cross-reference the 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.

Section 15. Funding

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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 property owners. 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.

Section 16. Severability

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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], which shall in no case be earlier than one year following enactment. 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~~13, its appropriations process, and timing of policy issuances and renewals, so that the Commissioner has adequate lead time to adopt implementing rules before the Program becomes operative~~.~~ and insurers have adequate time to make rate or rule filings. 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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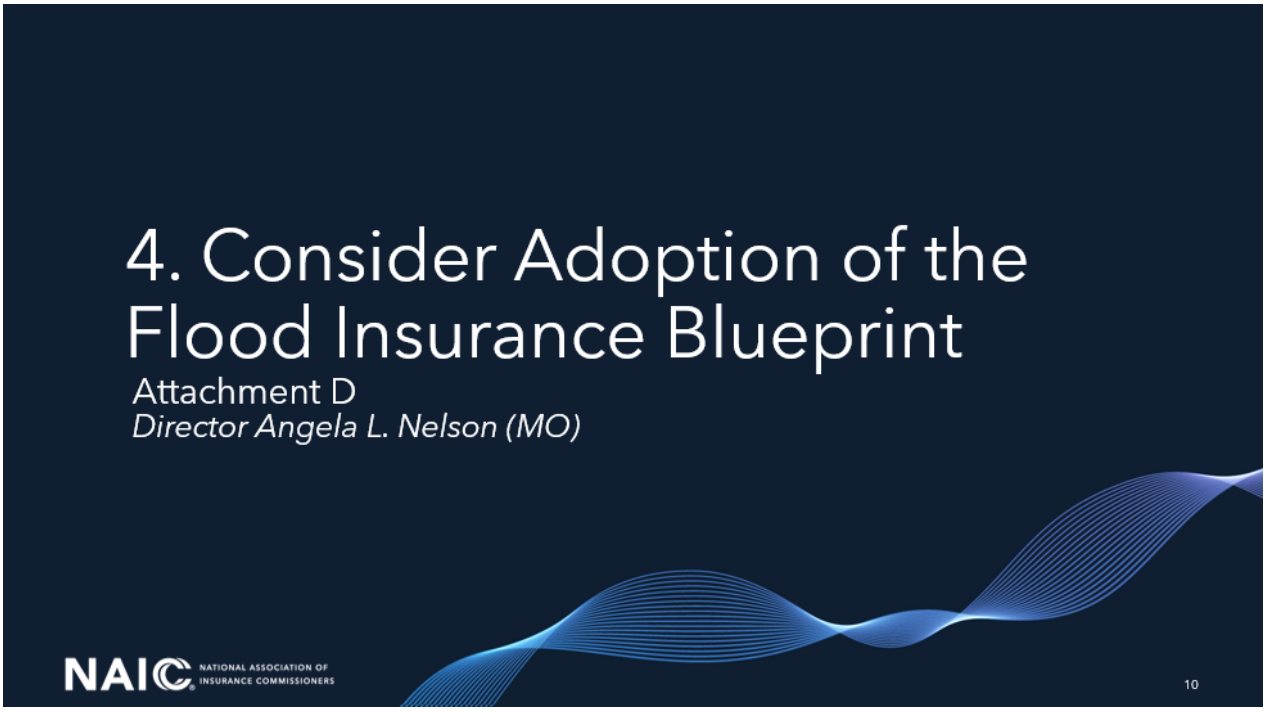
4. Consider Adoption of the Flood Insurance Blueprint
Attachment D
Director Angela L. Nelson (MO)
NAIC
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
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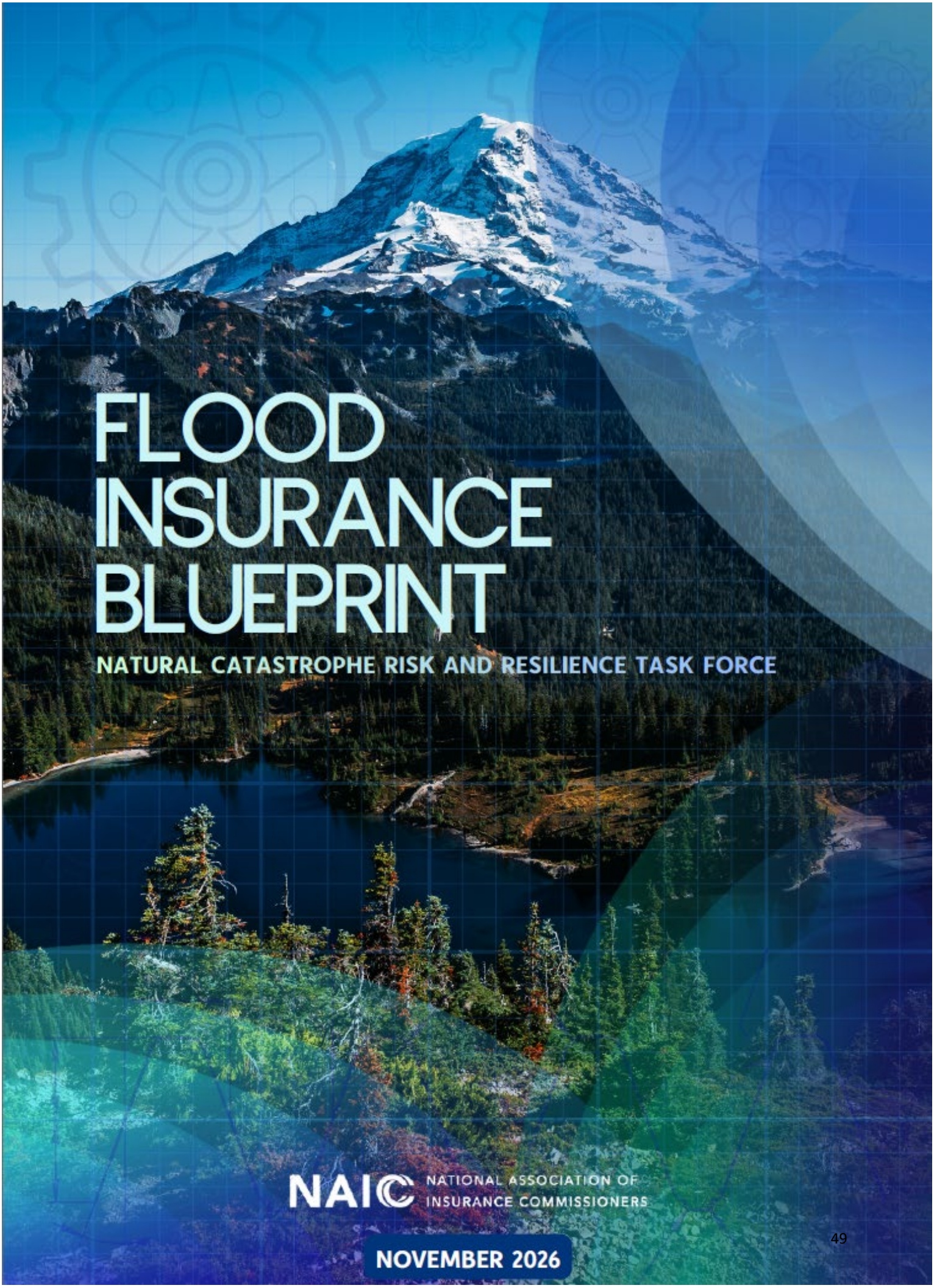
FLOOD
INSURANCE
BLUEPRINT
NATURAL CATASTROPHE RISK AND RESILIENCE TASK FORCE
NAIC
NATIONAL ASSOCIATION OF
INSURANCE COMMISSIONERS
NOVEMBER 2026


FLOOD
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NOVEMBER 2026

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1. GROWING FLOOD INSURANCE MARKETS: strategic priority catastrophe risk and resilience

1.1 OUR MISSION

The mission of the Flood Insurance Blueprint is to reduce the United States flood protection gap.

How the blueprint works

The NAIC Flood Blueprint lays out the comprehensive strategic elements that have been developed to address the NAIC insurance regulatory mission of reducing the flood protection gap across the U.S. Each strategy provides context, describes current work, and identifies supporting resources or topics under development. States can use the sections most relevant to their flood hazards and markets. Importantly, the Flood Blueprint is a dynamic repository of information, action, and future vision, that will be updated as lessons are learned from testing strategies and further input from the Severe Perils Working Group.

Flood pathways and the protection gap

Flood is a collection of hazards rather than one uniform event with jurisdictions across the country experiencing flood risk in different and sometimes multiple ways. Federal Emergency Management Agency's (FEMA) mapped Special Flood Hazard Area identifies the areas with at least a one-percent annual chance of flooding, but a map designation alone does not answer every question about local exposure, coverage, or mitigation. State regulators need to communicate risk in a way that connects the flood hazard to practical decisions at localized level.

The blueprint ultimately focuses on reducing the flood insurance protection gap: the difference between potential flood loss and the financial protection available to households and businesses. It treats consumer understanding, product design, risk information, producer capability, and market capacity as linked questions within a comprehensive framework. This document also builds on existing resources designed and published by state insurance regulators through the NAIC: Existing NAIC Resources.

Progress in one area should inform the other with collective progress across the strategic elements allowing for the reduction of the flood insurance protection gap.

Flood risk takes different forms

RAIN	**Intense rainfall**	Where do heavy rain and drainage exceed assumptions?
COAST	**Coastal surge**	How do storms, tides, and coastal conditions interact?
RIVER	**River flooding**	Which communities face repeated or prolonged inundation?
FLASH	**Flash flooding**	Where can water rise quickly with little warning?
LOCAL	**Regional hazards**	What local evidence is needed for ice jams or island risks?

1.2 Building the Flood Insurance Blueprint.

The Flood Insurance Blueprint is a deliverable of the 2024 NAIC National Climate Resilience Strategy, and implementation of that strategy is a charge of the Catastrophe Risk and Resilience Task Force. For 2026, the Severe Perils working group was charged with launching a national initiative to raise awareness of flood risk and risk mitigation strategies.

2026 Charges

Natural Catastrophe Risk and Resilience (Ex) Task Force

The mission of the Natural Catastrophe Risk and Resilience (EX) Task Force is to serve as the primary coordinating body for regulatory actions, engagement, communication, and discussions related to natural catastrophe risk and resilience. This includes facilitating dialogue among state insurance regulators, industry representatives, and other stakeholders. The Task Force will address a wide range of catastrophe risks, including atmospheric rivers, wind, water, wildfires, severe convective storms, hail, hurricanes, landslides, and earthquakes.

The Natural Catastrophe Risk and Resilience (EX) Task Force will:

A. Implement the deliverables outlined in the NAIC National Climate Resilience Strategy for Insurance, and efficiently coordinate its operationalization, implementation, and communication initiatives.
B. Serve as the coordinating body for discussions and engagement on natural catastrophe risk and resilience.
C. Assess existing and proposed financial regulatory strategies aimed at addressing natural catastrophe risk and enhancing resilience.
D. Coordinate communications regarding catastrophe risk and resilience, solvency strategies and tools, and mitigation programs and discounts.
E. Act as a catalyst and repository for innovative ideas and vision development for the Catastrophe Risk Management Center of Excellence (COE), focusing on future resources and services for members.

The Severe Peril (EX) Working Group will:

A. Examine, analyze, and monitor insurance protection gaps by peril, including hurricanes, wildfires, atmospheric rivers, and severe convective storms, as well as overall market conditions in current and potential future scenarios.
B. Track the emergence of innovative insurance policy solutions, such as inclusive and parametric insurance products, that enhance resilience to natural catastrophes and address identified protection gaps and insurance market issues
C. Leverage the experiences of state insurance regulators regarding specific perils to share knowledge with fellow state insurance regulators and future insurance commissioners.
D. Launch a national initiative to raise awareness of flood risk and risk mitigation strategies, incorporating the latest scientific research, technology, and mitigation efforts, along with available flood insurance options.
E. Establish partnerships with national and international non-governmental organizations and universities to create innovative recovery and rebuilding programs targeting underinsured or uninsured communities.

Task Force and Working Group Members

Natural Catastrophe Risk and Resilience Task Force

Member	Jurisdiction
Ricardo Lara, Chair	California
Mark Fowler, Vice Chair	Alabama
Heather Carpenter	Alaska
Joshua Hershman	Connecticut
Trinidad Navarro	Delaware
Sharon P. Clark	Kentucky
Marie Grant	Maryland
Grace Arnold	Minnesota
Angela L. Nelson	Missouri
Jon Godfread	North Dakota
Scott A. White	Virginia
Patty Kuderer	Washington
Nathan Houdek	Wisconsin

Severe Peril Working Group

Member	Jurisdiction
Angela Nelson, Chair	Missouri
Heather R. Carpenter, Vice Chair	Alaska
Lori Dreaver Munn / Tom Zuppan	Arizona
Rabab Charafeddine / Kate Amano	California
George Bradner	Connecticut
Sharon Shipp	District of Columbia
Anoush Brangaccio	Florida
Chris Cerniauskas / Caleb Malone	Louisiana
Sandra Darby	Maine
Joy Y. Hatchette	Maryland
Jackie Horigan	Massachusetts
Peter Brickwedde	Minnesota
Andy Case / John Thornton	Mississippi
Amar Kakirde	New York
David Forte	Washington

2. BLUEPRINT OVERVIEW



2.1 Purpose & Workflow

To face such a persistent threat with locally tailored solutions, this Blueprint combines actions that are ready for implementation today, such as on public communications, with long-term actions and trajectories for research and development on the fundamental hazard and risks associated with flooding events. Ongoing work by drafting groups will continue to produce deliverables and finalize actions as more information is gathered.

Flooding is one of the most widespread and costly natural hazards in the United States, yet many households and businesses remain uninsured or underinsured against flood losses. Closing this protection gap requires more than increasing awareness of flood insurance. It requires coordinated efforts to help consumers understand their risk, strengthen the availability and accessibility of coverage, support informed insurance decisions, and provide regulators with the information and tools needed to understand and monitor an evolving flood insurance market.

The Flood Insurance Blueprint provides a practical framework for state insurance regulators to support these efforts and brings together existing resources, regulatory practices, research, and emerging approaches into a coordinated strategy that jurisdictions can adapt to their individual markets and needs. The Blueprint is intended to help regulators identify available tools, and opportunities for action.

The Blueprint was developed through three steps – multiple surveys of the NAIC Catastrophe Risk and Resilience Task Force and Severe Perils Working Group members to identify priority strategies and tactics; reviewing presentations from stakeholders and existing insurance and flood risk data; collaboration among members to draft actions and deliverables, and a framework for future development that responds to risk intelligence and market trends. Based on those conversations and information gathering efforts, the Blueprint is organized around five interconnected strategies: **public communication and consumer education; product**

innovation; risk assessment, data, mitigation, and modeling; producer education and engagement, and market development and solvency monitoring. Together, these strategies address different parts of the flood insurance challenge—from helping consumers better understand flood risk and coverage options to improving the information available to regulators as private flood markets develop.

2.2 Long-term Metrics and Accountability

Open and ongoing draft work on this action

What is measured can be improved. The flood insurance protection gap is currently measured at a national level via the Climate Risk Dashboard maintained by the Natural Catastrophe Risk and Resilience (EX) Task Force. As the flood blueprint is implemented and enhanced, progress on the flood protection gap will be monitored and understood. State and NAIC Zone examples will be embedded into the flood blueprint over time, allowing for accountability as well as solution effectiveness assessment down to a jurisdiction level across the country.

SPOTLIGHT| JUNEAU, ALASKA

Innovative Flood Mitigation for Glacial Lake Outburst Flooding



Juneau faces recurring glacial lake outburst floods (GLOF's) from Suicide Basin, a lake dammed by the Mendenhall Glacier. As meltwater accumulates, water pressure builds until it carves a channel under the glacier, releasing billions of gallons into the river sending a rapid surge downstream and threatening homes, communities and critical infrastructures.

RECENT FLOOD EVENTS

Over the past five years, multiple glacial outburst floods have affected Juneau, with the 2024 outburst event causing record flooding, impacting more than 300 homes and significant infrastructure along the Mendenhall River.

MITIGATION PROJECT

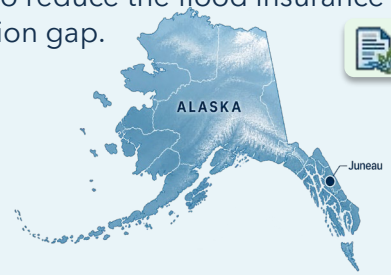
The U.S. Army Corps of Engineers (USACE), working with federal, state, and local partners, is advancing an unprecedented approach to reduce future flooding from the Mendenhall Glacier. Following temporary flood barriers deployed and evaluated during the recent 2026 glacial lake outburst flood, USACE is developing and testing an engineered water-conveyance solution to move water around the glacial lake and reduce the risk of future outburst floods.

WHY IT MATTERS

The project's performance will be monitored during future outburst flood events to assess its effectiveness and inform potential long-term solutions.

Juneau demonstrates the importance of how evaluating innovative, site-specific mitigation can improve resilience planning and inform efforts to reduce the flood insurance protection gap.

USACE



BLUEPRINT STRATEGIES

Strategy 1

3.1 Public Communication and Consumer Education

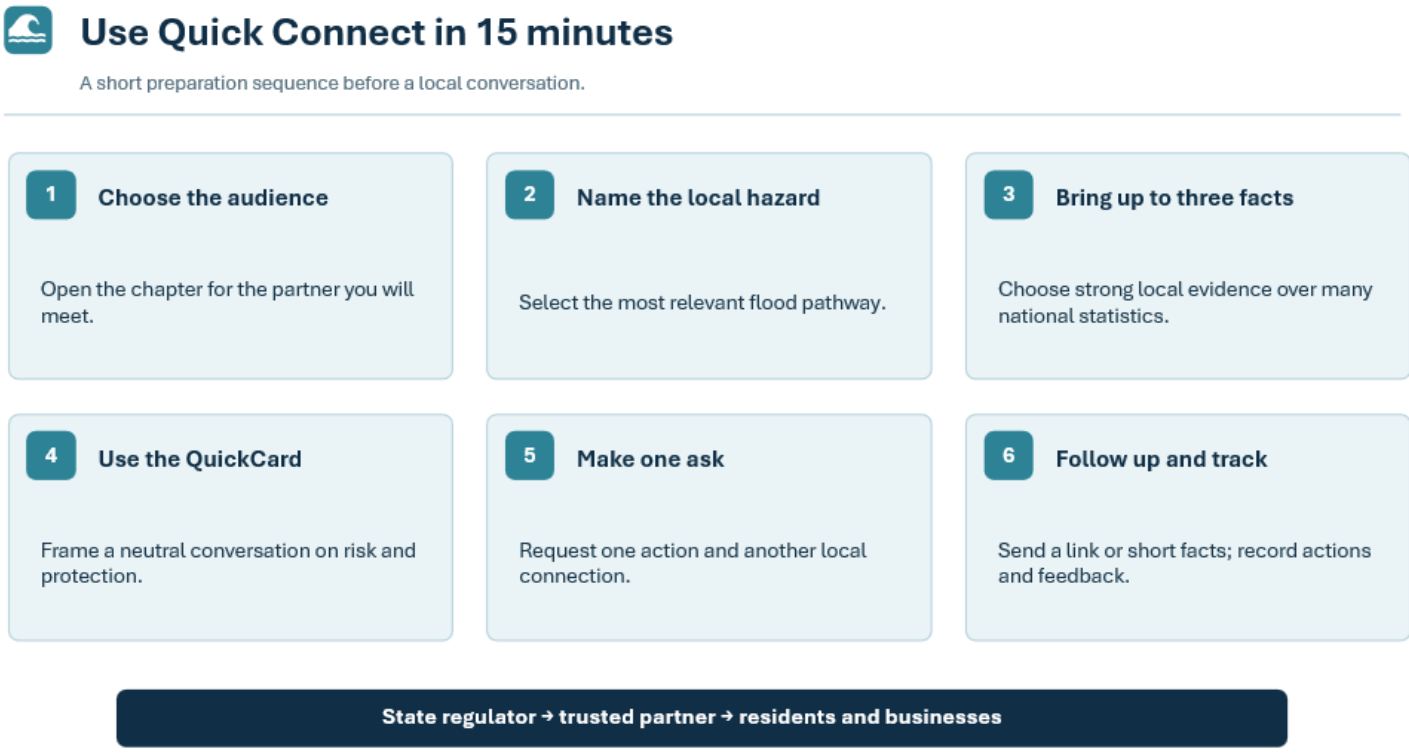
Increasing public awareness of flood risk and the importance of flood insurance requires clear, accessible information and coordinated outreach to communities and consumers. This section focuses on strengthening communication strategies, expanding partnerships with trusted local organizations, and providing resources that help consumers better understand their flood exposure and available protection options.

New Quick Connect Consumer Engagement Guide

Ongoing work: Full Draft provided to Severe Perils Drafting Group for Additional Feedback

The Quick Connect Consumer Engagement Guide is designed as a desktop reference for state insurance regulators seeking short, locally relevant conversations about flood insurance, preparedness, and financial resilience. Its core pathway connects state regulators with trusted local officials and partners who engage directly with residents and businesses. States should adapt the guide to their laws, markets, data, and consumer-assistance resources before public use.

The complete guide will be linked from the NAIC resource location when available.



How a department could use the guide

A state insurance department can use the Quick Connect Consumer Engagement Guide to incorporate flood insurance outreach into its existing public engagement activities, including workshops, town halls, and other community events. The guide helps staff prepare for short, focused conversations with local organizations that residents and businesses already turn to for

information. By equipping trusted partners with clear information, departments can extend their reach and help consumers connect flood risk with decisions about insurance and preparedness.

Staff begin by selecting the guide chapter that matches their intended audience and identifying the flood conditions most relevant to that community. They can choose up to three reliable local facts to explain why the conversation matters, such as recent flooding, local exposure, or common misunderstandings about insurance coverage. The chapter's QuickCard provides a starting point for discussing risk, coverage, and preparedness in plain language.

Each conversation should conclude with a specific, manageable action the partner can take. For example, a department could ask a real estate organization to share flood insurance information with prospective buyers or encourage a community organization to incorporate coverage information into its preparedness materials.

Following the conversation, staff can share key information, identify opportunities for continued collaboration, and provide additional resources as needed. Departments can also use these interactions to identify recurring consumer concerns, strengthen future outreach, and share effective practices across jurisdictions.

Public Communication Guide

Open and ongoing draft work on this action

Action under development: To develop a resource for Department communications teams that helps coordinate national messaging focused on general public communications for pre- and post-flood-disasters, providing the Severe Perils working group an opportunity to refine strategic priorities and expand the scope of intended audiences.

NAIC communications often develops consumer messaging on a key regulatory issue that individual state DOIs can leverage for their own purposes. Previous NAIC communication examples in the flood space include the What the Flood Quiz[1] as well as several consumer insights on the need for flood insurance and understanding flood warnings[2]. As the Severe Peril Working Group sets flood communication priorities and as NAIC communications is able to make progress on message development based upon these priorities, through regular and coordinated NAIC Communications interaction with State DOI Public Information Officers, there is a pathway for flood consumer messaging resource development to transpire in a coordinated effort to external audiences moving forward.

[1] https://content.naic.org/consumer/flood-insurance/what-the-flood-quiz

[2] https://content.naic.org/article/do-i-need-flood-insurance-why-you-should-consider-flood-policy-protect-your-home; https://content.naic.org/article/consumer-insight-flood-watch-warning-advisory-know-difference-and-be-prepared; https://content.naic.org/article/consumer-insight-understanding-flood-insurance-and-what-do-during-flood



Strategy 2

3.2 Product Innovation

Innovative flood insurance products and coverage approaches offer opportunities to address gaps in traditional insurance options and better respond to varying consumer needs. This section explores emerging products, alternative coverage structures, and opportunities for regulatory engagement that may help expand access to flood insurance and improve financial protection.

Ongoing work by Drafting Group to refine actions. The volunteer group is developing the scope, so this section sets out the areas to examine without selecting or endorsing a product, company, or regulatory tool.

The product-innovation work will examine how emerging coverage responds to consumer needs and what regulatory information is useful for evaluating it

Individual Flood Insurance Innovation

Ongoing work by Drafting Group

Innovation in the flood insurance market can help reduce the protection gap by expanding the range of coverage options available to consumers and addressing needs that may not be fully met by existing products. The objective is not necessarily to replace the National Flood Insurance Program (NFIP), but to encourage a diverse and complementary private market to achieve a combination of options that include public and private solutions work together to broaden access to meaningful flood protection.

SPOTLIGHT | PENNSYLVANIA FLOOD INSURANCE

PA

Innovative Approaches to Individual Flood Insurance Coverage

2024

Flood Insurance Premium Assistance Task Force Final Report

Pennsylvania's Flood Insurance Task Force explored opportunities to expand individual flood insurance through innovative products, varied coverage limits and policy options, and solutions better aligned with consumers' needs and financial circumstances.



Innovative product options

Range of coverage limits

Coverage aligned with consumer needs

Read the Report | JULY 2024

Community-Based Insurance and Mitigation

SPOTLIGHT | COMMUNITY APPROACH

Mississippi River Cities and Towns Initiative (MRCTI)

A collaborative approach to flood resilience

MRCTI connects Mississippi River communities to address shared flood risks through regional mitigation planning and exploration of innovative parametric insurance. MRCTI



Regional Collaboration
Communities coordinate across jurisdictions to address shared flood exposure.

>

Mitigation Planning
Floodplain and habitat restoration can reduce exposure and strengthen resilience.

>

Parametric Insurance
A proposed insurance pool explores payouts tied to predefined flood conditions.

>

Regulatory Takeaway
Community risk financing may complement individual coverage and mitigation efforts.

Products and Innovations Presented to Members

Presently Complete and Ready to Use

A number of emerging products and approaches previously presented to NAIC members and relevant working groups are again presented in *section 5*. These examples provide insight into how insurers and other market participants are responding to flood risk through new policy structures, coverage options, technology, and approaches to underwriting and distribution.

As the market continues to evolve, the NAIC and state insurance regulators can periodically review emerging flood insurance products and market practices to identify promising developments, potential barriers to adoption, areas requiring additional regulatory attention, and opportunities to further reduce the flood insurance protection gap.

Endorsements and Product Review

Ongoing work:

Existing NAIC work on private flood insurance, and prior data collection provides a baseline for monitoring market developments, identifying data gaps, and informing regulatory analyses.

Endorsements and other product forms can be described through consistent consumer and regulatory criteria.

For states that have signed a service agreement, the NAIC rate review team makes available model/product review reports. For flood models that have been and/or will be reviewed states can reference the model review reports and where these models have been filed.

Integrating Insurance with Natural Infrastructures

Ongoing work by Drafting Group

SPOTLIGHT | HAWAIʻI: CORAL REEF INSURANCE INITIATIVE



Coral reefs serve as natural barriers that help protect coastal communities from flooding, storm surge, and erosion by absorbing wave energy.

The Nature Conservancy (TNC) purchased the first coral reef insurance policy in the United States in 2022 to support reef restoration following hurricanes and tropical storms.

In August 2026, Hurricane Lala triggered the policy for the first time, resulting in a $200,000 payout to support reef assessments and restoration through the Hawaiʻi Emergency Reef Restoration (HERR) Network.

The Nature Conservancy

How It Works:

Storm Trigger › **Insurance Payout** › **Reef Restoration**

Hawaiʻi's initiative demonstrates how insurance can complement flood mitigation by providing timely funding to restore natural infrastructure and strengthen coastal resilience.

Referral Submission and Joint Meeting (or Model Bulletin)

Ongoing work: A referral or model bulletin may be appropriate if a recurring regulatory issue that would benefit from coordinated guidance.

Referral to CASTF for flexible rate and form filing requirements

Engagement with Surplus Lines Community for innovative product/market ideas

Ongoing work by Drafting Group

A relatively significant amount of flood insurance coverage is currently made available through surplus lines carriers. Further engagement with the surplus lines community on the products they currently write and/or are looking to write can assist in generating innovative product/market ideas.

Innovation Challenge

Ongoing work by Drafting Group: Based on member feedback, the Drafting Group will determine scope and timing of an innovation challenge to catalyze innovative insurance products that can reduce the protection gap for flood risks in the final Blueprint.

3.3 Risk Assessment, Data, Mitigation and Modeling

A more complete understanding of flood risk requires reliable data, effective risk assessment tools, and greater consideration of mitigation opportunities. This section focuses on improving access to flood-related information, strengthening modeling capabilities, and encouraging coordination among regulators and other stakeholders to support informed decisions and reduce potential flood losses.

ONE HAZARD. VARIED FORMS.

Flood types communities should understand



River Flooding

Beyond the banks

A river or stream, overflows its banks, sending water onto nearby land and into communities



Coastal Flooding

Sea moves inland

Storm surge, high tides or waves push seawater on to coastal land



Flash Flooding

Change in minutes

Water rises rapidly after intense rain or a sudden water release, often with little waning



Snowmelt Flooding

Snowmelt, rising waters

Melting snow produces more runoff than the ground and waterways can handle, flooding surrounding land



Urban Flooding

Steets become waterways

Floodwater fills streets and buildings when drainage is overwhelmed



Heavy Rainfall

Rain beyond capacity

Intense or prolonged rainfall accumulates rapidly, flooding streets, homes, and communities with little warning.

Beyond FEMA Maps

Ongoing work by Drafting Group will develop new actions on risk assessment, risk communication, and mitigation to help galvanize long-term risk reduction.

Insurability and Risk Assessment

FEMA flood maps provide an important foundation for identifying flood hazards and determining certain flood insurance requirements. However, flood risk extends beyond designated Special Flood Hazard Areas (SFHAs), and traditional maps may not fully capture the range of hazards facing individual communities. Using additional risk assessment tools, improving risk communication, and strengthening partnerships can help regulators develop a more comprehensive understanding of flood exposure and identify opportunities to reduce the flood insurance protection gap.

State insurance regulators can expand their understanding of flood risk through the use of additional tools and resources, including state and local flood data, historical flood events, rainfall records, and catastrophe modeling. These resources can provide valuable insight into local flood conditions and areas where existing information may be limited. Partnerships with catastrophe modeling organizations, reinsurers, and research institutions offer opportunities to strengthen regulatory capacity and improve access to flood risk information. Regulators, individually or through the NAIC, could explore licensing or other arrangements to access flood catastrophe models, identify research priorities to address modeling and data limitations, and expand educational opportunities related to flood reinsurance. Incorporating these topics into future regulatory conferences and training programs could further support states in evaluating flood exposure and insurance market conditions.

Risk Communication

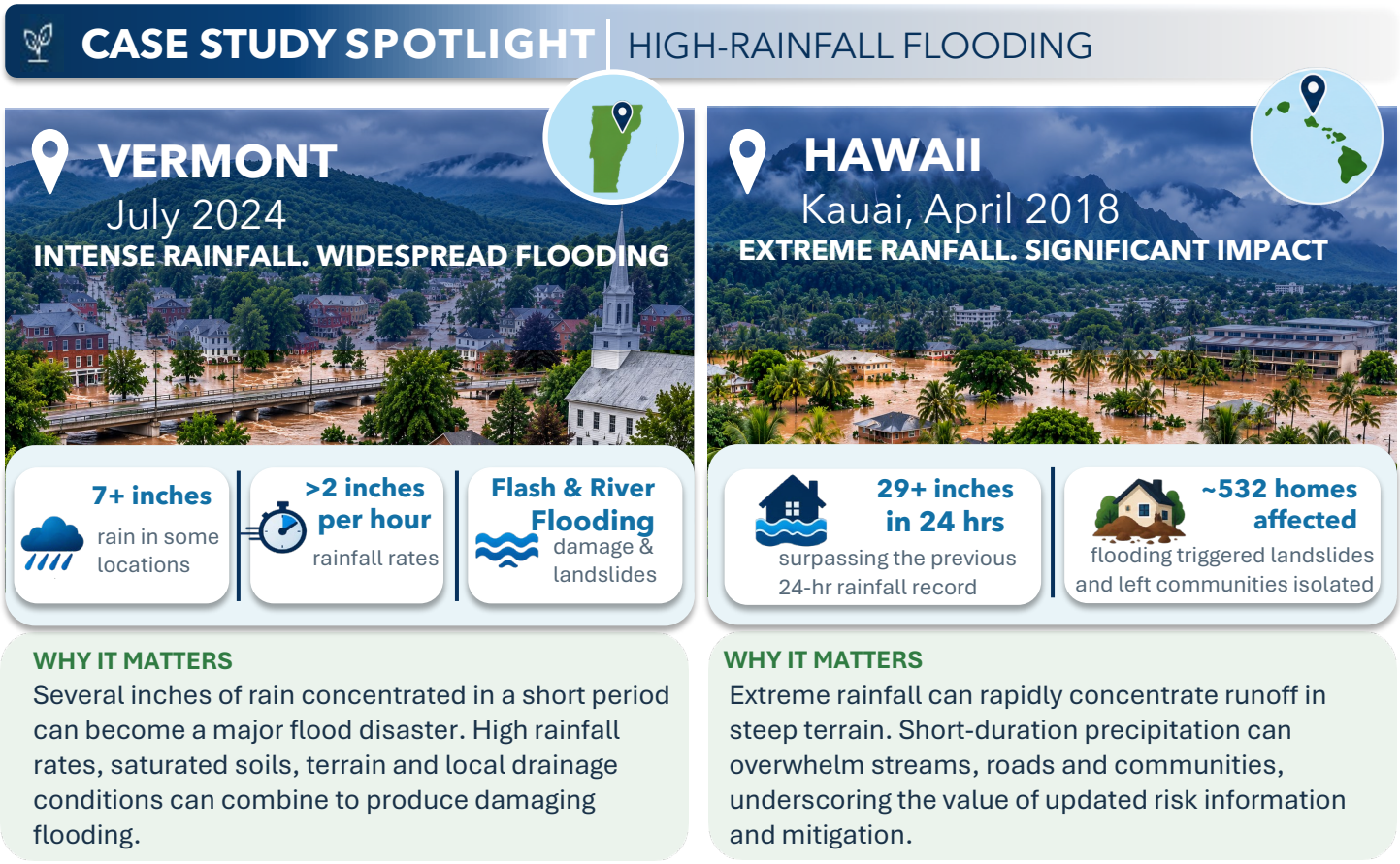
Effective risk assessment also depends on how flood risk information is communicated and understood. Preliminary research presented by the NAIC Center for Insurance Policy and Research (CIPR) in May 2026, Moving Past FEMA Flood Map, found that clear, interactive, and localized risk information can improve consumer understanding compared with traditional flood maps alone. The research also highlighted the importance of trusted information sources, including local networks, and identified misconceptions about flood insurance coverage and federal disaster assistance. These findings reinforce the need to consider not only what information is provided, but whether consumers understand it and trust its source. Regulators can work with insurers, producers, local governments, and community organizations to communicate flood risk in accessible terms and connect localized information with available insurance and mitigation options.

Future research will examine how consumers shop for and evaluate flood insurance coverage, including how different coverage levels influence perceived value, trade-offs, and purchasing decisions.

Adapting Approaches to State and Local Conditions

The importance of adapting these approaches to local conditions is particularly evident in Alaska, where river ice jams, snowmelt, and coastal flooding present distinct challenges, particularly for remote communities. Through its Coastal Community Flood Assessment project, the Alaska Division of Geological & Geophysical Surveys uses historical flood records, photographs, elevation data, and community-specific information to identify flood exposure and develop locally relevant maps. This initiative demonstrates how additional risk assessment tools

and partnerships can improve risk awareness and mitigation planning in communities where traditional mapping and insurance outreach approaches may be less effective.



Baseline Data Assessment and Needs

Ongoing work by NAIC Property and Casualty Committee

Private flood data was first collected through the NAIC Financial Annual Statement for data year 2016 on the Exhibit of Premiums and Losses (State Page). Data collection on the state page combined residential and commercial coverage. In 2020, state insurance regulators began collecting data through a data call that gathered more granular information and split out residential and commercial coverage. Beginning in 2021 private flood insurance data is collected through the NAIC Financial Annual Statement with the data obtained through the data call and subsequently collected through the NAIC Financial Annual Statement made available to the public[3]. While this private flood data is currently collected at the state level, as the Homeowner Market Data Call (HMDC)[4] continues to evolve, consideration of private flood data at the ZIP code level in-line with HMDC data collection will be considered. This would potentially incorporate surplus lines flood coverage as well.

[3] https://content.naic.org/industry_private_flood_data_call.htm
[4] https://content.naic.org/industry/data-call/property-ho.htm

*Additionally, in support of the existing HMDC data analysis, NAIC staff is collecting publicly available FEMA NFIP data available at the ZIP code level*4F[5] *as well as layering in flood risk data available through the FEMA National Risk Index*5F[6]*. The combination of this ZIP code FEMA NFIP data, state Private flood data, and FEMA National Flood Risk Index data will form the baseline data assessment to be completed by the end of 2026.*

Modeling Mitigation

Ongoing work by Drafting Group: Member input and possible case studies

The NAIC's Catastrophe Risk Management Center of Excellence (CAT COE)6F[7] equips state insurance regulators and external partners with the technical expertise, tools, and information needed to effectively support and regulate insurance markets impacted by catastrophe risk and perils, including flood risk. The NAIC's CAT COE operates through two complementary hubs: CAT Risk Hub, which focuses on catastrophe risk assessment, modeling, and market analysis, and CAT Resilience Hub, which advances mitigation and long-term resilience strategies. The CAT COE is poised to assist state DOIs as well as the Severe Peril Working Group as they develop future needs regarding flood risk modeling and flood risk mitigation. This would include:

- **Risk Mapping and Analysis:** The NAIC's CAT COE supports state insurance departments and local governments through risk mapping and risk visualization tools that help identify areas most vulnerable to catastrophes. These insights support better planning, resource allocation, mitigation investments, and resilience strategies for communities
- **Resilience Initiative Development:** Support state Departments of Insurance in the development and administration of resilience initiatives and mitigation grant programs, providing technical expertise, stakeholder coordination, and best practices that reduce disaster losses, strengthen community preparedness, and promote long-term risk reduction
- **Real Time Event Tracking -** Monitor and analyze catastrophe events, providing regulators with timely data, impact assessments, and trend analysis to support response and potential recovery efforts

The NAIC Natural Catastrophe Risk and Resilience Task Force will continue to examine emerging research and innovative approaches to flood risk modeling and mitigation. Through NAIC National Meetings, the Task Force provide opportunities to highlight research, practical applications, and case studies that examine mitigation strategies and their effectiveness following catastrophic events. The following examples reflect ongoing efforts that contribute to ongoing discussions on flood risk modeling, mitigation strategies, and resilience.

- **The Water Institute – Connecting Mitigation and Insurance Risk Assessment (August 2026):** The Water Institute presented a pilot project on Dauphin Island, Alabama, examining how coastal marsh restoration can reduce flood risk and influence insurance pricing.

[5] https://www.fema.gov/openfema-data-page/nfip-multiple-loss-properties-v1
[6] https://www.fema.gov/flood-maps/products-tools/national-risk-index
[7] https://content.naic.org/research/catastrophe-modeling-center-of-excellence

From state questions to useful models

1 Identify the need

States describe the flood pathway and decision.

2 Choose the partner

COE for shared questions; universities for local studies.

3 Test a focused case

Compare exposure, losses, mitigation, and uncertainty.

4 Apply the result

Inform model review, planning, outreach, or market analysis.

Pilot outputs should state assumptions and limits



Identify Flood Hazards and Protection Gaps

Jurisdictions identify flood hazards and protection gaps that are underrepresented.



Establish Research Priorities

Use existing state research, academic partnerships, and case studies to define priorities.



Evaluate Mitigation Effectiveness

Conduct a limited study to assess how mitigation changes expected losses for residences and public infrastructure.

Natural Infrastructure Can Reduce Flood Losses



$625+ MILLION
IN AVOIDED FLOOD DAMAGES

Research led by the University of California, Santa Cruz and The Nature Conservancy, with partners from the insurance, engineering, and conservation sectors, evaluated the role of coastal wetlands during Hurricane Sandy using flood and loss modeling and property-exposure data.
The study estimated that coastal wetlands prevented more than $625 million in direct property damages across 12 northeastern states during Hurricane Sandy.

WHY IT MATTERS

Wetlands, marshes, floodplains, dunes, and other natural features can serve as part of a community's flood mitigation strategy. Quantifying these benefits through catastrophe and loss modeling can help regulators and communities understand how natural infrastructure contributes to risk reduction, resilience, and avoided losses.

LOCAL IMPACT

16%

Salt marshes in Ocean County, New Jersey, reduced average annual flood losses by approximately 16 percent.

RESEARCH

Coastal wetlands and flood damage reduction (2016)
University of California, Santa Cruz and The Nature Conservancy

Strategy 4

3.4 Producer Education and Engagement

Insurance producers play an important role in helping consumers recognize flood risks, understand coverage limitations, and evaluate available insurance options. This section focuses on strengthening producer education, improving access to flood insurance resources, and supporting communication efforts that encourage informed coverage decisions.

Producer Training and Consumer Communication

Ongoing work by Drafting Group

Insurance producers play an important role in helping consumers understand flood risk and make informed decisions about insurance protection. Education equips agents and brokers to explain gaps in standard property insurance, compare NFIP and private flood coverage, and discuss how insurance and mitigation support preparedness and recovery. The Blueprint's producer education and communications strategy connects existing training requirements, state approaches, and producer experience to strengthen and align public awareness and insurance market outcomes. California provides an example of how training requirements differ between NFIP and private flood insurance. A property and casualty license generally permits an agent or broker to sell NFIP policies, subject to applicable program requirements, including three hours of flood insurance training required by the FEMA. Basic and advanced flood courses are available to support producer learning. The FEMA training requirement applies to NFIP sales; producers who sell only private flood insurance are not subject to that requirement. Education in flood insurance principles can nevertheless help producers provide timely information to homeowners and businesses, explain private policy terms, identify coverage differences, and guide consumers through their options.

Pennsylvania has pursued additional continuing education requirements on flood insurance for agents and brokers, based on the recommendations of the Pennsylvania Flood Insurance Premium Assistance Task Force Report of 2024.

Producer Engagement

Ongoing planning for meetings and policy discussions is underway under

2027 priorities for producer engagement

- Producer Experience and Motivation
- Consumer Demand, Perception, and Affordability
- Financial Incentives and Market Opportunities
- Administrative and Operational Barriers
- Producer Training, Knowledge, and Support

Referral Submission and Joint Meetings with D Committee

Ongoing work on this referral will be done by a future drafting group

Producer engagement will inform recommendations for guidance and educational resources. The Working Group and Task Force can consider the findings and, where warranted, refer issues to the Market Regulation and Consumer Affairs (D) Committee.

Strategy 5

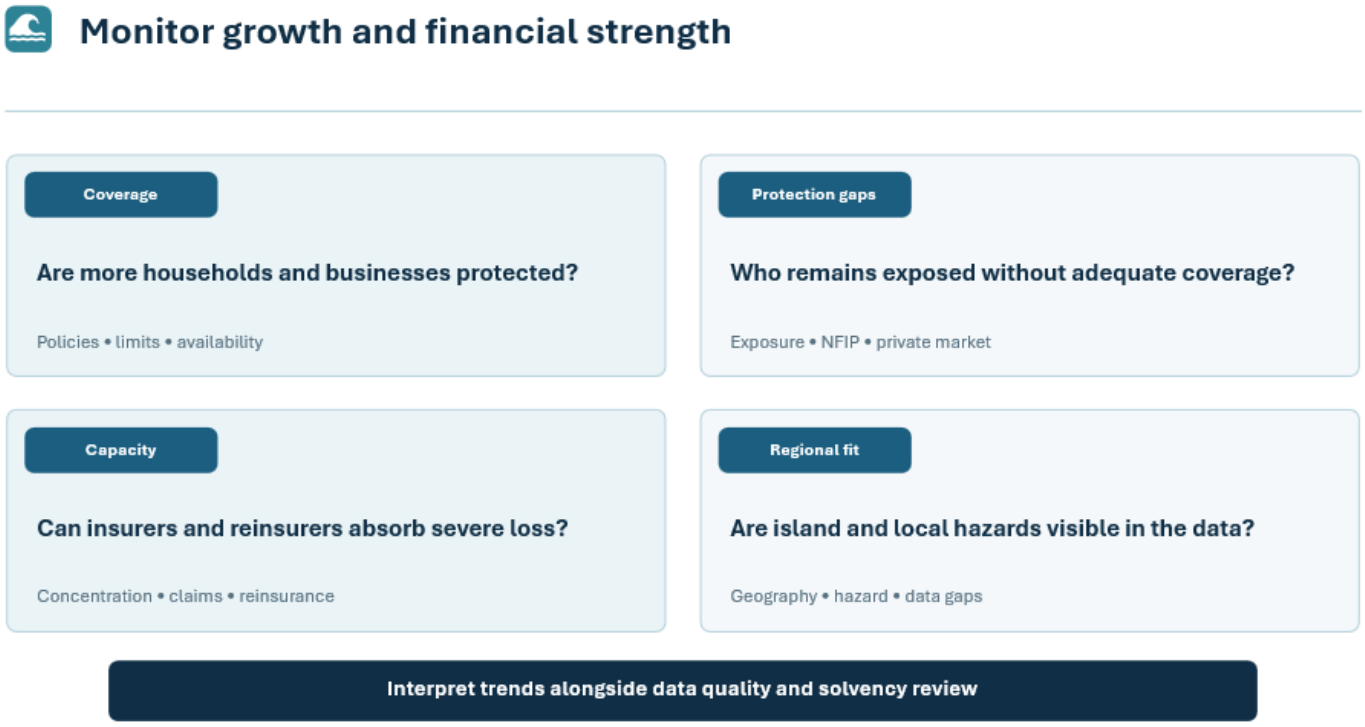
3.5 Market Development and Solvency Monitoring

The continued development of the private flood insurance market presents opportunities to expand coverage options while reinforcing the importance of effective regulatory oversight. This section focuses on monitoring market trends, evaluating emerging products and coverage availability, and considering insurer financial strength and risk management practices to support a stable and sustainable flood insurance market.

New Product Monitoring

Ongoing work by Drafting Group

As the private flood insurance market evolves, regulators may encounter new policy structures, coverage approaches, endorsements, and other products designed to address flood risk and protection gaps. Understanding these developments can help regulators identify emerging market trends, consider regulatory and consumer implications, and share lessons across jurisdictions.



Action 1: Periodically Review Innovative Flood Insurance Products

The Blueprint recommends that state insurance regulators and relevant NAIC groups periodically review or survey emerging and innovative flood insurance products and approaches to better understand how the market is evolving and identify issues that may warrant additional regulatory attention.

These reviews could include parametric products, inclusive insurance, new policy structures, endorsements, and other emerging approaches and consider:

- Regulatory considerations
- Consumer communication

- Product and coverage structure
- Potential barriers to adoption and interest by homeowners and businesses
- Lessons learned across jurisdictions as regulators gain experience reviewing or overseeing emerging products.

Action 2: Develop a Regulatory Product Library

Ongoing work by Drafting Group

To support the recommendation, the NAIC could maintain a centralized library of innovative flood insurance products, presentations, and related regulatory resources for state insurance regulators.

Relevant NAIC committees and working groups have received presentations on innovative insurance products in recent years. These materials could provide an initial foundation for the library and illustrate products and approaches regulators have encountered. Inclusion in the library would be for regulatory education and information sharing and would not constitute an endorsement of a particular product, insurer, or approach.

The library should remain open-ended and adaptable, allowing additional examples, regulatory observations, presentations, and lessons learned to be incorporated as products and markets evolve. Periodic review of the library could also help identify emerging issues that may warrant further research, regulatory discussion, or coordination across NAIC groups.

Recent Innovative Products and Approaches Presented to Members

Presently Complete and Ready to Use

The Catastrophe Risk and Resilience Task Force and Severe Perils Working Group have been proactively identifying new types of products, reviewing reports on innovative insurance solutions, and hosting presentations for state regulators to learn about new technologies and product development. In recent years, members have received presentations on a range of flood insurance products and approaches that illustrate how insurers and other market participants are exploring new ways to address flood risk and insurance protection gaps.

The examples below highlight products and innovations that have been presented to NAIC members to date. As additional products and approaches emerge, future examples can be incorporated into the resource library, allowing it to evolve alongside the market.

1. **Lower or moderate coverage limits bundled with homeowners policy**
   Multiple companies, including an example highlighted in Pennsylvania, have offered flood policies with less coverage than the NFIP, but also with far less cost to the policyholder. This type of policy explores the potential that lower coverage limits may be more attractive to the public and may be well-aligned with local risk potential. For example, Munich Re's Inland Flood Endorsement is an example of an innovative private flood insurance product designed to expand access to affordable coverage for homeowners outside designated Special Flood Hazard Areas (SFHAs). Introduced in 2016, the endorsement offers coverage limits ranging from $5,000 to $50,000 and can be added directly to existing homeowners, renters, and certain other property insurance policies. This approach simplifies the purchasing and claims process while providing consumers with an alternative to purchasing a separate flood insurance policy.

   The endorsement includes coverage for dwelling damage, personal property, debris removal, and certain expenses not typically covered under the National Flood Insurance Program (NFIP), including basement personal property and loss of use. It also uses a broader definition of flooding that does not require multiple properties or a minimum land area to be affected. The product has been approved in 46 states, with more than 200,000 active endorsements offered through over 30 participating insurers.

   By offering flexible coverage limits, streamlined distribution, and coverage tailored to lower-risk areas, the endorsement demonstrates how private-market innovation can help address the flood insurance protection gap. Although not intended to replace comprehensive flood insurance, products such as this can complement existing coverage options and provide meaningful financial protection to consumers who might otherwise remain uninsured.

2. **Admitted Flood Product and Market Development**

   During the August 15, 2024, NAIC National Meeting, reThought Flood presented its approach to expanding flood insurance coverage through improved risk assessment, broader policy features, consumer education, and mitigation efforts. The presentation identifies insurer and reinsurer concerns about deploying capacity, limited consumer awareness, producer uncertainty, and underused mitigation as barriers to closing the protection gap. It connects better understanding of flood risk with sustainable underwriting and greater capacity to offer coverage.

   The admitted product features described include replacement-cost coverage for dwellings and contents, broader basement coverage, additional living expenses and rental income, multiple dwellings on a policy, and more flexible limits and eligibility. These examples provide a basis for examining whether new products meet consumer needs and how expanded benefits affect exposure, pricing, and claims obligations. The presentation also emphasizes experienced catastrophe claims personnel. Product features and company methods are presented as industry examples, with availability and terms subject to the applicable policy and jurisdiction.

   The presentation connects market development to the Blueprint's other strategies through property-specific risk information, multiple catastrophe models, producer training, consumer materials before and after events, attainable mitigation measures, and mitigation incentives. Outreach to existing policyholders may help identify coverage needs. Regulators can assess how these practices support informed decisions and sustainable capacity without treating a company's proposed approach as evidence of achieved market growth.

3. Private Market Expansion Analysis

A recent analysis paper, *Transitioning NFIP Policies to the Private Market*, examines opportunities for NFIP policies to move to private flood insurance under different pricing scenarios. Using a sample of NFIP policies and Neptune's proprietary underwriting model, the analysis estimates eligibility and potential premium differences. It provides an industry perspective on potential market expansion, rather than a measure of actual company growth, committed insurance capacity, or the financial condition of participating insurers.

Assessing private flood market development requires reliable information on policy counts, premiums, insured exposures, geographic concentration, and the insurers and reinsurers assuming the risk. Available data remains limited, particularly for surplus lines and company-specific growth. Information from market participants and state regulators can help address these gaps and distinguish projected opportunities from observed market activity. As coverage expands, regulators can evaluate whether capital, underwriting controls, reinsurance, and claims resources remain sufficient to support the additional exposure and meet policyholder obligations

Action 3. Utilize the NAIC Natural Catastrophe Risk Dashboard and Protection Gap Data TO Inform Market Monitoring

Presently Complete and Ready to Use

The NAIC Natural Catastrophe Risk Dashboard and protection gap data can support the Flood Insurance Blueprint providing regulators with additional resources to better understand the relationship between flood risk, catastrophe losses, and insurance coverage. By bringing together catastrophe loss and insurance information, these resources can help identify areas where uninsured or underinsured losses may be significant, recognize emerging trends, and determine where additional consumer education, market development, mitigation, or regulatory attention may be warranted.

During a June 2026 presentation to the Severe Peril Working Group, three areas for further research were identified to strengthen the Dashboard's flood-related information. These included examining NFIP coverage data, such as total insured value, coverage limits, and economic losses, to restore previously used protection gap measures; exploring the availability of NFIP modeled loss and reinsurance data to improve flood risk assessments; and developing additional protection gap measures, including estimates of homes without homeowners or flood insurance coverage.

Together, these efforts could provide regulators with a more comprehensive understanding of flood exposure, coverage availability, and potential gaps in financial protection. The Dashboard and related protection gap measures can serve as informational and analytical resources to support market monitoring, guide regulatory priorities, and help identify opportunities to advance the Blueprint's mission of reducing the flood insurance protection gap.

Action 4. Incorporate FEMA Direct-to-Customer Flood Insurance Quoting Tool into Regulatory Outreach and Education

FEMA's NFIP has expanded consumers' access to flood insurance pricing information through its Direct-to-Customer Flood Insurance Quoting Tool. Available through FloodSmart.gov, the online tool allows property owners and renters to enter basic property and coverage information and receive a personalized NFIP flood insurance quote, generally in less than 10 minutes.

The tool is designed to simplify the process of exploring flood insurance by allowing consumers to obtain pricing information before contacting an insurance provider. After generating quotes, consumers are provided with information for participating insurance agencies or providers that can assist with reviewing the quote, answering questions, and completing the purchase of coverage. The tool complements, rather than replaces, the existing role of insurance agents and NFIP participating insurers.

For state insurance regulators, the tool provides an additional resource that can be incorporated into consumer outreach, producer education, and flood insurance awareness efforts. Making personalized pricing information easier to access may help consumers move from understanding their flood risk to evaluating available financial protection—supporting broader efforts to reduce the flood insurance protection gap.

The NAIC can support these efforts by sharing information about the tool through relevant committees, working groups and consumer education resources, allowing regulators to consider how to incorporate it into their outreach activities. This tool contributes to the broader market development objective by reducing informational barriers and supporting more informed consumer decisions and can help advance the Blueprints goal to reduce the flood insurance protection gap.

Referral Submission and Joint Meetings with E Committee

Ongoing work: Previous E-Committee consideration of whether flood should have a future risk-based capital (RBC) charge. Blueprint should consider recommending that the issue be revisited.

Referral could acknowledge that the issue has been considered previously but explain what has changed since the earlier discussion and why another review is warranted now

FEMA Engagement and NFIP Data

Presently Complete and Ready to Use

Understanding the flood insurance protection gap requires regulators to examine NFIP data alongside private flood insurance information. Continued engagement with the FEMA can strengthen state access to NFIP data, improve interagency coordination, and support a more comprehensive assessment of insurance take-up and coverage adequacy.

FEMA is expanding state access to NFIP information through data-sharing agreements that allow a designated lead agency and other authorized state agencies to access information through FEMA's PIVOT data environment.

California is pursuing this approach through an agreement led by the California Governor's Office of Emergency Services (Cal OES), with the California Department of Insurance participating as an additional agency. This arrangement illustrates how insurance regulators can collaborate with state partners while maintaining direct access to data relevant to flood insurance analysis.

Recognizing that states have varying analytical capabilities, the NAIC could explore opportunities to support the consistent use and, where permitted, aggregation of NFIP data across jurisdictions. Combining NFIP information with private-market data, including surplus lines, and relevant risk and exposure information could help regulators identify uninsured and underinsured properties, evaluate coverage adequacy, and monitor whether private-market growth is expanding overall protection or replacing existing NFIP coverage. Analysis of claims approaching the NFIP's $250,000 residential building coverage limit could also help identify potential needs for supplemental coverage, while private-market information could inform opportunities for lower-limit products.

Initial state or NAIC zone-level studies, supported by the Catastrophe Risk Center of Excellence (CAT COE), could help establish consistent methodologies for measuring the protection gap before expanding to broader analyses.

FEMA engagement also presents opportunities to improve consumer awareness. FEMA's development of consumer-facing NFIP pricing tools, including testing involving California and other states, could help consumers better understand available coverage and potential costs. Regulators may support these efforts through feedback, outreach, and monitoring whether improved access to pricing information contributes to increased insurance take-up.

Federal Engagement Priorities on Flood

Ongoing work by Drafting Group: Members of the Severe Perils Working Group are encouraged to identify flood-related issues or concerns within their jurisdictions that may warrant federal engagement. Input from jurisdictions across different geographic regions is particularly encouraged to ensure that the priorities reflect the diverse flood-related challenges facing states and territories.

Based on member feedback, the Working Group will identify approximately three to five federal engagement priorities for potential inclusion in the final Blueprint. These priorities may also help inform broader NAIC federal engagement activities and discussions with federal policymakers and agencies.

Island Flooding Considerations

Ongoing work*: Market monitoring and federal engagement should also account for island jurisdictions and other regions whose flood hazards, insurance availability, and data needs may differ from national patterns*.

ACKNOWLEDGMENTS

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Presentation will be added when available.


6. Hear a Presentation from the International Code Council (ICC) on Building Codes
Lesley Garland (ICC)
NAIC
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
12

Shared Goals: Safety, Affordability and Resiliency

An Overview of the International Code Council

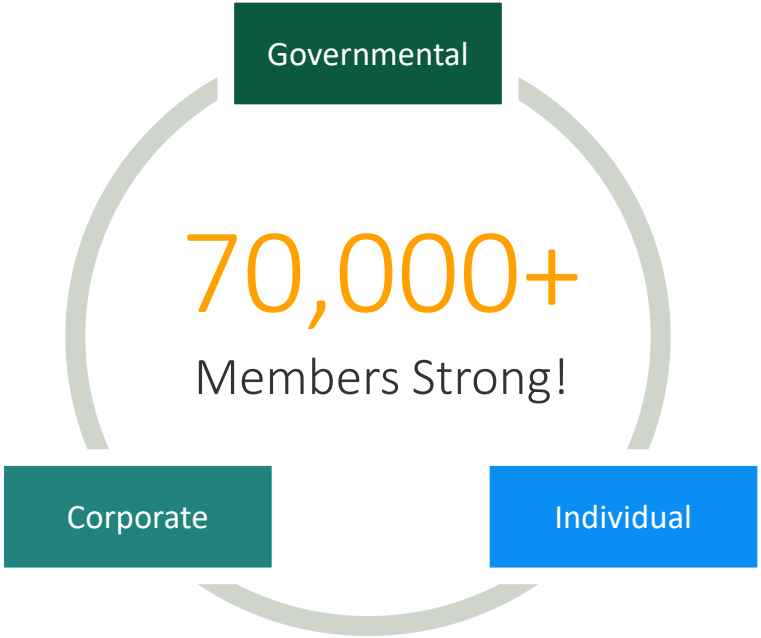
Joint Meeting of the National Association of Insurance Commissioners'
Pre-Disaster Mitigation and Risk Mitigation and
Severe Peril Working Groups

November 14, 2026

What Is ICC?


members in 25+ countries
400+ chapters worldwide
21 standards
+15 more in development
15 international codes
IBC IMC IFC UPC IMC IECC IEBC NFPA ICCPC ISPSC IPMC IPSDC IWUIC IZC ICCC
Nearly 2 billion
people impacted by I-Codes
Premier building safety solutions provider
ICC
INTERNATIONAL CODE COUNCIL
8 subsidiaries
ES IAS GENERAL CODE ICC SEAL NTA CD
700+ highly qualified staff members
10 offices
100+ countries in which our ICC family of solutions are active
30 years as a consolidated organization
100+ years of impact

Membership



International Codes® (I-Codes)

A family of 15 coordinated, modern building safety codes that help ensure the engineering of safe, sustainable and affordable structures.

I-Codes Adoption

- U.S. Territories
- Tribal Communities
- Federal Agencies



Code Development Open to All: A Father's Advocacy

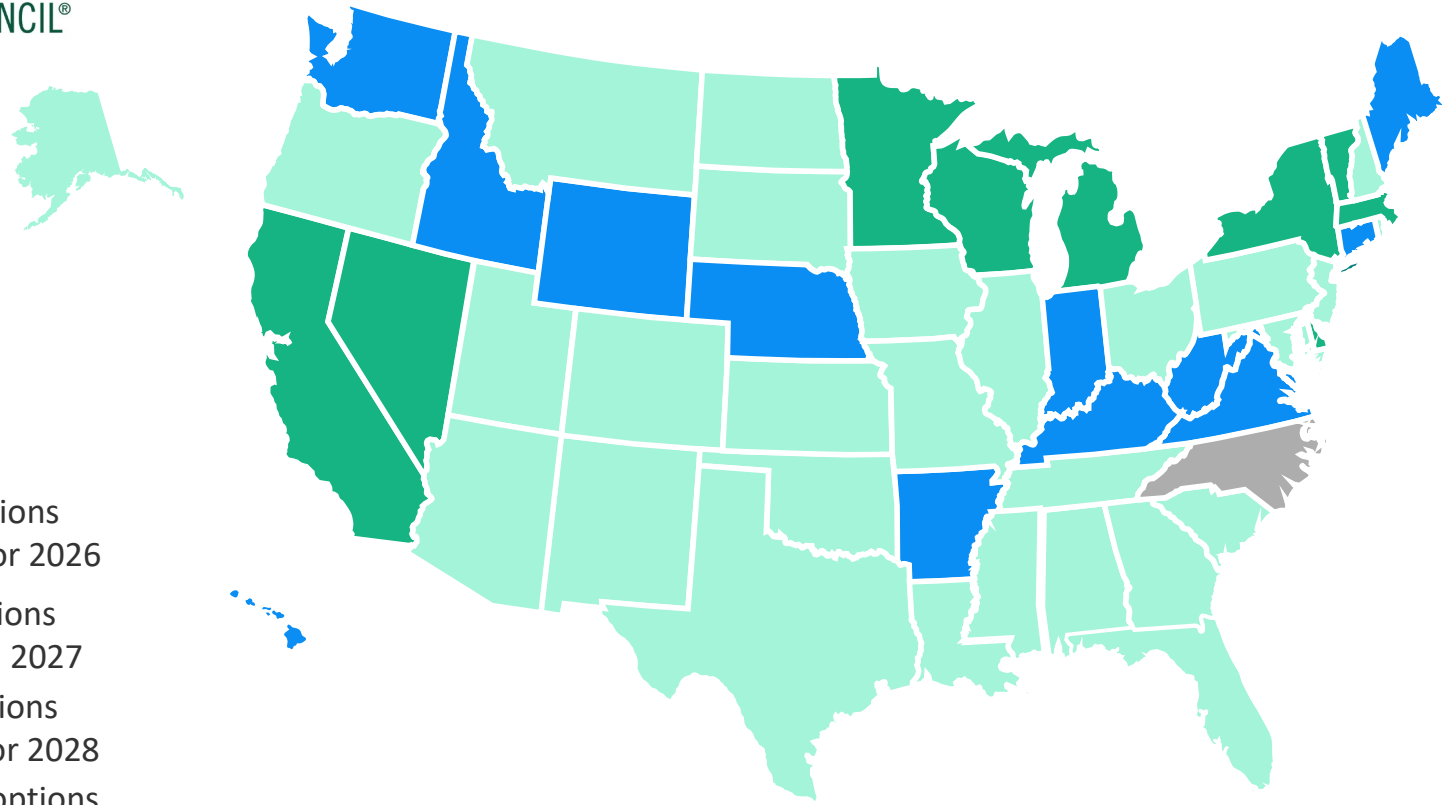


Seven-year-old Alex Quanbeck was killed by a falling gate at his school.

His father, Eric Quanbeck, partnered with the American Fence Association and others to advocate for a code change proposal to require a $40 safety device.

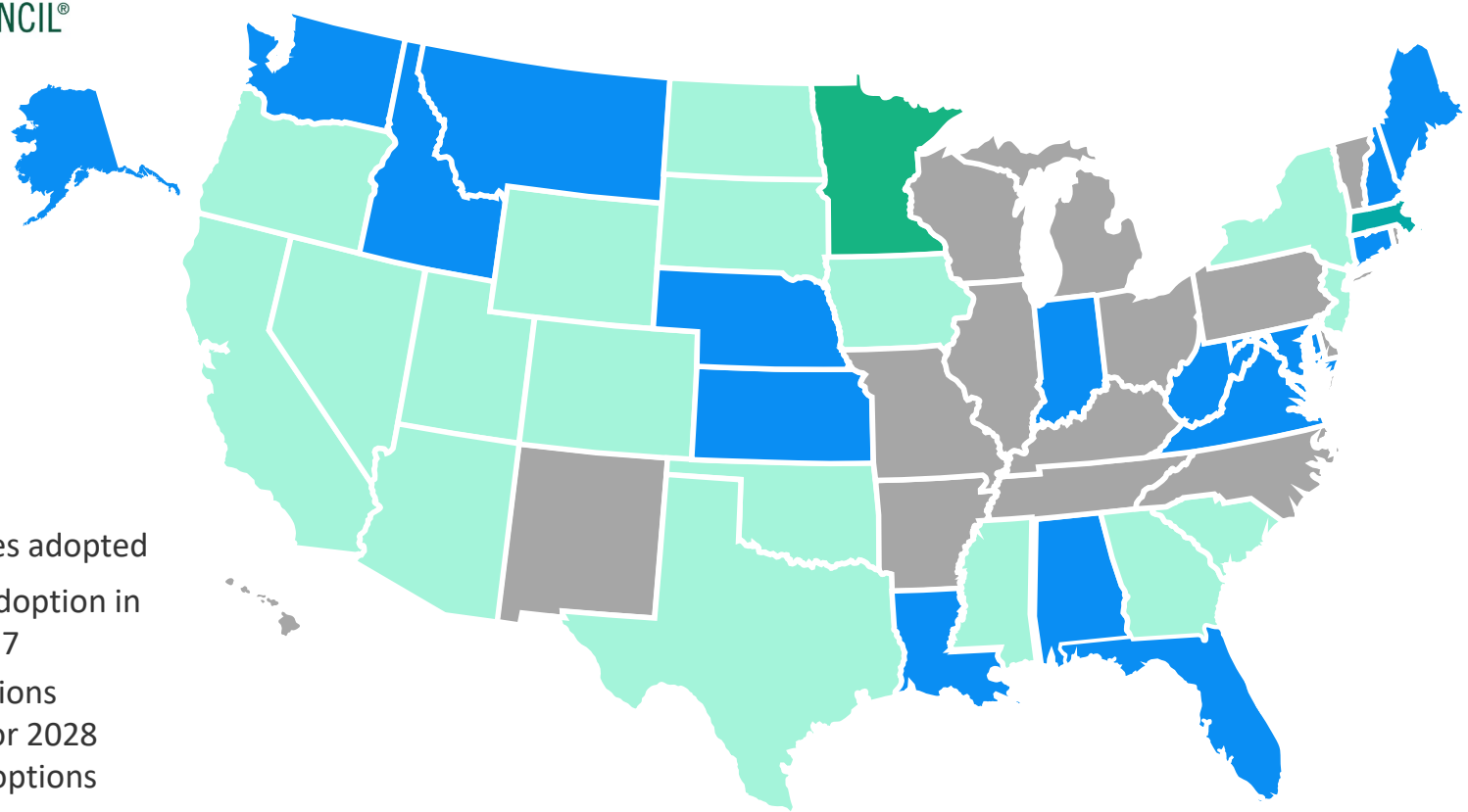
The changes are in the 2027 I-Codes.

2026-2028 Code Adoptions



- Code adoptions projected for 2026
- Code adoptions projected in 2027
- Code adoptions projected for 2028
- No code adoptions projected

Adoptions of 2024 I-Codes

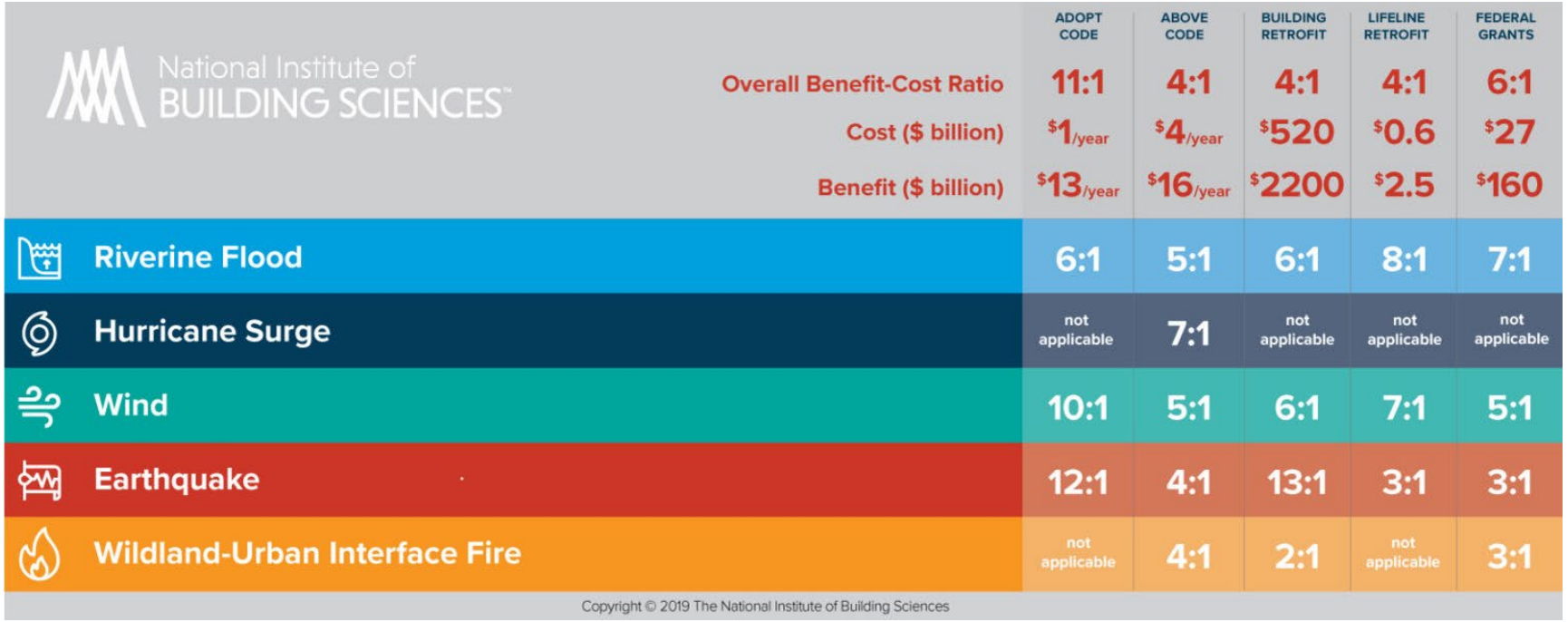


- 2024 I-Codes adopted
- Expecting adoption in 2026 or 2027
- Code adoptions projected for 2028
- No code adoptions projected



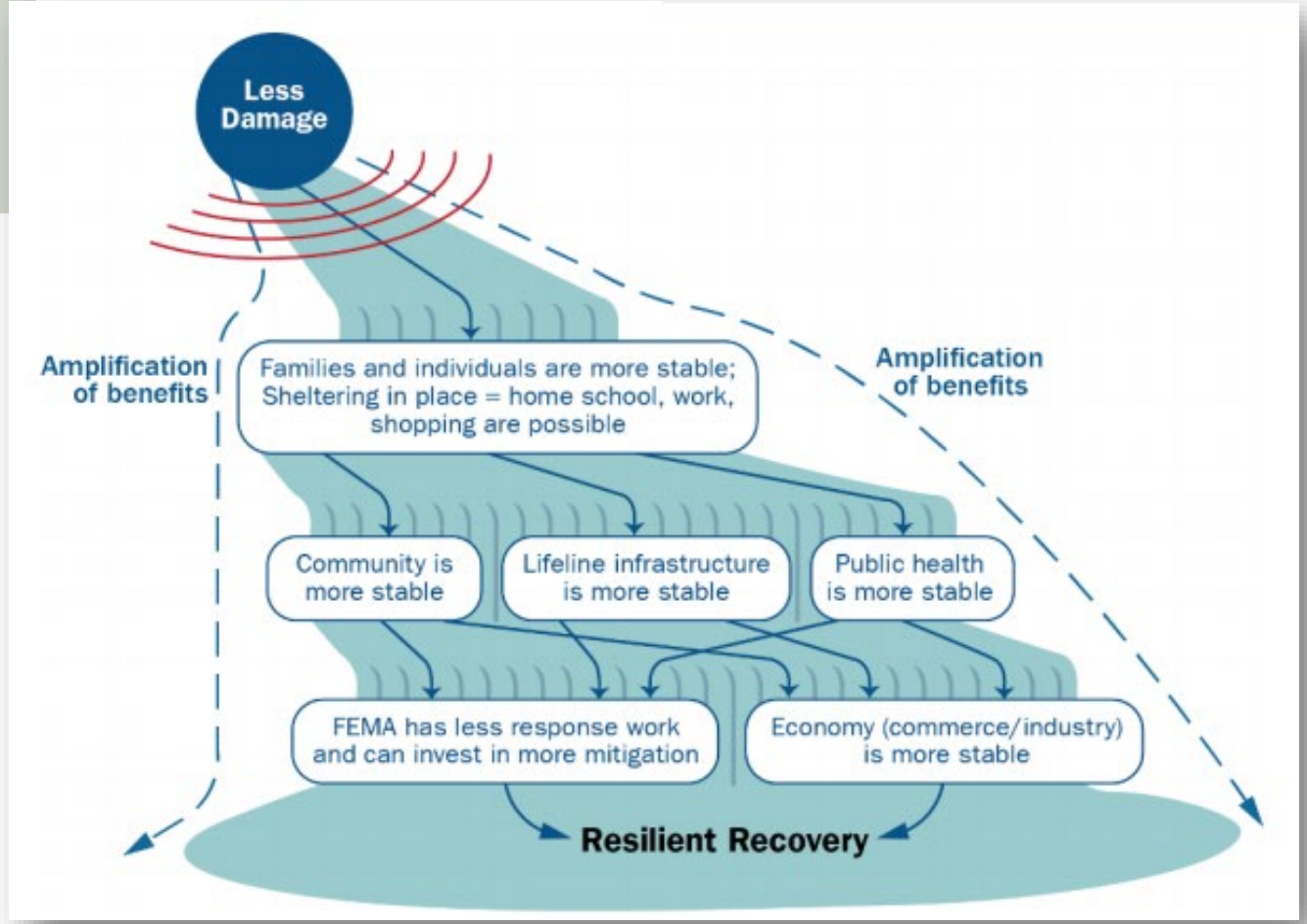
Alliance for
National & Community
Resilience®

www.resilientalliance.org



Mitigation Saves.

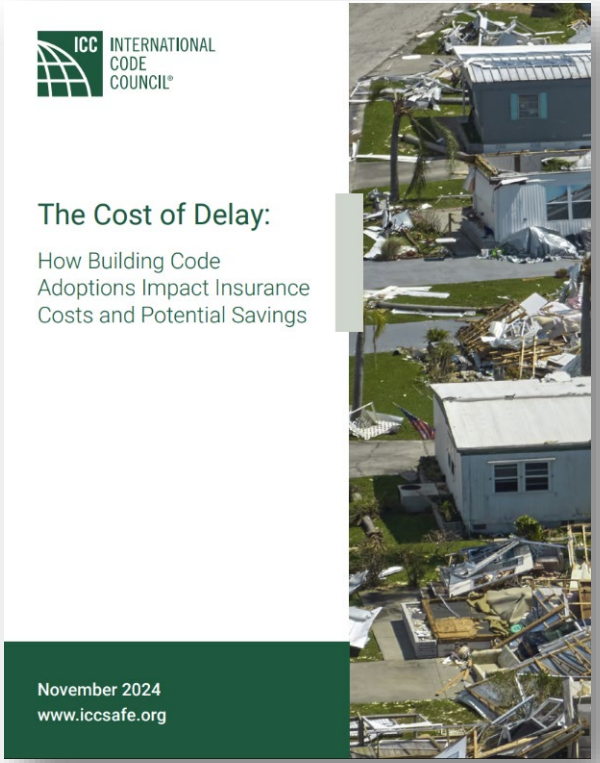
WWW.NIBS.ORG/MITIGATIONSAVES

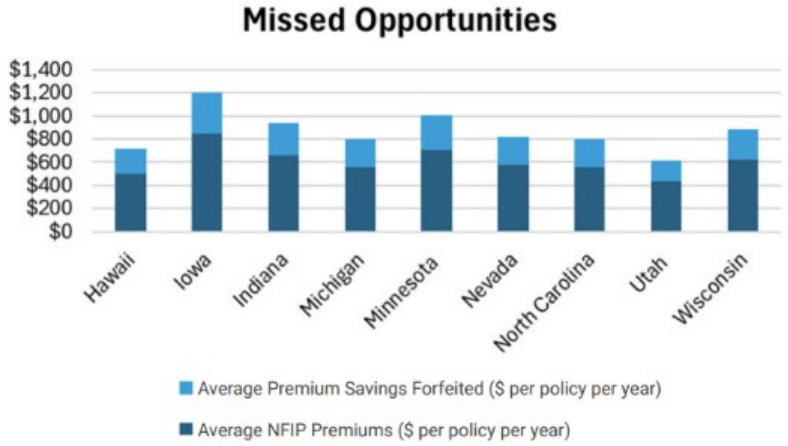


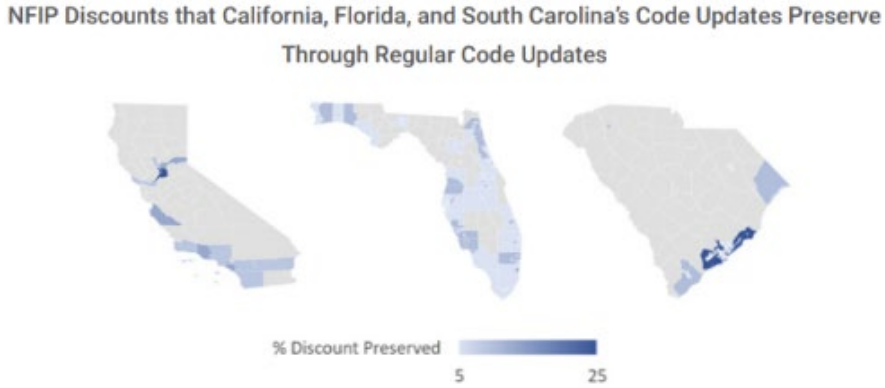
Cascading Benefits of Code Adoption and Implementation

https://www.fema.gov/emergency-managers/risk-management/building-science/building-codes-save-study

Impacts of Code Updates on Flood Insurance Premiums







ICC INTERNATIONAL CODE COUNCIL®

Who We Are ▾ Membership ▾ Professional Development ▾ Products & Services ▾ Resources & News ▾ Store Codes

The Florida Building Code Story:
Building Safety, Resilience and Affordability

Key Takeaways and Lessons Learned



Rising Population and Rising Risks

Florida is experiencing massive growth



Devastating Hurricanes in the '90s

A series of devastating hurricanes in the



Building Codes Study Commission

The Building Codes Study Commission

https://www.iccsafe.org/content/florida-case-study/

Affordability and Codes



A University of Alabama examined 45 state adoptions of the International Residential Code and 2.7 million home sales across 26 states.

Adopting updated codes does not increase home prices.

Housing prices decreased significantly following 32 adoptions, increased following only two and showed no significant change following 11.

The study also found no evidence that updated codes reduce housing supply or push construction into neighboring jurisdictions.

Addressing Affordability In Middle Housing

Current International Residential Code Allows 1- and 2-Unit Dwellings







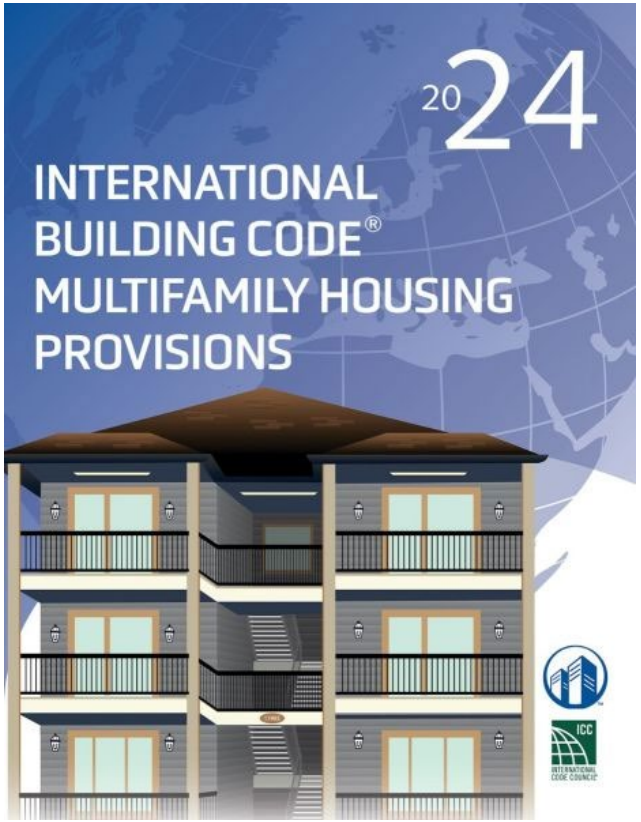
What Does Expanding Past 1- and 2-Units Look Like?







Providing Solutions for Middle Housing



- The 2027 I-Codes permit single-stair building up to four stories, **which facilitates compact, small-lot multifamily designs** while preserving life safety.
- ICC released a new middle housing guide that **helps practitioners understand design options and navigate compliance more easily.**
- ICC launched additional consensus-building forums to **find best practices and provide near-term support** for jurisdictions and project teams working with middle housing.

iccsafe.org/affordability

Let's Work Together!

- Supporting NAIC's efforts for states to adopt mitigation grant programs
- Working with NAIC on the Flood Insurance Blueprint Initiative
- Expanding research on the benefits of codes in reducing insurance cost
- Open lines of communication between insurance commissioners and building officials
  - Co-hosting roundtable at NAIC's spring meeting in Kansas City or ICC's spring hearings in Dallas

And Get Involved With ICC!

Sign up as an interested party: ICC Committee Application – ICC

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