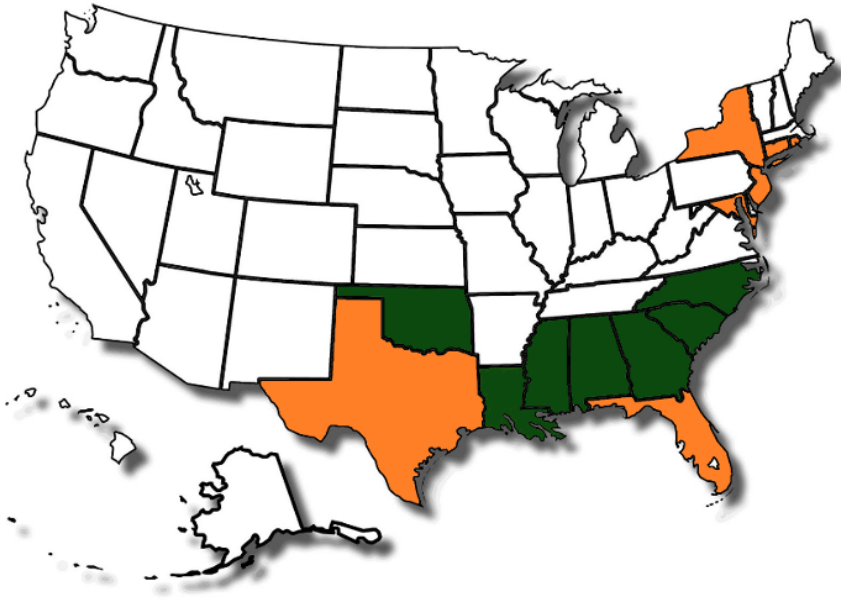


# FORTIFIED POLICY AND INCENTIVES



● Other Incentives      ● State-Specific FORTIFIED Incentives



**Legislation**

**Insurance Discounts**

**Tax Credits or Deductions**

**Endorsements**

**Grant Programs**

Because FORTIFIED homes meet a scientifically proven standard of being more resilient than homes built to ordinary building codes, financial benefits may be available to homeowners in more than a dozen states. Some insurers offer specific discounts to homes with a FORTIFIED designation as high as 55% in some states!<sup>1</sup> In other states, discounts are offered for specific upgrades included in the FORTIFIED standard. Four states also provide tax credits – which can be as high as \$5000 – to homeowners who strengthen their homes against storms.

## Legislation

Laws and regulations providing insurance and other financial incentives to lower the cost of a home's property insurance premium and retrofitting expenses are in effect for using FORTIFIED Home™, FORTIFIED Commercial™, and the new FORTIFIED Multifamily™ building standards in specific areas within Alabama, Georgia, Louisiana, Mississippi, North Carolina, and Oklahoma. A general overview of available incentives is provided here, while additional information about the suite of FORTIFIED standards is available at [fortified.org](http://fortified.org).<sup>2</sup>

## State-Specific Incentives Offered Specifically for FORTIFIED

It pays to have the added protection of a FORTIFIED home in these states. Incentives like insurance discounts, grants, and tax credits are available to help offset the costs of upgrading to the standard. Additionally, FORTIFIED endorsements may be available.

## FORTIFIED Qualifies for Other Incentives

Although FORTIFIED is not explicitly named, the upgrades required in the standard may make homeowners eligible for incentives in these states. Items like impact-resistant shingles, hurricane shutters, or pressure-rated garage doors can result in insurance discounts, grants, and tax credits.<sup>3</sup>

**FORTIFIED Home™ is a program of the Insurance Institute for Business & Home Safety (IBHS)**

<sup>1</sup>Eligible homes must be evaluated and designated by IBHS in order to qualify for FORTIFIED discounts. <sup>2</sup>Homes that meet the International Residential Code may qualify for non-FORTIFIED mitigation credits. <sup>3</sup>These credits do not necessarily apply to policies written in the voluntary market.

# FORTIFIED POLICY AND INCENTIVES

## ALABAMA

*“Alabama understood that we can make our homes and businesses stronger so more of us can come through the next storm with just minor damage, allowing our towns and our State to recover much faster... Led by the Department of Insurance, Alabama was a first mover in recognizing the FORTIFIED construction standard provides a roadmap to more resilient communities.” – Governor Kay Ivey*

### **Legislation**

In 2009, Alabama passed legislation (Alabama Act 2009-500, now codified as Ala. Code §§ 27-31D-1) requiring Alabama-admitted insurance companies to provide discounts to homeowners in specified coastal counties that receive a FORTIFIED Home™ designation. FORTIFIED incentives are available for eligible properties, which generally include one- and two-family detached dwellings. The dwelling must have been designated as meeting applicable design and construction requirements of the FORTIFIED Home™ program, single hazard, new or existing construction.

### **Insurance Discounts**

Alabama homeowners can earn steep discounts by installing a FORTIFIED Roof™ or building a FORTIFIED home. Savings range from 20-55% off the wind portion of the property owner's insurance. The discounts are statewide, with different premium discounts available for [coastal](#) and [inland](#) homeowners.

Additionally, Alabama provides commercial property owners a discount on building insurance rates using the FORTIFIED Commercial™ standard.

- [FORTIFIED Roof](#) - 25-35% discounts. Strengthens the roof system and minimizes the chances of water entering your home.
- [FORTIFIED Silver](#) - 35-45% discounts. Strengthens the roof, windows, doors, and other vulnerable areas of your home to prevent wind and rain from causing serious damage.
- [FORTIFIED Gold](#) - 45-55% discounts. All the added strength of FORTIFIED Roof and Silver, plus a continuous load path to provide maximum protection from wind.

### **Tax Credits or Deductions**

Alabama residents may deduct from gross income the lesser of 50 percent of the cost or \$3,000 to retrofit their home to resist wind or flood damage. Upgrading to the FORTIFIED standard can qualify for this deduction.

Alabama residents may also open a [Catastrophe Savings Account](#) at any bank. These accounts must be labeled for use as a catastrophe savings account by the account owner (not the bank and may provide tax benefits for homeowners).

### **Endorsements**

Most insurance companies in Alabama will Pay to Upgrade to FORTIFIED through an endorsement if the homeowner experiences significant roof damage. [Learn more.](#)

### **Grant Program**

The Strengthen Alabama Homes program provides grants up to \$10,000 to owners of existing homes to upgrade them to the FORTIFIED standard. No income limits or tests. Open to all homeowners with a primary residence in Alabama. For more information, visit [Strengthen Alabama Homes](#)

# FORTIFIED POLICY AND INCENTIVES

## GEORGIA

### *Insurance Discounts*

In 2013, the [Georgia Underwriting Association](#) adopted a mitigation program that recognizes IBHS's FORTIFIED Home™ program by providing credits for the wind peril under the homeowners and dwelling programs. To obtain the credit, policyholders must produce a document from IBHS which certifies that the home was constructed to the IBHS FORTIFIED Home™ standards.

Three levels of credits for FORTIFIED Home™ designations are available: 5% for Bronze, 7.5% for Silver, and 10% for Gold. For more information, please visit the Georgia Underwriting Association website at [www.georgiaunderwriting.com](http://www.georgiaunderwriting.com).

## LOUISIANA

### *Legislation*

In 2021, [HB 451/Act 30](#) enabled FORTIFIED construction-specific insurance discounts in the State, modifying and replacing Louisiana's previous mitigation credits system. Starting July 1, 2022, home and business owners who build or retrofit to the FORTIFIED Home, FORTIFIED Commercial, or FORTIFIED Multifamily standards will qualify for a reduced rate or discount on their hazard insurance.

Residential properties will require a FORTIFIED Designation certificate. Commercial or Multifamily properties will need a Letter of Compliance from the Insurance Institute for Business and Home Safety (IBHS).

In addition, any homeowner currently receiving mitigation credits or insurance discounts offered before July 1, 2022, may continue receiving those discounts as long as they meet the requirements. Insurance discounts are also available for meeting the Louisiana State Uniform Building Code.

### *Insurance Discounts*

Louisiana homeowners can qualify for [insurance discounts](#) by installing a FORTIFIED Roof or building a FORTIFIED home. Savings range from 20-52% off the wind portion of the property owner's insurance.

### *Tax Credits or Deductions*

Homeowners qualify for [up to \\$5,000 in tax deductions, or half the costs of home retrofits](#), whichever is less. Installing a FORTIFIED Roof™ qualifies along with other construction retrofits the State of Louisiana recognizes.

### *Grant Program*

Not currently available.

# FORTIFIED POLICY AND INCENTIVES

## MISSISSIPPI

### **Legislation**

In 2012, the Mississippi legislature initially passed HB 1410, which required Mississippi-admitted insurance companies to provide discounts to homeowners in specified coastal counties whose houses receive an IBHS FORTIFIED Home™ designation. This legislation was amended and updated in 2020 to include FORTIFIED Commercial (and by extension, FORTIFIED Multifamily) and expand the discounts statewide. [SB 2709](#) passed during the 2020 session and provides an insurance premium discount or insurance rate reduction for homeowners and business owners who build, rebuild, or re-roof an insurable property to resist hurricanes or other catastrophic windstorm events better.

### **Insurance Discounts**

Many insurers in Mississippi offer discounts for homes meeting the FORTIFIED standards—[some as high as 55%](#) off the wind portion of a homeowners premium.

Windstorm premium credits also are available for three levels of FORTIFIED Home™, designated houses with policies written by the Mississippi Windstorm Underwriting Association (MWUA): 20% for Roof, 25% for Silver, and 30% for Gold. Learn more at [msplans.com](#).

### **Tax Credits or Deductions**

[Catastrophe Savings Accounts](#) can be set up at any bank and must be labeled for use as catastrophe savings account by the account owner (not the bank). These accounts can provide tax benefits for homeowners.

### **Endorsements**

One of the largest insurers of coastal residences, the Mississippi Windstorm Underwriting Association (MWUA), offers a [free FORTIFIED endorsement](#) to its policyholders. When a covered claim results in a roof replacement, the endorsement is triggered, and MWUA will pay additional funds to help offset the cost of upgrading to a FORTIFIED Roof.

### **Grant Programs**

Windstorm premium credits also are available for three levels of FORTIFIED Home™ designated houses with policies written by the Mississippi Windstorm Underwriting Association (MWUA): 17% for Bronze, 25% for Silver, and 30% for Gold. More details about the MWUA's credits can be downloaded at [www.msplans.com/MWUA/Index.htm](#).

## OKLAHOMA

### **Legislation**

Oklahoma was the first land-locked State to pass FORTIFIED incentive legislation and used the FORTIFIED Home™ High Wind & Hail standard as the state mitigation standard. [Oklahoma HB 1720](#), passed in 2017, allows insurance companies to set actuarially sound rate discounts for certified homes to meet the FORTIFIED standard to qualify for the insurance discounts. Insurers must file rates with the Oklahoma Department of Insurance (OKDOI) to justify their discount amounts. HB 1720 allows the OKDOI to promulgate rules to support the discounts but does not allow the OKDOI to set a benchmark.

### **Insurance Discounts**

Many insurers in Oklahoma offer discounts for homes meeting the FORTIFIED standards—[some as high as 42%](#) off the wind and hail portion of your homeowners premium.

# FORTIFIED POLICY AND INCENTIVES

## NORTH CAROLINA

"With just a little extra quality and a little extra effort, this can go a long way toward making our whole coastline more resilient."

– Commissioner Mike Causey | North Carolina Department of Insurance

North Carolina has invested heavily in making its coastal communities more resilient, and now nearly 5,000 homes there have a FORTIFIED designation. Numerous incentives are available to North Carolina homeowners.

### **Legislation**

No legislation was required in North Carolina. In 2010, the North Carolina Rate Bureau submitted a rate filing to the North Carolina Department of Insurance that included FORTIFIED wind mitigation incentives. FORTIFIED incentives are available for homes in the 18 coastal counties that are designated under the FORTIFIED Home™ program. Details are available from the [North Carolina Rate Bureau](http://www.ncrb.org) at [www.ncrb.org](http://www.ncrb.org).

### **Insurance Discounts -**

In North Carolina, some insurers offer discounts up to \$700 off property owners insurance. Homeowners near the North Carolina Coast (rating territories 110, 120, 130, 140, 150, and 160) may be eligible for discounts on their homeowners insurance. The amount of the discount is based on the location of the home and the level of FORTIFIED protection chosen.

### **Endorsements**

Some insurers in North Carolina will Pay to Upgrade a roof to FORTIFIED if the homeowner has an endorsement and significant roof damage. Offered by several carriers in North Carolina (and provided for free by NCIUA), this extra piece of insurance will pay additional funds to help offset the cost of upgrading to a FORTIFIED Roof, if being replaced due to a covered loss. The cost for the endorsement varies by carrier.

### **Grant Programs**

Homeowners along the Outer Banks and Barrier Islands (rating territories 110 and 120) whose property is insured by the North Carolina Insurance Underwriting Association (NCIUA) may be eligible for the Strengthen Your Roof program. Eligible policyholders, at any income level, can apply for a grant of up to \$6,000 to help defray the costs of a FORTIFIED Roof. For more information, visit [Strengthen Your Roof](#)

# FORTIFIED POLICY AND INCENTIVES

## SOUTH CAROLINA

### **Legislation**

In 2007, South Carolina passed the [Omnibus Coastal Property Insurance Act](#) requiring insurers to submit rate filings for mitigation discounts and credits. While the mitigation form did not specify FORTIFIED, many of the technical requirements and components of FORTIFIED were already listed as best practices and mitigation measures. Given this, many insurers in the State have, over time, provided voluntary discounts for the FORTIFIED standard.

### **Insurance Discounts**

A [2016 survey](#) identified 17 insurers providing FORTIFIED discounts to residents of South Carolina, with some offering savings of more than 50% on the wind portion of your homeowners premium.

### **Tax Credits or Deductions**

South Carolina provides an income tax credit for the costs incurred to retrofit a home to make it more resistant to hurricanes or other catastrophic windstorm events. The tax credit for any taxable year is limited to 25% of the total costs incurred or \$1,000, whichever is less. Additionally, the State allows an income tax credit of up to \$1,500 for State sales or use taxes paid on purchases of tangible personal property used to strengthen one's legal residence.

### **Grant Program**

The [South Carolina Safe Home grant program](#) (SC Safe Home) provides up to \$5,000 to homeowners to assist in strengthening their homes. The program is administered by the South Carolina Department of Insurance and is designed to make properties more resistant to hurricane and high-wind damage.

The SC Safe Home Program has partnered with the IBHS Fortified Program to provide participating homeowners the possibility of achieving dual designations when mitigation work is performed on the roof of their homes. In choosing the dual designation, the homeowner may qualify for additional insurance benefits based on meeting the now shared standards of the Safe Home program and the Fortified Roof program.

This program was established through the [Omnibus Coastal Property Insurance Reform Act of 2007](#). Changes to the program made during the 2017-2018 Session of the South Carolina General Assembly are outlined in [Act 28](#). For additional information, please see South Carolina Department of Insurance [Bulletin 2021-02](#).