



IBHS Position on Model Legislation to Create Insurance Discounts for FORTIFIED Designations

The National Conference of Insurance Legislators (NCOIL) is considering amending their Building Code Model Legislation to require insurance discounts/rate reductions for homes that meet the FORTIFIED Home™--High Wind and Hail Standards as developed by the Insurance Institute for Business and Home Safety (IBHS).

In this regard, questions have been asked about IBHS' position on insurance-related incentives to encourage property loss mitigation, especially with respect to the FORTIFIED Home program. The following points are intended to answer those questions:

- IBHS is a nonprofit, 501(c)(3) scientific research and communications organization, supported by the property insurance and reinsurance industries. IBHS' mission is to identify and promote the most effective ways to strengthen homes, businesses and communities against natural disasters and other causes of loss. IBHS does not actively engage in lobbying at the federal or state level.
- IBHS provides technical input to public policymakers and other stakeholders in the built environment about effective (or ineffective) building codes and standards.
- IBHS also works with public policymakers to ensure that any references to IBHS programs are correct and refer only to actively supported, scalable programs.
- IBHS does not engage in legislative or regulatory discussions about insurance underwriting or pricing.
 - IBHS opposes mandatory insurance discounts or rate reductions for homes designated by the FORTIFIED Home program, or meeting any other property loss reduction standard.
 - IBHS also opposes public policy that requires insurers to file discounts or rate reductions, or to comply with benchmark discounts or rate reductions established by legislation or state insurance regulators.
 - IBHS supports voluntary decisions by individual insurers to provide discounts, rate reductions, or other financial incentives to policyholders who meet the criteria established by that insurance company.
 - Consistent with federal and state antitrust laws, IBHS does not consult with insurance companies about their marketplace decisions with respect to insurance incentives and is aware of such actions only as they are reported publicly.
 - IBHS' position on insurance incentives is consistent across all states and at the federal level.