

Increasing Insurability With **FORTIFIED** Homes



Julie Shiyou-Woodard

President and CEO



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Executive Director



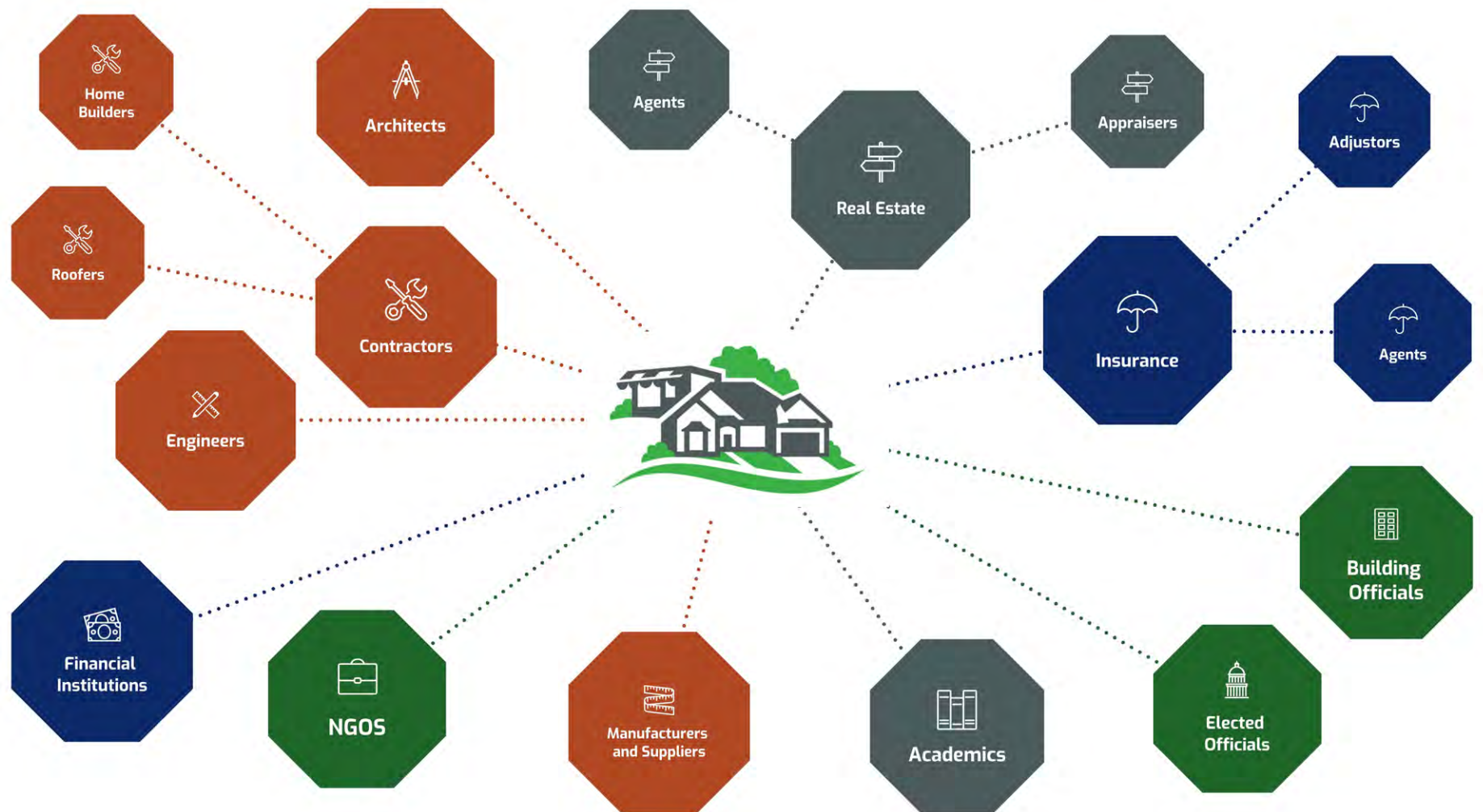






[Why IBHS? Video Click Here](#)





EF Scale		Saffir-Simpson Hurricane Wind Scale			
EF Rating	3 Second Gust (mph)		Category	Sustained Winds (mph)	Types of Damage Due to Hurricane Winds
			Tropical Storm	39-73	
0	65-85		1	74-95	Very dangerous winds will produce some damage:
1	86-110		2	96-110	Extremely dangerous winds will cause extensive damage:
2	111-135		3 (major)	111-129	Devastating damage will occur:
3	136-165		4 (major)	130-156	Catastrophic damage will occur:
4	166-200		5 (major)	157 mph or higher	Catastrophic damage will occur:
5	Over 200				

Which house would you rather
Own? Build? Sell? Insure?



[Video Click Here](#)

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WHAT IS FORTIFIED?

What is FORTIFIED? Video [Click Here](#)



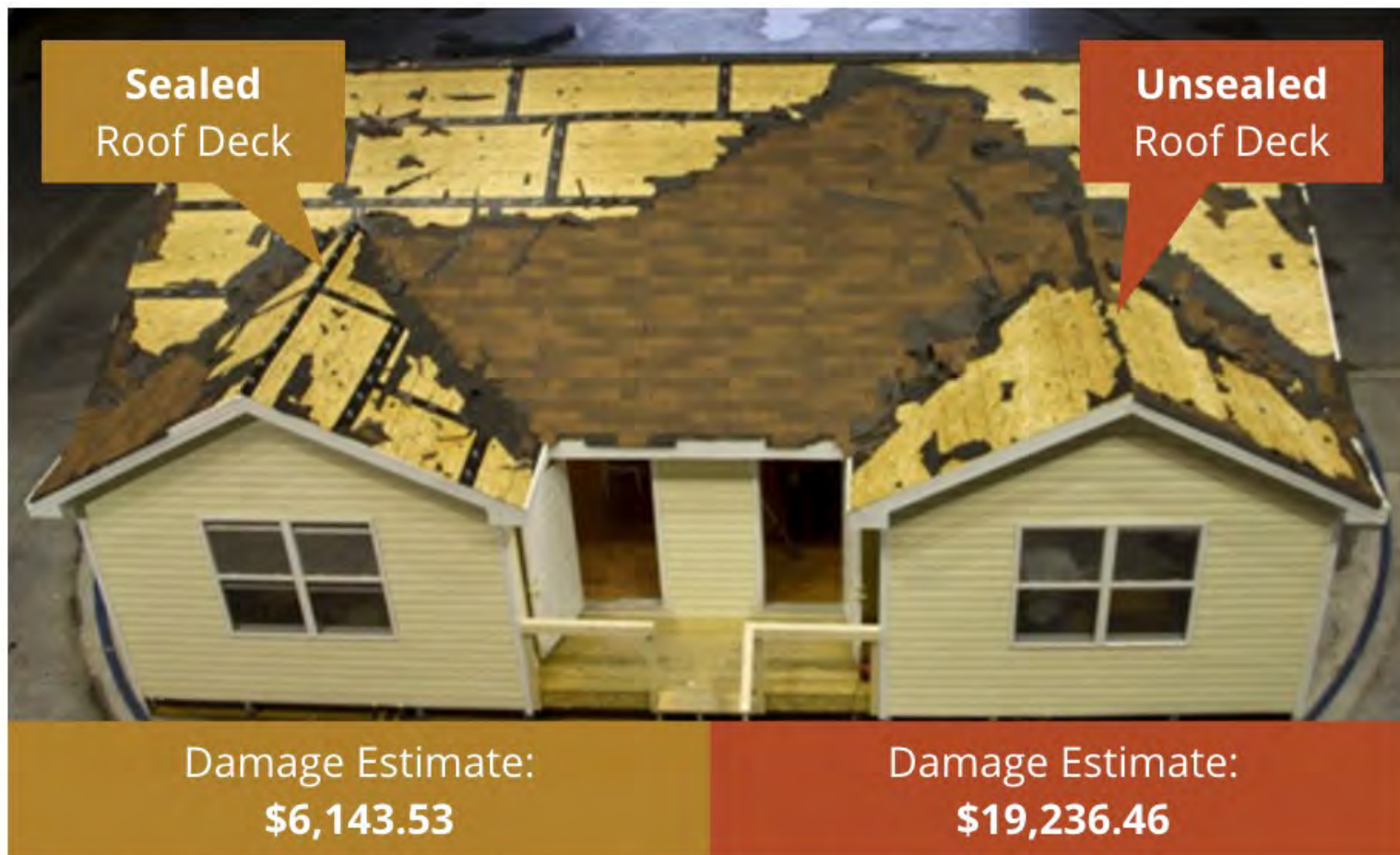
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IBHS



Water Intrusion Demo at the IBHS Research Center

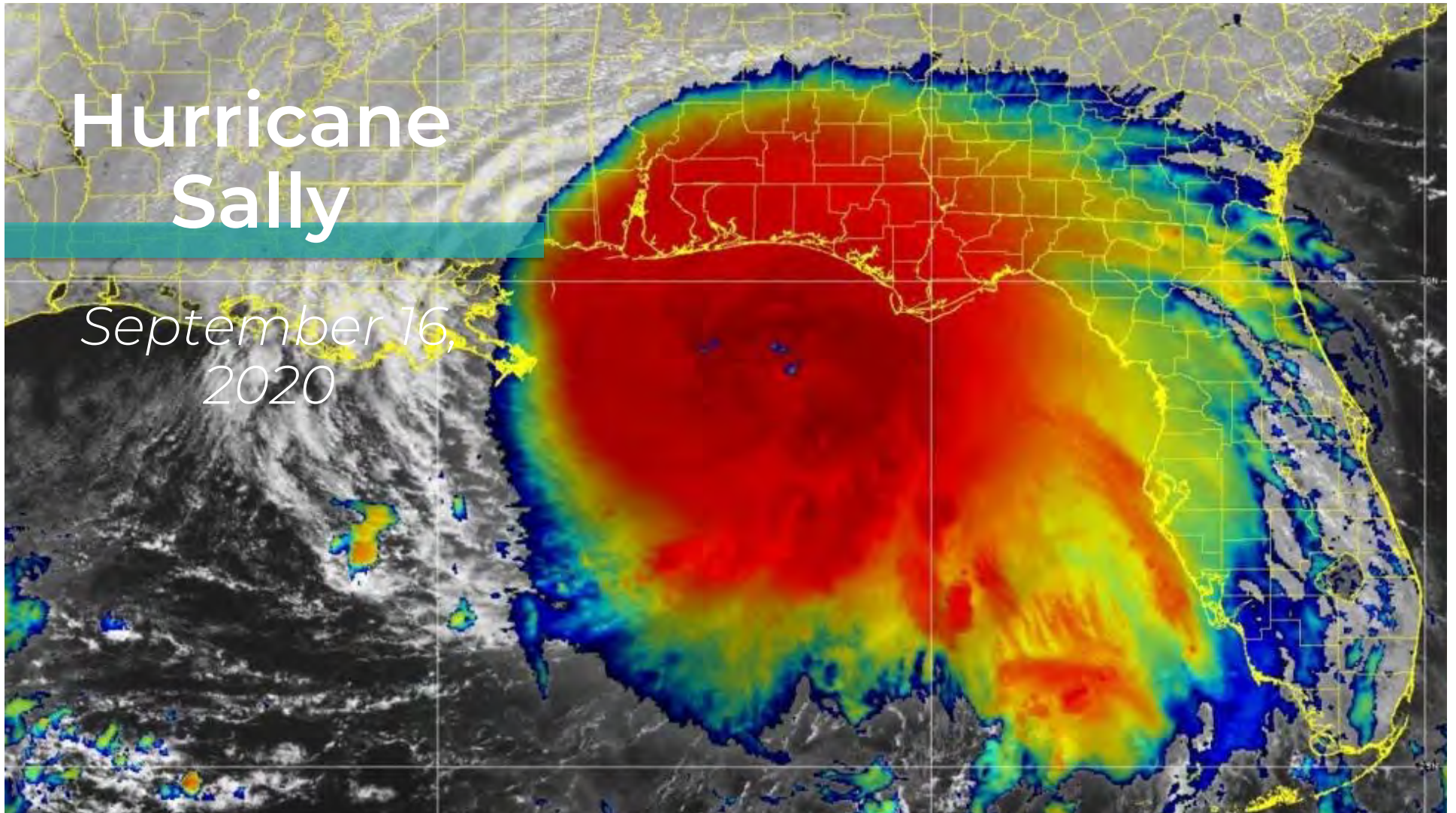


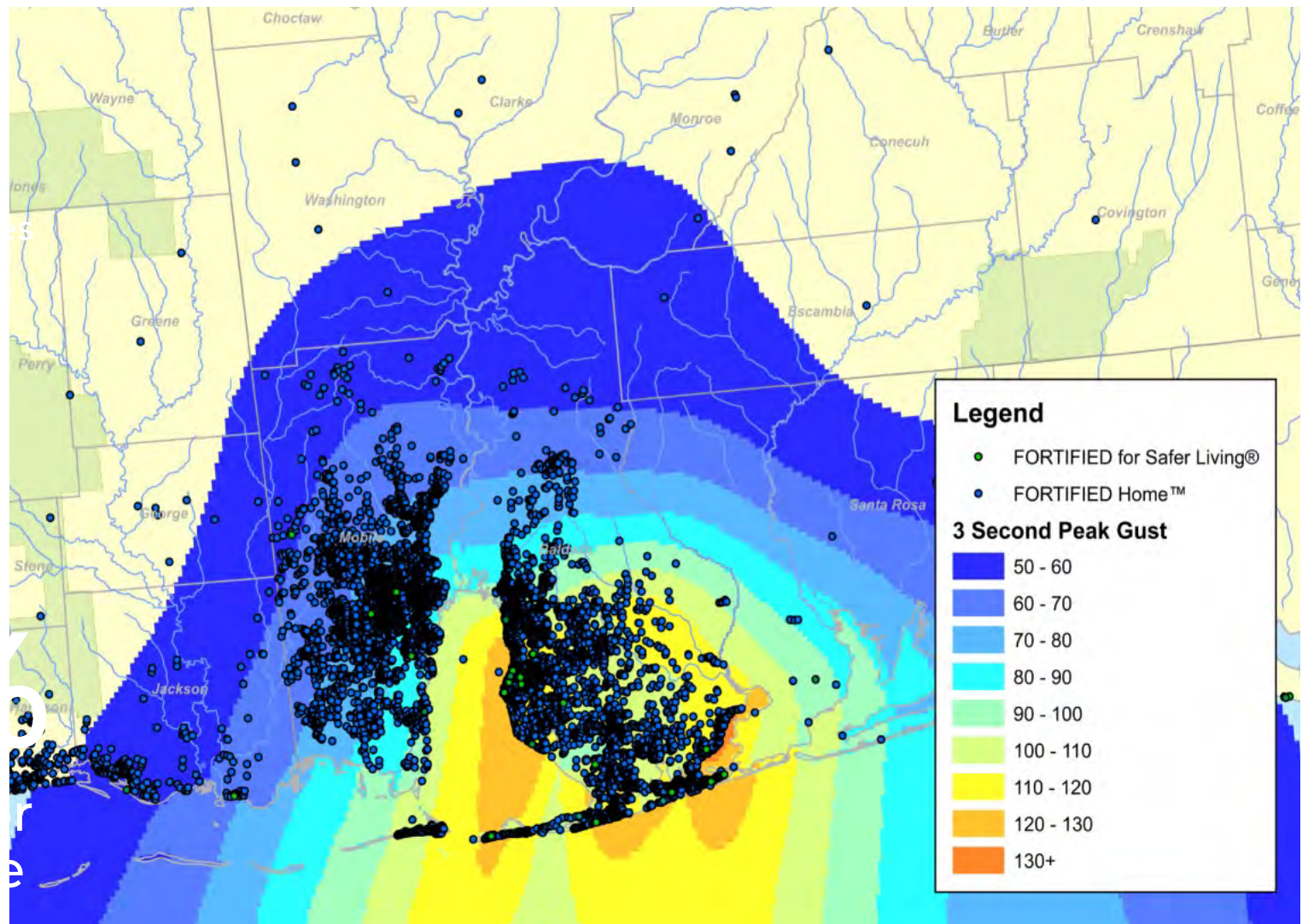


Comparison shows estimates in 2011 dollars adjusted for 2020 inflation

Hurricane Sally

*September 16,
2020*

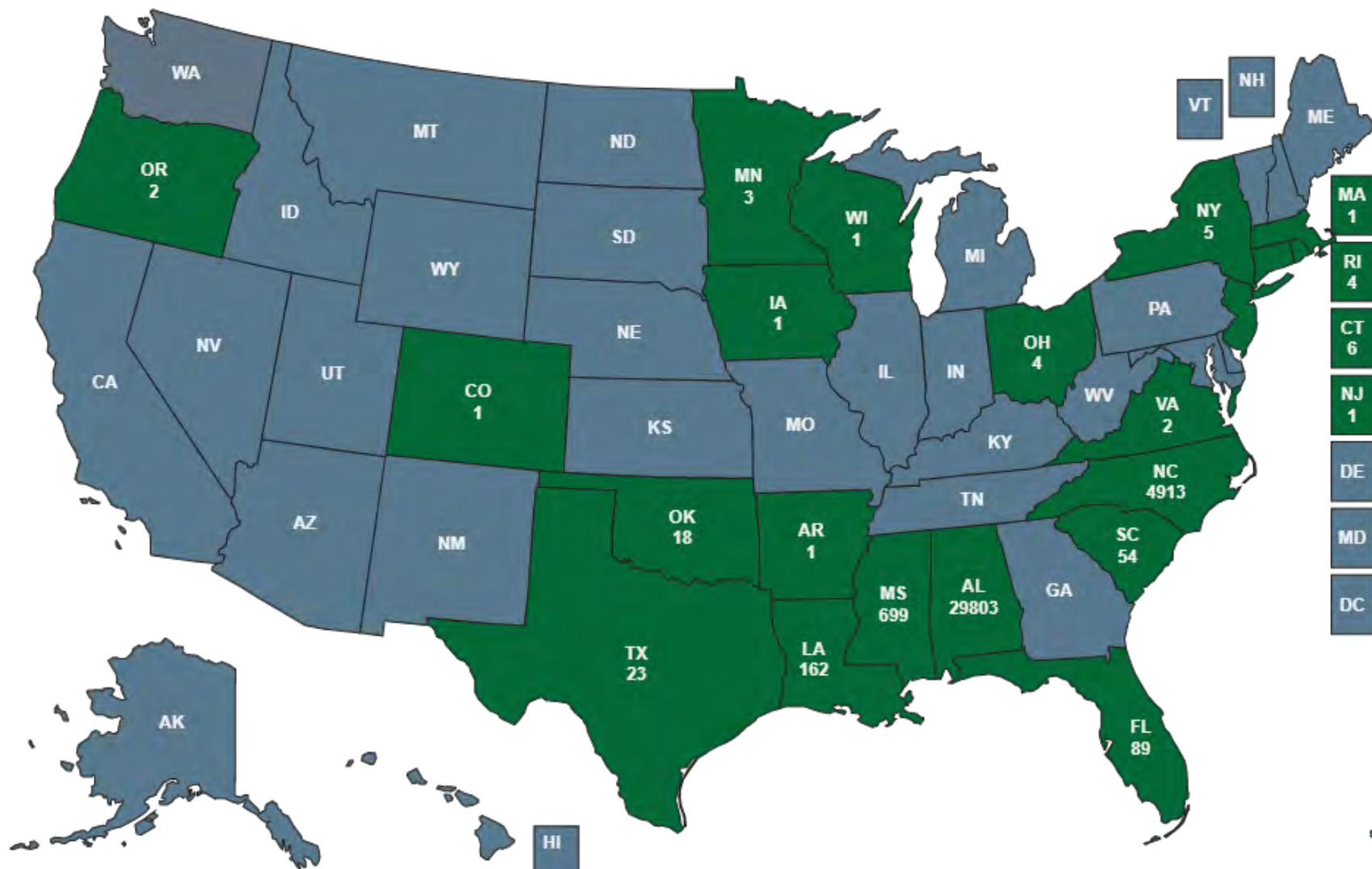






NOT FORTIFIED

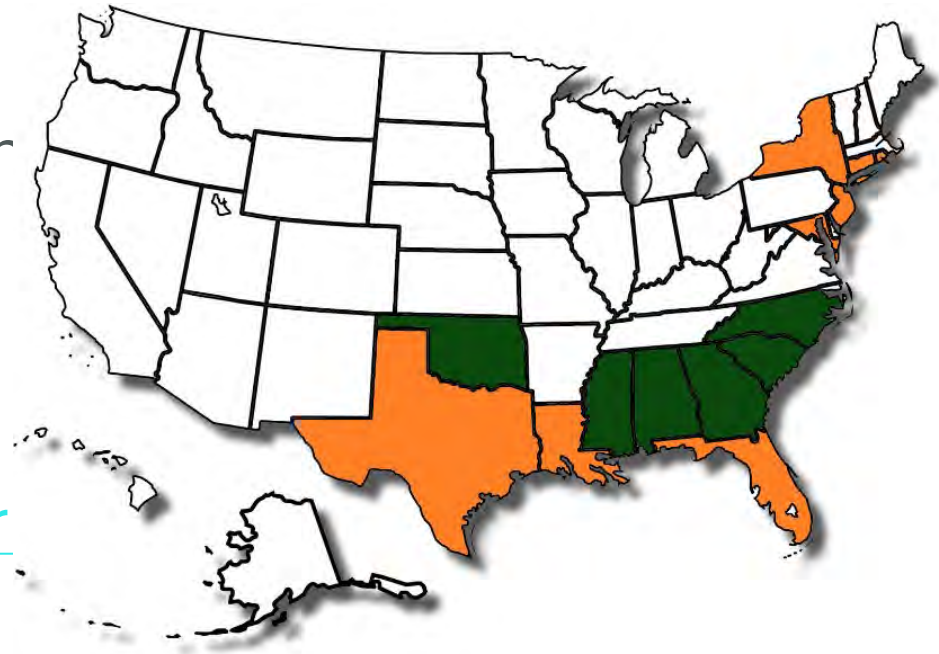




FORTIFIED Incentives

- Insurance discounts
- Tax credits or deduction
- Mitigation credits
- Grant programs
- Visit

<https://fortifiedhome.org/incentives/> for details



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Having a
FORTIFIED
Designation
Increases
Home Value
by nearly **7%**

According to a study by
The University of Alabama
Auburn University &
The University of Mississippi

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FEMA



U.S. Small Business
Administration





[Video Click Here](#)



Adequately Insured vs Underinsured



**64% of
homes are
underinsured by an
average of 24%**

24% of a \$200,000 home is \$48,000

Adequately Insured vs Underinsured



**75% of
businesses are
underinsured by an
average of 40%**

40% of a \$500,000 business is \$200,000

Post Michael – Habitat Strong



Our Vision

Stronger, Sustainable, More Resilient Communities



The Insurance Institute for Business and Home Safety©

Hurricane Ida



© ARCANE Inspection Services, LLC



Hurricane Ida



Brian Emfinger @brianemfinger

Grant Ethridge Construction, <http://www.gchp.net>

Louisiana HB451 2021 (Act 30)

Effective July 1st, 2022

- Building or retrofitting to the FORTIFIED Home™ or FORTIFIED Commercial™ standards **will qualify for a reduced rate or discount on hazard insurance.**
- Homeowners receiving mitigation credits/insurance discounts may continue receiving discounts as long as they meet requirements.
- Insurance discounts are also available for meeting the Louisiana State Uniform Building Code.



New Paradigm: Intentional Resilience



- Proactive
- Goal-oriented
- Sustainable
- Affordable
- Community-wide

NOT FORTIFIED





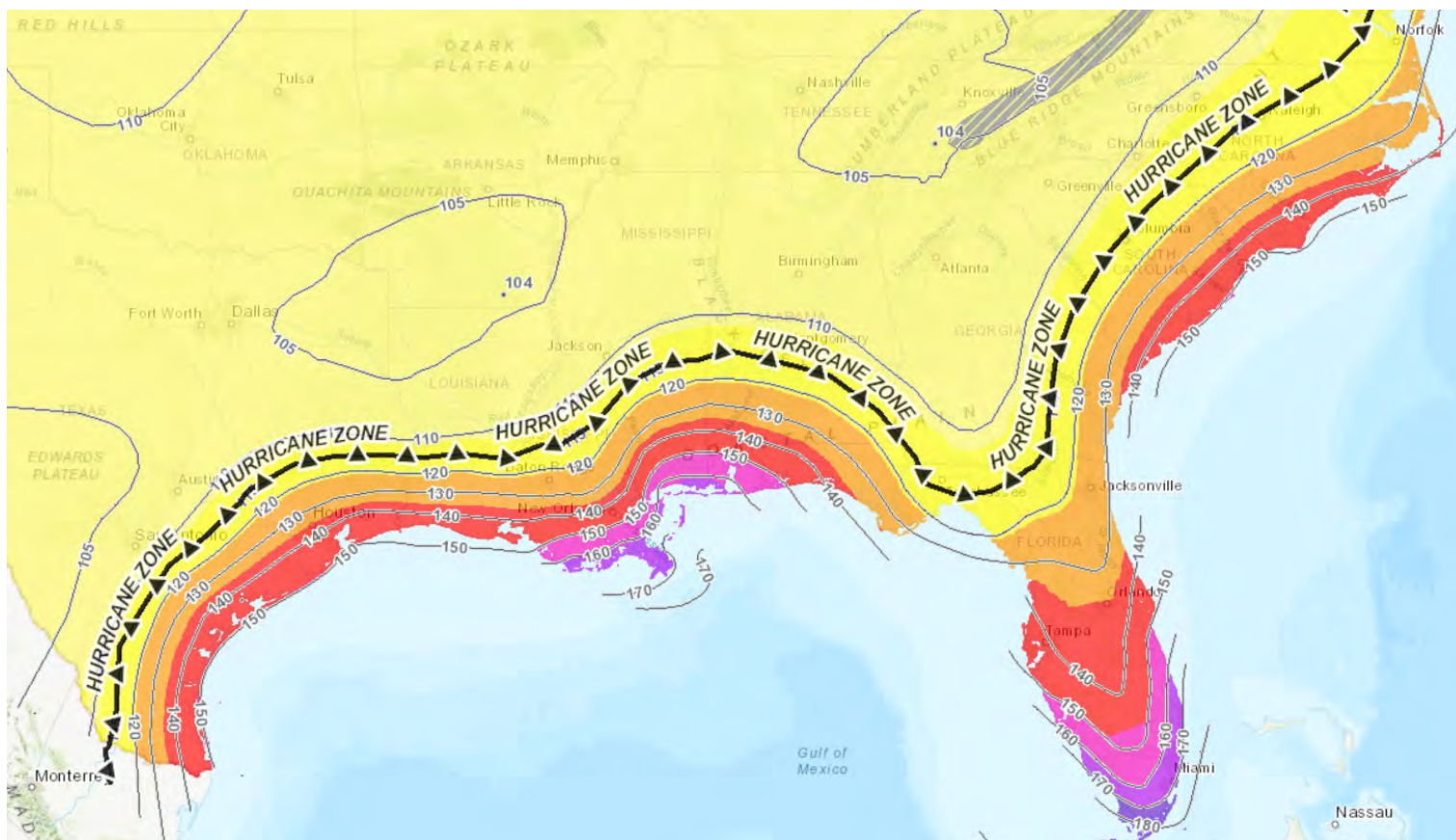
- 19% of Louisiana residents live in multifamily housing
- Residents prefer FORTIFIED
- FORTIFIED is profitable for owners
 - Inexpensive
 - High return



Specs:

- 2 stories
- 30 units
- 30,000 square feet
- Construction cost = \$3,000,000
- FORTIFIED cost over code
 - \$6,600 - \$38,000
 - 0.23% to 1.27%

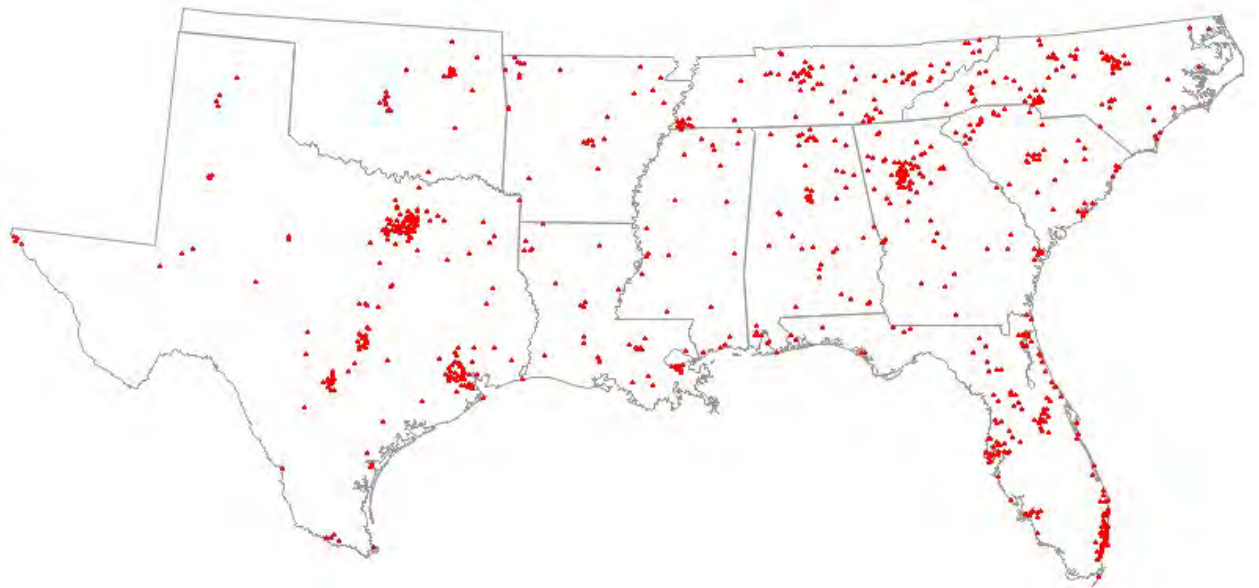




Zone	Fortified Roof	Fortified Gold
Hurricane (≥ 140)	\$7,000	\$7,000
Hurricane (< 140)	6,600	38,000
High wind and hail	16,900	16,900

Willingness to Pay Survey

- 2021
- 1,050 Respondents
- 11 states



“How much more rent would you pay to live in a FORTIFIED apartment complex?”

Willingness to Pay Survey

- 74% willing to pay at least 0.5%
- AR, OK, TN = \$6 / month
- Coastal states = \$12 / month

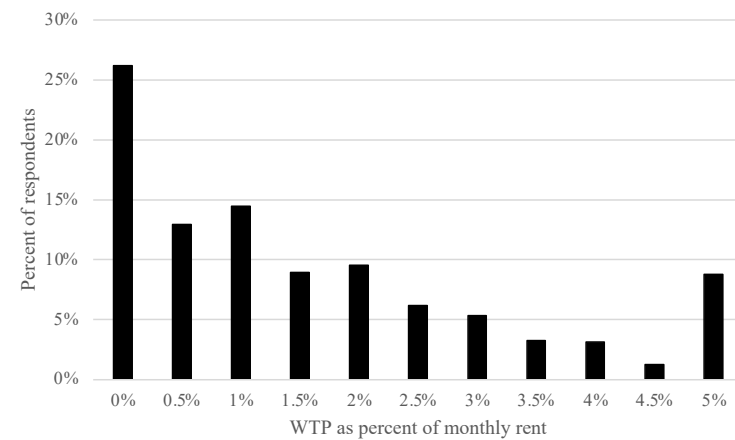


Table 2: Average Expected Insurance Premium Reductions from FORTIFIED

FORTIFIED Program	Wind zone	Expected loss	Risk load	Premium			Discount	
				Standard	Roof	Gold	Roof	Gold
Hurricane	>140	\$5,327	\$10,653	\$15,980	\$14,694	\$9,858	\$1,286	\$6,122
Hurricane	≤140	2,170	4,340	6,511	5,598	4,254	913	2,256
HWH	<115	2,002	2,002	4,003	3,197	2,784	806	1,219

	Hurricane Roof >140	Hurricane Gold > 140	Hurricane Roof 115-140	Hurricane Gold 115-140	HWH Roof	HWH Gold
1 Loss/insurance savings	\$1,286	\$6,122	\$913	\$2,256	\$806	\$1,219
2 Increased demand	2,160	2,160	2,160	2,160	1,080	1,080
3 Annual benefit	3,446	8,282	3,073	4,416	1,886	2,299
4 Cost	7,000	7,000	6,600	38,000	16,900	16,900
5 Payback period (years)	2.03	0.85	2.15	8.61	8.96	7.35
6 Internal rate of return	49%	118%	47%	10%	9%	12%

Thank you

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Questions?

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