



North Carolina Sea Grant  
UNC-Wilmington Center for Marine Science  
5600 Marvin Moss Lane  
Wilmington, NC 28409

**Date:** March 9, 2021  
**To:** Coastal Homeowners  
**From:** Spencer Rogers, Coastal Construction and Erosion Specialist, [rogerssp@uncw.edu](mailto:rogerssp@uncw.edu)  
**Subject:** Insurance premium incentives for wind-resistant construction

**As homeowners in North Carolina's coastal region begin making repairs to damage from recent hurricanes and tornado events, they should be aware of insurance-related incentives to increase wind resistance of their homes.**

*Speak with your insurance agent and adjustor for details regarding your property.*

Since 2011, insurance rate credits have been available for wind-resistant features in coastal buildings, as the North Carolina General Assembly directed through the N.C. Department of Insurance. The goal was to develop discounts to encourage better wind-resistant buildings. These discounts are available in 18 coastal counties, and private insurance companies and the state-mandated wind pools are required to offer them. More recently, the N.C. wind pools have added pilot endorsements that may reduce costs when repairing or replacing roof coverings on certain coastal buildings. This brief describes the general offerings. *Ask your insurance agent for the full details.*

### **Residential Windstorm Mitigation Credits**

These credits are available through private insurance companies and through the pools in coastal North Carolina. Two separate discount options are available for common homeowner or dwelling coverage. If you have a qualifying building, when you receive your annual renewal bill it should include the ADVISORY NOTICE TO POLICYHOLDERS: RESIDENTIAL WINDSTORM MITIGATION CREDITS AVAILABLE (attachment 1):

<https://www.ncjua-nciua.org/DocLib/uw/Mitigation/RN00190717.pdf>

The credits at this time for framed buildings for homeowners, dwelling, and wind-only coverage (attachment 2) are listed under NCJUA/NCIUA MITIGATION CREDITS in the top right corner here:

<https://www.ncjua-nciua.org/html/uw.htm>

A separate table applies to masonry buildings. The insurance territory numbers vary with time and building type, but the lowest zone numbers and highest discounts are generally closest to the ocean shoreline. A map of the coastal territories is shown in attachment 3 and can be found here:

<http://www.ncrb.org/Portals/0/ncrb/personal%20lines%20services/Maps/HO%20Territory%20Map-Eff%206-1-15-Beach%20and%20Coastal.pdf?ver=2019-10-31-132302-803>

The first type of credit offers a **discount for a hip roof and/or window protection**, either impact glass or certified storm shutters. To qualify, the owner must provide his or her insurance agent a photo of the hip roof. Documentation for window protection should describe that it complies with national test standards and was properly installed. The N.C. Residential Building Code allows plywood shutters, but they do not qualify for the credit. Each option qualifies for about a 5 to 6% discount on the wind/hail coverage cost and you can combine them for a 11 to 12% discount. Your insurance agent can determine the annual savings.

A second discount option for a **FORTIFIED Home™** is based on an existing program developed by the Insurance Institute for Business & Home Safety (IBHS), a nonprofit scientific research and communications organization funded by the insurance industry. Three levels of discounts are offered for existing or new houses, identified as FORTIFIED Roof (Bronze), Silver, and Gold. The higher levels require compliance with lower levels. Each level provides about a 4 to 6% discount on the wind and hail premium. Details of the program are here: <https://fortifiedhome.org/about/>

To qualify, a certified FORTIFIED Evaluator must inspect the house. A list for N.C. evaluators is included on the same website, along with specific requirements for each level. The Evaluator prepares an inspection report, which IBHS reviews. There is a nominal fee for the review, but the Evaluator, often a home inspector or claims adjuster, sets their own prices, which for FORTIFIED Roof typically range from \$150 to \$600, depending on the number of re-inspections. IBHS then reviews inspection results and returns a certificate of compliance for FORTIFIED Roof/Silver/Gold or describes what mitigation work is needed to reach each level.

A *FORTIFIED Roof* is easiest to accomplish when re-roofing. Additional nailing of the roof deck may be required. An extra water seal layer under the roof covering is required. Options include 1) taping the seams of the plywood deck with a self-sealing, sticky-backed tape, 2) applying 3-foot rolls of the same material to the entire roof, or 3) installing a two-layer #30 felt underlayer system. Specific drip edges and wind-certified roof vents are required. Reinforcement of gable end walls may be necessary. A high-wind shingle class is also required, depending on the local wind speed zone. If not re-roofing, it is possible to comply with the requirements working inside the attic using a high-strength foam to attach the rafters and seal all roof deck seams. However, the mitigation costs are likely to be higher and the insurance discount is lower.

*Silver* requires compliance with the FORTIFIED Roof and a variety of wind load-path connections that can be visually inspected, as well as either impact-resistant windows or storm shutters for all glazing. The window protection must be certified by the manufacturer and installed to those specifications. Plywood shutters do not qualify. Most of the other structural requirements are included in the recent building codes.

*Gold* requires the FORTIFIED Roof and Silver standards *plus* an engineering analysis of the load paths in the building, which, if not visible, may require some demolition for the engineer to inspect. Most of the requirements are included in recent building codes.

Any mitigation work must be documented with photos and inspected by the Evaluator. IBHS provides a FORTIFIED designation, which is submitted to the insurance agent to receive the discount. The designation is good for five years, and an Evaluator can re-inspect the house to extend the discounts for another 5 years.

### **NCIUA and NCJUA Pilot Policy Endorsements and Grants**

Many coastal buildings are insured by the N.C. Insurance Underwriting Association (NCIUA) and the N.C. Joint Underwriting Association (NCJUA), the state's mandated wind pools, when not available from private insurers. They have recently added pilot endorsements available in some coastal territories that may help pay for FORTIFIED Evaluations. *Again, ask your insurance agent for specific details.*

The first pilot endorsement is only available in four territories closest to the ocean. If the **roof covering on an insured building is damaged more than 50%**, the free policy endorsement offers to pay for the claim, plus the added labor cost of a FORTIFIED Evaluation *and* the added construction cost to qualify for FORTIFIED Roof. (See attachment 4, section A.) Restrictions apply. *Ask your agent and your adjuster for details.*

A separate endorsement is now being offered in 18 coastal counties. If an insured building is **reroofing, with or without a damage claim**, the building may qualify for reimbursement of up to \$600 for the cost of the FORTIFIED Evaluator that results in a FORTIFIED Roof certification. (See attachment 4, section B.) *Ask your agent for details.*

Since 2019, NCIUA has annually offered a limited number of grants to owners planning to reroof in the beach territories. Eligible policyholders can apply for a grant up to \$6,000 to install a FORTIFIED Roof. A damage claim is not required. A limited number of grants are available and will be awarded on a first-come, first-served basis. To see if you qualify:

<https://strengthenyourroof.com/>

### **Conclusion**

Installing wind-resistant features can protect buildings and potentially save homeowners money. Options to receive insurance rate credits for these protections are available through private insurance companies and state-mandated wind pools. The wind pools are presently offering free policy endorsements that may reduce costs when repairing or replacing roof coverings on certain buildings. The resources mentioned here provide more information for each option. See also: <https://www.ncjua-nciua.org/DocLib/uw/Mitigation/RN00190717.pdf> and <https://disastersafety.org/hurricane/>

## ADVISORY NOTICE TO POLICYHOLDERS RESIDENTIAL WINDSTORM MITIGATION CREDITS AVAILABLE

The Association now has three main categories of credits available for certain wind mitigation features of a dwelling for policies effective May 1, 2011 or later.

**Hip Roof:** This is a roof style and construction that forms a triangle and is slanted on all sides. Proof of roof type is verified by multiple photographs submitted to the Association by your Producer (Agent) for the credit to apply.



**Opening Protection Features:** Building opening protective features, such as storm shutters, must have been tested and/or certified as having met standards of the American Society for Testing and Material ASTM E 1886 and ASTM E 1996. Such protective features shall be considered qualified and verified by proof of installation submitted to the Association by your Producer (Agent) and must have been installed on all openings of the structure.

Qualifications Include:

- All exterior building envelope openings (doors, windows, etc.) with glazing (glass) shall have qualified impact-resistant and wind pressure-resistant opening protection
- All exterior building envelope openings (doors, windows, etc.) without glazing (glass) shall have qualified wind pressure-resistant opening protection
- All garage doors (with or without glass) shall meet or exceed a qualified minimum pressure resistance

Opening protection must be installed by a qualified contractor, according to the manufacturer's specifications, and impact-resistant protective devices must not be made of wood structural panels, such as OSG or plywood, or be homemade.

### **IBHS Hurricane Fortified for Safer Living and IBHS Hurricane Fortified for Existing Homes:**

The Institute for Business and Home Safety (IBHS) has promulgated four main discounts:

- Safer Living Original Construction
- Bronze Certification 1 or 2
- Silver Certification 1 or 2
- Gold Certification 1 or 2

The Policyholder must submit a copy of the proper designation certificate from IBHS in order to qualify for the applicable credit. Certain certifications require reinspection by IBHS every five years in order for the designation and credit to continue. Your Producer (Agent) can assist you with the contact information for the inspection and submission of the IBHS Certification to the Association for approval of the credit.

Windstorm Mitigation Credits will vary by the type of feature present on the dwelling. The Hip Roof and Opening Protection credit may be combined for additional credit, but no other type credits may be taken in combination, such as IBHS and Hip Roof. The credit, if applicable, would be reflected in your final policy premium determined on the policy declaration, and shown in the endorsement section of the policy.

These discounts are not available to Condominium Unit Owners Policies, Renters Policies, Dwellings Under Construction, and Mobile Homes.

If you would have any questions, please contact your Producer (Agent) of the policy with the Association as shown on your policy declaration.

## WINDSTORM MITIGATION CREDITS – FRAME CONSTRUCTION

**EFFECTIVE – JUNE 1, 2020**

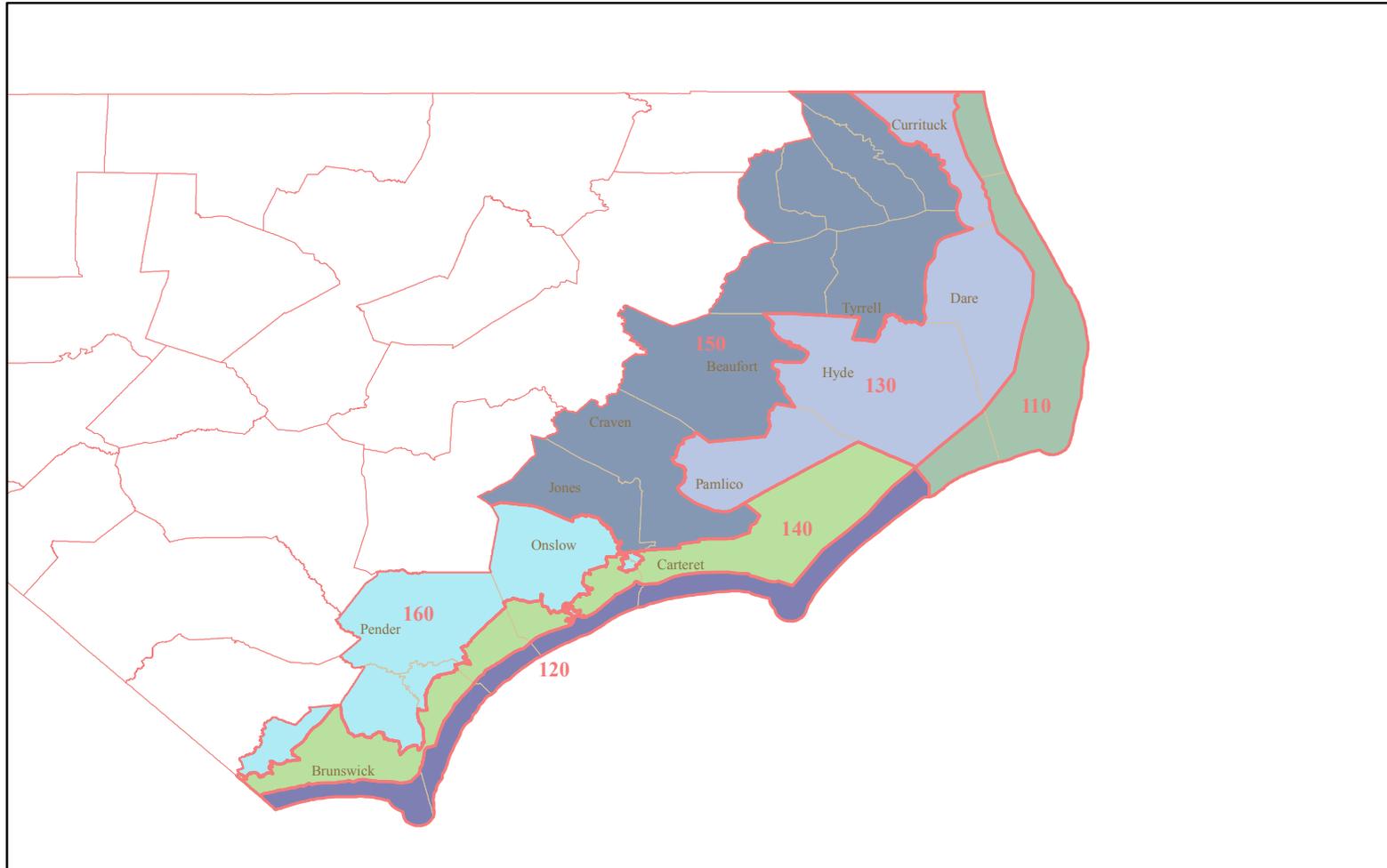
<b>NCIUA Homeowner HO 00 02, HO 00 03 and HO 00 08 – Frame Construction Coverage A Mitigation Rate Credit - Effective June 1, 2020</b>						
<b>Mitigation Feature</b>	Territory 110	Territory 120	Territory 130	Territory 140	Territory 150	Territory 160
Total Hip Roof	4.4%	5.1%	4.6%	4.6%	4.0%	4.0%
Opening Protection	4.6%	5.2%	4.6%	4.6%	3.9%	4.2%
Total Hip Roof and Opening Protection	9.0%	10.3%	9.1%	9.3%	7.8%	8.1%
<b>IBHS® Designation</b>						
FORTIFIED for Safer Living	14.5%	18.0%	13.2%	15.5%	8.5%	13.6%
FORTIFIED Roof-Hurricane-Existing Roof	3.5%	4.1%	3.7%	3.7%	3.1%	3.2%
FORTIFIED Roof-Hurricane-New Roof	5.4%	6.4%	5.2%	5.8%	3.9%	5.0%
FORTIFIED Home-Hurricane-Silver-Existing Roof	8.7%	10.8%	7.4%	9.4%	4.1%	8.1%
FORTIFIED Home-Hurricane-Silver-New Roof	10.5%	13.1%	8.8%	11.5%	4.6%	10.1%
FORTIFIED Home-Hurricane-Gold-Existing Roof	11.1%	13.7%	9.9%	11.7%	6.1%	10.3%
FORTIFIED Home-Hurricane-Gold-New Roof	12.9%	16.1%	11.3%	13.9%	6.6%	12.1%

IBHS Designations are registered trademarks ®

<b>NCIUA Homeowner Windstorm or Hail HW 00 02, HW 00 03 and HW 00 08 – Frame Construction Coverage A Mitigation Rate Credit - Effective June 1, 2020</b>						
<b>Mitigation Feature</b>	Territory 110	Territory 120	Territory 130	Territory 140	Territory 150	Territory 160
Total Hip Roof	6.3%	6.2%	6.1%	6.0%	5.6%	5.6%
Opening Protection	6.5%	6.4%	6.1%	6.1%	5.5%	5.9%
Total Hip Roof and Opening Protection	12.8%	12.5%	12.1%	12.2%	11.0%	11.5%
<b>IBHS® Designation</b>						
FORTIFIED for Safer Living	20.7%	22.0%	17.5%	20.3%	12.0%	19.2%
FORTIFIED Roof-Hurricane-Existing Roof	5.0%	5.0%	4.9%	4.8%	4.4%	4.6%
FORTIFIED Roof-Hurricane-New Roof	7.8%	7.8%	6.8%	7.6%	5.5%	7.1%
FORTIFIED Home-Hurricane-Silver-Existing Roof	12.4%	13.2%	9.8%	12.4%	5.8%	11.5%
FORTIFIED Home-Hurricane-Silver-New Roof	14.9%	16.0%	11.7%	15.1%	6.6%	14.2%
FORTIFIED Home-Hurricane-Gold-Existing Roof	15.9%	16.8%	13.1%	15.4%	8.6%	14.5%
FORTIFIED Home-Hurricane-Gold-New Roof	18.5%	19.6%	14.9%	18.3%	9.4%	17.1%

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## Dwelling and Homeowner Territories Beach and Coastal Area





## North Carolina Insurance Underwriting Association

COASTAL PROPERTY INSURANCE POOL

September 2020

Re: **Policy Reference: HW00037813**

### ENDORSEMENT PF 01 09 09 20 SPECIAL ROOF COVERAGE, IBHS FORTIFIED HOME™ DESIGNATION FORTIFIED ROOF- HURRICANE – NEW ROOF AND LIMITED CERTIFIED EVALUATOR COST COVERAGE, TERRITORY 140 ONLY

Dear Policyholder:

The goal of the North Carolina Insurance Underwriting Association (NCIUA) is to improve the resilience of our coastal communities, one home at a time. To support that goal, NCIUA is adding a **FREE** endorsement to your policy that is effective for covered losses occurring on or after September 15, 2020. The endorsement provides coverage to assist you in obtaining an IBHS FORTIFIED Roof™, subject to policy terms and conditions and subject to IBHS eligibility and requirements for the FORTIFIED roof designation. With Endorsement PF 01 09 09 20, if you suffer a significant roof claim and the adjuster's investigation determines that your roof needs to be replaced, NCIUA will pay the extra costs, up to \$5,000, to install an IBHS FORTIFIED Roof™. If you elect to replace your roof for general maintenance purposes, without a significant roof claim, NCIUA will pay up to \$600 for a FORTIFIED Evaluator to assist you in obtaining a FORTIFIED Roof™.

Your roof provides the first line of defense against severe weather. With an IBHS FORTIFIED Roof™, properties should be better protected before, during, and after a severe weather event. FORTIFIED is a nationally recognized building method developed through extensive field and lab research of structural damage caused by wind. A FORTIFIED roof that meets the standards of the Insurance Institute for Business & Home Safety (IBHS) can give you the peace of mind that comes from knowing your home is structurally resilient and can better withstand severe weather.

#### What does a FORTIFIED roof mean to you?

- **Strength:** Your roof will perform better in the face of severe weather.
- **Savings:** You will qualify for insurance premium discounts.
- **Increased value:** Your active FORTIFIED designation, and its unique ID number, remain with your property and enhances your home's resale value.
- **Affordable:** The costs to upgrade to a FORTIFIED roof are minimal compared to the benefits.
- **Security:** You will take comfort in the knowledge that your home is built to some of the highest standards available, protecting your loved ones and possessions.

A FORTIFIED roof system can be installed by your chosen contractor, working in tandem with trained IBHS Evaluators. When an IBHS trained roof contractor installs a FORTIFIED Roof™, the contractor will utilize high wind-rated roof coverings, install a sealed roof deck system that may reduce the potential for water entering the home through the roof by 90%, install roof mounted vents (if applicable) that are designed to prevent water intrusion, and double the strength of your home's roof decking by re-nailing it with ring shank nails. In addition, all FORTIFIED Roof™ installations are verified by a trained FORTIFIED Evaluator who works with the contractor to document each phase of your project.

The coverage provided under endorsement PF 01 09 09 20 is effective September 15, 2020 and is attached for your review.

**Getting Started After You Experience Significant Damage to Your Roof**

- If you have a claim, report it to your agent or NCIUA as soon as possible.
- An adjuster will visit and evaluate your roof damage. If your roof qualifies for replacement, a FORTIFIED Evaluator will assess the roof to determine your eligibility.
- If you are eligible and if you select to install a FORTIFIED roof, you may use your own contractor or an IBHS FORTIFIED contractor. A list of IBHS FORTIFIED contractors is available to you upon request.
- A FORTIFIED Evaluator will help you throughout the entire process to get the desired FORTIFIED designation.
- IBHS will review your repair documentation. If compliant, you will receive your property's official designation and NCIUA will pay the contractor for the additional costs, up to \$5,000, for installing a FORTIFIED roof.

**NCIUA Partnership: Assistance to Strengthen Your Home When You Replace Your Roof**

- If you have not suffered damage requiring a roof replacement and you desire to replace your roof, contact NCIUA for information on how to strengthen your home with a FORTIFIED roof.
- Endorsement PF 01 09 09 20 pays up to a maximum of \$600 for the cost of a FORTIFIED Evaluator to assist you and your chosen contractor in upgrading your roof to FORTIFIED standards. NCIUA also has a list of roofing contractors who have completed IBHS FORTIFIED training.

For additional information regarding this pilot program, please contact NCIUA at (919) 821-1299 or 1-800-662-7048.

This letter is only a summary of Endorsement PF 01 09 09 20 for your general information. As always, the provisions of your policy and any attached endorsements govern coverage in the event of a covered loss.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SPECIAL ROOF COVERAGE, IBHS FORTIFIED HOME™  
DESIGNATION “FORTIFIED ROOF – HURRICANE – NEW  
ROOF” AND LIMITED CERTIFIED EVALUATOR COST  
COVERAGE FOR TERRITORY 140 ONLY**

**HO 00 02, HO 00 03, HO 00 08, HW 00 02, HW 00 03, HW 00 08,  
WH D0 01, WH D0 02 AND WH D0 03**

**INTRODUCTION**

FORTIFIED Home™ is an engineering and building standard developed by the Insurance Institute for Business & Home Safety (IBHS) to mitigate wind-related hurricane damage. The program also includes evaluation and inspection requirements to ensure the technical standards are properly implemented, resulting in the designation of a home as meeting the FORTIFIED Home requirements. The maximum coverage limit provided by **Coverage A. FORTIFIED Roof – Hurricane – New Roof** of this endorsement is \$5,000. The maximum coverage limit provided by **Coverage B. Limited IBHS Certified Evaluator Cost** of this endorsement is \$600.

For forms HO 00 02, HO 00 03, HW 00 02, HW 00 03, WH D0 02 not endorsed by DP 04 76, and WH D0 03, the following paragraph 2. applies:

2. When the coverage provided by this endorsement applies and the insured opts to invoke the coverage provided by this endorsement, the Association will pay (1) the costs of the materials and labor, (2) the costs of the initial inspection and assessment, and (3) the costs of the verification inspection(s) necessary to obtain the IBHS designation “FORTIFIED Roof – Hurricane – New Roof.” The insured will be responsible for arranging and coordinating the roof replacement work, as well as the inspections, assessments and verifications required by IBHS.

**COVERAGE**

**A. FORTIFIED Roof – Hurricane – New Roof.**

1. If (1) the amount of a “covered loss” to the roof covering of the dwelling on the “residence premises” shown on the declarations is greater than 50% of the replacement cost value of the entire roof covering, (2) the roof sheathing on that dwelling is (or was immediately prior to the loss) a minimum of 7/16-inch OSB or plywood, and (3) that dwelling is not (or was not immediately prior to the loss) on an unreinforced dry stacked foundation or is otherwise ineligible for FORTIFIED Home Review as defined by IBHS, then this endorsement may apply at the option of the insured.

For Forms HO 00 08, HW 00 08, WH D0 02 endorsed by DP 04 76, and WH D0 01, the following paragraph 2. applies:

2. When the coverage provided by this endorsement applies and the insured opts to invoke the coverage provided by this endorsement, the Association will pay (1) the increased costs of the materials and labor necessary to obtain the IBHS designation "**FORTIFIED Roof – Hurricane – New Roof**," (2) the costs of the initial IBHS inspection and assessment, and (3) the costs of the verification inspection(s) necessary to obtain the IBHS designation "**FORTIFIED Roof – Hurricane – New Roof**." The insured will be responsible for arranging and coordinating the roof replacement work, as well as the inspections, assessments and verifications required by IBHS. Nothing in this paragraph 2. is intended to change the actual cash value loss settlement provisions of the policy, other than to pay the IBHS costs as referenced above in this paragraph 2., subject to the \$5,000 maximum coverage limit of this endorsement.

**B. Limited IBHS Certified Evaluator Cost**

If (1) the coverage provided by **A. FORTIFIED Roof – Hurricane – New Roof** of this endorsement does not apply, (2) you replace the entire roof covering of the dwelling on the "residence premises" shown on the declarations to the "**FORTIFIED Roof – Hurricane – New Roof**" standard during the policy period and (3) you obtain the IBHS designation "**FORTIFIED Roof – Hurricane – New Roof**" from IBHS, then upon submittal of proof of that designation to us, we shall pay up to \$600 for the direct expense that you incur for the services of an IBHS certified evaluator. This is additional insurance and is the most we will pay for the total of all costs or expenses that you incur associated with obtaining the IBHS designation "**FORTIFIED Roof – Hurricane – New Roof**". No deductible applies to this coverage.

**DEFINITIONS**

With respect to the coverage provided by this endorsement, "covered loss" means a loss occurring during the policy period that is caused by a Peril Insured Against that is not otherwise excluded by any other exclusion, provision or condition of the policy.

**SPECIAL CONDITIONS**

The following special condition applies only to **COVERAGE A. FORTIFIED Roof – Hurricane – New Roof** of this endorsement:

In addition to the requirements of the Loss Settlement and Replacement Cost provisions of this policy, the insured must submit proof of the IBHS designation "**FORTIFIED Roof – Hurricane – New Roof**" to the Association upon completion of the designation process. After submittal of this IBHS designation, we will only pay the lesser of (1) the sum of the costs of the materials and labor, of the initial inspection and assessment, and of the verification inspection(s) necessary to obtain the IBHS designation "**FORTIFIED Roof – Hurricane – New Roof**" or (2) \$5,000. The maximum coverage limit provided by **COVERAGE A. FORTIFIED Roof – Hurricane – New Roof** of this endorsement is \$5,000.

All other provisions of the policy apply.