

COASTAL INSURANCE RECOMMENDATIONS

EXPLANATION OF GRIDS

The insurance subcommittee utilized a six-box grid to categorize recommendations. The vertical X-axis represents an estimated cost to implement recommendations, from a lower cost to higher cost moving up the axis. The horizontal Y-axis represents the length of time estimated to implement recommendations, from a shorter period to longer period moving left to right. Each recommendation was placed in the box where it seemed to fit.

Displayed in attached documents are four grids populated with recommendations covering four topics -- 1) mitigation, 2) legislation, 3) new markets/innovation, and 4) public education/communication. The subcommittee identified recommendations for a fifth topic -- building codes -- but those recommendations were not placed on a grid; those recommendations are listed in number format at the end of this document.

You will notice that some of the identified recommendations are entities or approaches that have been placed in more than one box. In some cases, an entity -- such as Smart Home Alabama or a potential Insurance Institute -- has a role to play under different topics or over different periods of time. In other cases, a specific strategy or approach -- such as a post-disaster strategy -- has one component that can be accomplished in a shorter period of time, but another component which will take longer to implement.

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MITIGATION

Cost	6 months	6 months - 1 year	1 - 5 years
High	<ul style="list-style-type: none"> • Weatherization grants • Hazard mitigation grants • Model building codes 	<ul style="list-style-type: none"> • Wind/Credits • Rebuild Alabama • Bankers/Interest Discount • IBHS/Modeling • Model building codes 	<ul style="list-style-type: none"> • Mitigation loans/grants • Premium tax allotment • Tax incentives • BP oil spill funds
Low	<ul style="list-style-type: none"> • Carrier notification • Continuing education • Smart Home Alabama • Habitat for Humanity • Media coverage • IBHS/HBA meeting 	<ul style="list-style-type: none"> • Real estate discount • Safety rating • Inspection standards • Wind/fire/flood v. opt out 	<ul style="list-style-type: none"> • BCEGS • Collaboration

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LEGISLATION

Cost	6 months	6 months - 1 year	1 - 5 years
High	<ul style="list-style-type: none"> • Mitigation study • Land use ordinances • Building codes: uniform or statewide • Code enforcement grants 	<ul style="list-style-type: none"> • Public rate filings • Transparency data call • Intake program • Mitigation grants • Premium tax 	<ul style="list-style-type: none"> • Wind/flood combination • Recoupment • Tax-free catastrophe account • Property scoring
Low	<ul style="list-style-type: none"> • Regional legislative meeting • Local jurisdiction meeting 	<ul style="list-style-type: none"> • Land use • Contractor licensing • Fraud bill • Premium credits • Claim report filing 	<ul style="list-style-type: none"> • Repetitive loss properties • Modeling

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NEW MARKETS/INNOVATION

Cost	6 months	6 months - 1 year	1 - 5 years
High	<ul style="list-style-type: none">• Advertising• IBHS• FLASH• Smart Home Alabama	<ul style="list-style-type: none">• Promoting stable legal and regulatory environment	<ul style="list-style-type: none">• Premium tax incentive• Recoupment
Low	<ul style="list-style-type: none">• Promotion	<ul style="list-style-type: none">• Flex rating	

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PUBLIC EDUCATION/COMMUNICATION

Cost	6 months	6 months - 1 year	1 - 5 years
High	<ul style="list-style-type: none"> • Insurance institute • Foundation • Collaboration • IBHS • Pre- and post-disaster strategy 	<ul style="list-style-type: none"> • Insurance institute • Consumer empowerment • Post-disaster strategy 	<ul style="list-style-type: none"> • Insurance institute
Low	<ul style="list-style-type: none"> • Smart Home Alabama 	<ul style="list-style-type: none"> • Smart Home Alabama 	

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BUILDING CODES (not in grid format)

1. Meeting with home builder and real estate industries to discuss needs
2. Begin working with home builders, realtors and bankers on a statewide building code, or at least a uniform code for the region
3. Absent a strong statewide code, have local jurisdictions adopt the 2006 international code; develop a model ordinance
4. Adopt codes with no reductions in the existing code
5. Develop a uniform process for plan review
6. Adopt a series of recommendations from the code officials to achieve uniformity
7. Retrofit of existing structures
8. Ongoing involvement and dialogue led by the Insurance Institute
9. Develop ways to train local code officials
10. Find funding to boost local enforcement of codes
11. Share information about codes with various stakeholders
12. Gather data on the quality of construction of homes
13. Changes to building codes should be made by the local elected body