Mitigation and Resiliency Advisory Council

Commissioner's Report – February 2025

Executive Summary

- Early stages and on schedule to deliver a final report by the end of Q2-2025 per a defined workplan.
- Key progress includes:
  - Council formation with bi-monthly meetings
  - Organized three subgroups with weekly meetings (Program Design, Funding and Financing, Education and Communications)
  - Program scope and focus (education and communication)
  - Expert consultation (NAIC, IBHS, FLASH)
  - Identified other local and outside resources and tools
  - Exploring potential standards and guidelines
  - Exploring potential financial and incentive strategies
  - Exploring the mitigation and resiliency needs for residents and small businesses

Program Design

To create a resilient Connecticut by reducing the impact of natural weather hazards on homeowners and small businesses

Program Design – Progress Summary

- Stakeholder Engagement
  - **Council Formation -** A council has been formed, including experts and stakeholders, to guide the program's design and implementation.
  - **Expert Consultation** - Consultation with Brian Powell (NAIC CIPR) and exploration of resources from IBHS (Institute for Business & Home Safety).
- Program Scope and Focus
  - **Hazard Prioritization**: Initial focus on wind mitigation due to established standards and proven strategies.
  - **Flood Mitigation Planning**: Recognition of the need to address flood risks, with ongoing discussions about potential mitigation measured strategies and education.
- Management System Evaluation
  - **Alabama's CAPS Program**: Consideration of adapting for grant management due to its comprehensive features and fraud prevention mechanisms.
- Standards and Guidelines
  - **IBHS Fortified Standards**: Adoption for wind mitigation to ensure quality and consistency.
- Financial and Incentive Strategies
  - **Incentive Exploration**: Discussion of potential insurance incentives to encourage property owners to implement mitigation measures.
- Data-Driven Approach
  - **Vulnerability Assessment**: Plans to use tools like the CIPR Catastrophe Center for Excellence to identify the most vulnerable areas within the state.

Program Design – Challenges and Considerations

- **Legislative and Regulatory Hurdles**: Determining what actions require legislative approval versus what the Commissioner can implement through existing authority or new rules.
- **Older Housing Stock**: Addressing the challenges of implementing mitigation measures in older homes with unique construction characteristics.
- **Securing Insurance Industry Buy-In**: Obtaining commitment from insurance companies to offer meaningful incentives for mitigation efforts.
- **Flood Mitigation**: Developing effective and standardized flood mitigation education strategies, considering municipal, community-level and individual property solutions.
- **Consumer protection**: Protecting consumers and preventing fraud via contractor/evaluator vetting.

Next Steps & Action Items

- **Schedule CAPS Program Demo:**
  - Arrange a demonstration call with the University of Alabama to review the CAPS program and assess its suitability for Connecticut.
- **Program Design Finalization:**
  - **Eligibility Criteria**: Define specific eligibility criteria for homeowners and small businesses to participate in the program.
  - **Grant Amounts**: Determine appropriate amounts for mitigation measures.
  - **Mitigation Measures**: Specify eligible measures and standards.
- **Stakeholder Consultation:**
  - **IBHS Engagement**: Engage with IBHS to finalize wind mitigation standards and training programs.
  - **FM Global Contact**: Contact to explore standardization in flood mitigation.
  - **Habitat for Humanity Partnership**: Engage to discuss potential partnerships for program implementation and community outreach.
- **Legislative and Regulatory Review:**
  - **Authority Assessment**: Review existing legislation and regulations to determine the necessary authorities for program implementation.
  - **Drafting Legislation**: Begin drafting legislation to establish the program, secure funding, and grant necessary authority to the Commissioner.
- **Budget Development:**
  - **Cost Estimation**: Develop a detailed budget, including costs for the management system, staffing, training, and incentives.
  - **Funding Sources**: Explore potential funding sources, including state appropriations, federal grants, and private partnerships.
- **Community Engagement Strategy**:
  - Develop a communication and outreach strategy to engage communities, educate property owners, and encourage participation in the program.
  - **Pilot Program Selection**: Select pilot communities based on vulnerability assessments and community readiness.
- **Insurance Incentive Development:**
  - Actuarial Analysis: Work with Brian Powell and CIPR to develop a methodology for evaluating risks and assigning value to mitigation measures.
  - Incentive Design: Design insurance incentives that are actuarially sound and provide meaningful benefits to property owners.
- **Report Outline**:
  - Develop an outline for the report

Funding & Financing

To explore the development of a sustainable resiliency grant and incentives program including the scope of such a program, assess needs, funding levels, state and non-state funding sources

Methodology

- **Research** – published reports from think tanks (e.g., Climate Policy Institute), industry (e.g., NAIC-CIPR, All State, First Street), and other (e.g., CCM, CIRCA)
- **Presentations** – record and transcribe presentations by select organizations with perspectives on financing and funding resilience – anticipate one (1) presentation a week…starting February 25th
- **Data Collection and Analysis** – use AI as a tool to collect (e.g., transcriptions) and analyze data to the objectives and purposes of the Council and the FinFuWG
- **Recommendations** – identify list of sources (i.e., public, private, philanthropic) and uses (i.e., funding vs. financing), and prioritize (e.g., near-term, long-term)
- **Deliverable** – Discuss the format of the final deliverable (e.g., short 5-10 pages, introduction, methodology, three (3) tracks (including overview, findings, and recommendations)

Activities and Accomplishments

- **Working Group Cadence** – set-up working group, including regular meetings with preparatory (e.g., agenda) and follow-up (e.g., meeting notes) structure, and oriented to Council objective and Finance & Funding subgroup deliverable considerations
- **Definitions** – words matter…so we decided to default to statutory definitions
- **Resources & Tools** – built a tool with knowledge (e.g., reports, transcripts) to assist with identifying opportunities (e.g., Commissioner Lara press release), developing recommendations, and writing report from the perspective of Connecticut (e.g., FORTIFIED, flooding)
- **Presenters** – identified target list of presenters for upcoming regularly scheduled weekly meetings

Next Steps & Action Items

- **Research** – continue to collect and analyze information (i.e., external presenters) to support recommendations
- **Issues to Discuss as Council** – including the following:
- **Scope** – wind vs. flood vs. all hazards or perils
- **Scale** – insured vs. underinsured vs. uninsured (i.e., geographic, socioeconomic) and property (i.e., homes, buildings) vs. community
- **Sources** – public vs. private and funding vs. financing
- **Objectives Revision** – for consideration and discussion
- **February 25th** – next meeting of the subgroup
- **Council Objectives** – discuss proposed revisions to Council objectives

Education & Communications

To focus on identifying education and communication methodologies that will be most effective for reaching target communities

Methodology

- Stakeholder Groups
  - Members of the public with specific focus on: Homeowners, Renters, Small businesses
  - Municipal Governments & Interest Groups
  - Realtors & Lenders, Contractors
  - Insurance Companies, Brokers, Agents
  - Legislature, State Officials, Federal Officials, Agencies
  - Schools
- Communication Methods
  - Employing different communication vehicles (e.g. podcast) for different audiences (renters vs homeowners)
    - American Red Cross, FEMA, CT DAS, Schools — Awareness materials / campaigns
  - Libraries / Churches in urban areas: preparedness, response & recovery info; pamphlets
  - Resiliency audits similar energy efficiency programs (i.e. Energize CT)
  - Governor’s Flood Program communication mechanisms
  - Learnings from any pilot initiatives

Next Steps & Action Items

- Education and Communication specific meeting with Brian Powell scheduled for 2/26 regular meeting.
- March 4 Demo of University of Alabama's CAPS System is available for other states to use.
- The subgroup will need to work closely with the funding and program design groups to understand the details.

Conclusion

- Council is on schedule to deliver a final report of recommendations by the end of the second quarter of 2025.
- Detailed updated reports are available from each subgroup as needed.