*Welcome to LLA Reports, a podcast produced by the Louisiana Legislative Auditor’s office. This podcast is intended to be an oral representation of the written report it highlights and is primarily for the use of the Louisiana Legislature.*

This is Ed Seyler. I’m the director of LLA’s Economic Advisory Services. This episode of LLA Reports focuses on our new informational report titled “Louisiana Fortify Homes Program.”

This report provides the results of our evaluation of the economic impact of the Louisiana Fortify Homes Program – or LFHP.

LFHP provides grants of up to $10,000 dollars to individual homeowners for retrofitting their roofs to meet the FORTIFIED Roof standard, enabling their homes to better withstand hurricanes and other windstorms.

To evaluate the LFHP, we reviewed state laws and regulations related to the program, obtained and analyzed data on the program’s activity, reviewed insurance rating information on FORTIFIED discounts, interviewed stakeholders, and studied other states’ programs.

In addition, we sent an email survey to homeowners who applied for the program and had a status of approved or denied.

Overall, we found that undertaking a long-term effort to build new homes and retrofit existing ones to the FORTIFIED Roof standard would provide a range of benefits for the public.

Specifically, we found that the median homeowner who received an LFHP grant and had a FORTIFIED Roof installed saved $1,250 dollars – or 22 percent – on their annual homeowner’s insurance costs, which lowered the annual premium from $5,625 dollars to $4,375 dollars.

In addition, we estimated that retrofitting to a FORTIFIED Roof would reduce a homeowner’s uninsured losses over the long run by an average of $213 dollars per year.

We also found that the median cost to upgrade to a FORTIFIED Roof was $16,229 dollars, or $6,229 dollars after accounting for the $10,000 LFHP grant.

We estimated that $12,981 dollars of this amount – or 80 percent – would be the baseline cost of replacing the existing roof to the current building code, while the remaining $3,248 dollars – or 20 percent – would be the additional cost to upgrade to FORTIFIED and pay for the evaluator.

Costs were higher for higher valued homes and for homes with older roofs.

In addition, we found that the benefit of retrofitting to the FORTIFIED Roof standard exceeded the cost for homeowners in the southern portion of the state.

Over a 15-year period, we estimated that the present value of economic savings from having a FORTIFIED Roof would amount to $17,879 dollars for LFHP grant recipients, while the cost to have the roof installed and maintain the FORTIFIED designation for 15 years was $17,027 dollars before accounting for the $10,000 grant, resulting in a net gain for recipients.

For parishes from Vernon, Rapides, and Avoyelles northward, the dollar value of savings from having a FORTIFIED Roof would be less than the cost to install one.

We found, too, that most homeowners were very satisfied with the LFHP program and were very likely to recommend it to family and friends, although they had mixed views about the affordability of homeowners insurance after obtaining the discount and the clarity of information about how much they could save by installing a FORTIFIED Roof.

Additionally, although very low-income households – meaning homes valued at less than $90,000 – were underrepresented in the program, the program has been able to reach homeowners in the middle of the wealth distribution.

The Louisiana Department of Insurance – or LDI – has partnered with community service organizations in an effort to help more low-to-moderate income homeowners participate.

According to LDI, the goal of these partnerships is to leverage other grant programs such as the Federal Home Loan Bank of Dallas’s FORTIFIED grant program, federal funding, and private philanthropic dollars in an effort to reach more low-income individuals.

We found, too, that six southeastern coastal states – including Louisiana – offer a homeowner grant program related to wind mitigation. Louisiana’s grant program is the second newest and is structured similarly to how other states have structured their programs.

However, Louisiana’s program has been allocated the third lowest cumulative amount of funding relative to the amount of housing stock the state has in hurricane-prone areas.

*We hope you found this podcast informative, and that you’ll follow future episodes of LLA Reports.*

*This podcast was created as part of the audit report just discussed and is intended primarily for the use of the Louisiana Legislature. Both the full report and the podcast can be found on the LLA’s website at* [*www.lla.la.gov*](http://www.lla.la.gov)*.*

*Thank you for listening.*