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How ‘Super Roofs’ Reward Insurers, Cat Bond Investors and Homeowners.

Investors snapped up a catastrophe bond tied to North Carolina homeowners and their insurer for installing super roofs.

Takeaways by Bloomberg AI

- North Carolina has issued a $600 million catastrophe bond to fund disaster preparedness and reward homeowners for installing “super roofs” that are resistant to wind damage.
- The bond has two features linked to reducing wind damage risks: it returns $2 million to NCIUA each year if no major losses occur, which is used to incentivize homeowners to install super roofs, and its annual pricing resets to reflect the changing exposure as more people add these roofs.
- The program has already shown financial benefits, with fortified homes having 60% fewer claims than code-compliant homes during regular storms, and NCIUA expecting to recoup $72 million over 10 years on its investment in roofs.

Continue reading.

Bloomberg Green

By Leslie Kaufman

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