

IBHS Certification Benefits

October 18, 2026

The [Institute for Building and Home Safety](#) (IBHS) is an insurance-industry funded organization that performs scientific testing to determine how to protect homes. They offer wildfire-prepared certifications that help homeowners obtain insurance.

A couple of interesting links:

[IBHS Wildfire Prepared Home: the certification some California carriers now require.](#)
[Truckee Fire Now Offers Reimbursement for IBHS Certification Application Fee](#)

Queries to Google AI on the subject returned these results.

Would IBHS base level certification for our HOA in Carnelian Bay CA assist in obtaining insurance from non-admitted carriers? Which carriers?

Answer from Google Gemini

Yes, obtaining an IBHS Wildfire Prepared designation will directly assist your Carnelian Bay HOA in securing coverage from non-admitted (surplus lines) insurance carriers.

While non-admitted carriers operate differently than standard admitted carriers, third-party scientific certification is often the single most important factor in whether a surplus lines underwriter will agree to bind a policy in a Very High Fire Hazard Zone like Lake Tahoe.

How IBHS Certification Impacts Non-Admitted Carriers

- 1. Underwriting Eligibility (The "Gateway" Effect):** Under California Department of Insurance (CDI) regulations (10 CCR § 2644.9), *admitted* carriers and the California FAIR Plan are legally required to offer mandated percentage discounts for wildfire hardening. Non-admitted carriers are not subject to state rate-filing laws and are not required to offer specific percentage discounts. Instead, they use IBHS certification as an **underwriting threshold**—it turns an automatic decline into a quotable risk.
- 2. Third-Party Verification:** Surplus lines underwriters rarely trust self-reported HOA property questionnaires in high-risk zones. IBHS certification provides independent, verified proof that the HOA has addressed the primary drivers of home ignition (Zone 0 non-combustible 5-foot perimeter, ASTM E2886 ember-resistant vents, Class A roofing, and enclosed eaves).
- 3. Improved Policy Terms:** Beyond just getting a quote, an IBHS base-level designation allows your broker to negotiate better terms, such as reducing steep wildfire deductibles

(e.g., bringing a 10% or 15% wildfire deductible down to 2–5%) or lifting harsh sublimits on common structures.

Non-Admitted Carriers Writing CA HOA Property Risk

Because non-admitted insurance is sold through wholesale brokers (such as Amwins, RT Specialty, or Risk Placement Services), your HOA board's agent will access these surplus lines markets directly. Active non-admitted carriers willing to consider hardened habitational/HOA risks in North Lake Tahoe include:

- **Lloyd's of London Syndicates** (e.g., Beazley, Chaucer, Atrium) – Major players in California excess and surplus property, frequently writing high-value residential and commercial properties in brush zones.
- **Scottsdale Insurance Company** (Nationwide's E&S arm) – Widely used for California HOA commercial multi-peril and property coverage.
- **Lexington Insurance Company** (AIG Surplus Lines) – Focuses on commercial habitational property and excess coverage for complex risks.
- **Berkshire Hathaway Specialty Insurance / Homestate** – Offers non-admitted commercial property coverage with custom wildfire terms for mitigated properties.
- **Kinsale Insurance Company** – Specializes in hard-to-place commercial property and habitational risk.
- **Markel / Evanston Insurance Company** – Writes excess and surplus lines property for multi-family and HOA developments.
- **Canopus US Insurance** – Specialty E&S insurer active in West Coast property markets.
- **Palomar Specialty** – Writes excess property and customized wildfire/hazard coverage for California property owners.

Key Recommendations for the HOA Board

- **Ensure Certification Matches Building Type:** If your HOA consists of attached condos or townhomes, confirm with IBHS whether you need individual *Wildfire Prepared Home* designations per structure or an *IBHS Commercial / Wildfire Prepared Designation* for multi-family buildings.
- **Pair with FAIR Plan DIC if Needed:** If standalone non-admitted property coverage remains expensive, surplus lines carriers frequently write **Difference in Conditions (DIC)** policies. These wrap around a Commercial California FAIR Plan policy to cover

perils like water damage, liability, and theft, while leaving the primary wildfire risk with the FAIR Plan.

Are there specific HOA examples where there were insurance benefits to IBHS certification?

Answer from Gemini

Specific examples throughout California—and right next door in the Tahoe/Truckee basin—demonstrate tangible insurance benefits resulting from IBHS certification and verified scientific hardening:

1. Tahoe Donner Association (Truckee, CA)

- **The Situation:** Tahoe Donner, an HOA of nearly 6,500 properties just over Brockway Summit from Carnelian Bay, faced steep wildfire insurance hurdles on its common properties and forested lands.
- **The Action:** The association partnered with global broker WTW (Willis Towers Watson), UC Berkeley's Center for Law, Energy & the Environment (CLEE), and The Nature Conservancy to document and scientifically model their extensive defensible space, fuel reduction, and building hardening against IBHS WUI benchmarks.
- **The Insurance Result:** Underwriters explicitly factored the verified mitigation into their actuarial models, resulting in a **39% reduction in gross policy premium** (from \$90,000 down to \$55,000 for their target placement) and an **84% reduction in their wildfire deductible**. Truckee Fire Protection District now directly subsidizes and reimburses property owners for IBHS application fees because of its demonstrated underwriting impact.

2. Dixon Trail HOA / Community (San Diego County, CA)

- **The Situation:** A master-planned development in an extreme wildfire hazard severity zone that suffered historic catastrophic burns (the Witch Creek Fire perimeter). Admitted carriers had broadly placed moratoriums on writing habitational coverage in the zip code.
- **The Action:** Built entirely to the **IBHS Wildfire Prepared Neighborhood / Wildfire Prepared Home Plus** standard—featuring Zone 0 non-combustible perimeters, non-combustible steel privacy fencing, ember-resistant vents, and multi-layered defensible space.
- **The Insurance Result:** The IBHS designation broke through the regional insurance freeze, allowing buyers and the community to secure coverage with **admitted state carriers** rather than being forced onto the expensive California FAIR Plan or distressed surplus lines markets.

3. Multi-Family Condominium & Townhome Portfolios (Sierra Nevada Foothills)

- **The Situation:** Throughout Placer, Nevada, and El Dorado counties, multi-family HOAs facing non-renewal from standard carriers frequently received surplus lines quotes with annual premiums jumping 300%–500% and mandatory **10% to 15% per-building wildfire deductibles** (which translate to out-of-pocket deductibles of \$100,000 to \$300,000+ per building before coverage begins).
- **The Action:** HOAs that completed the **IBHS Wildfire Prepared Multifamily** standard (or certified all attached residential structures) submitted independent, third-party inspection packages via wholesale brokerages (e.g., Amwins, RT Specialty) to non-admitted markets such as **Scottsdale (Nationwide E&S)**, **Lloyd's of London syndicates**, and **Berkshire Hathaway Homestate**.
- **The Insurance Result:**
 - **Deductible Relief:** E&S underwriters used the third-party IBHS certification to negotiate wildfire deductibles down from percentage-of-value deductibles (10%) to manageable flat deductibles (e.g., \$10,000–\$25,000 per structure).
 - **Premium Reductions:** Comprehensive rate analyses of California filings by research organizations (such as *Insurance for Good*) show that combining property-level hardening with IBHS certification unlocks verified wildfire-portion discounts ranging between **15% and 52%** depending on the underwriting syndicate.
 - **Difference-in-Conditions (DIC) Pairing:** For HOAs using the California FAIR Plan for primary wildfire, IBHS certification satisfies the underwriting inspection criteria needed to bind affordable commercial "wrap" (DIC) policies from surplus lines carriers to cover water, slip-and-fall, liability, and snow load.

Key Takeaway for Your Carnelian Bay Board

Carriers do not trust generic HOA questionnaires stating, *"We maintain our brush."* The specific value of the IBHS designation in case after case is that it acts as **an audited proof-of-risk reduction**. Underwriters in London or Scottsdale who have never set foot in Lake Tahoe use the certificate as objective justification to quote the account and grant rate or deductible credits that would otherwise be rejected by automated underwriting algorithms.

Does IBHS certification help with getting an individual HO-6 property insurance for a townhome?

Answer from Gemini

Yes, an IBHS designation directly helps townhome owners secure, maintain, and afford an individual HO-6 policy.

In high-risk Wildland-Urban Interface (WUI) zones like Carnelian Bay, securing an HO-6 policy is no longer just about interior square footage. Insurance carriers evaluate the exterior vulnerability of the entire townhome structure before agreeing to insure the interior.

1. Market Eligibility (Getting Admitted Carriers to Write the Policy)

- **Overcoming Automated Underwriting Declinations:** Admitted carriers (e.g., CSAA, Auto Club/AAA, State Farm, Travelers) use automated wildfire scoring tools (such as CoreLogic RiskScore or Verisk FireLine). In the Tahoe Basin, automated scores often trigger immediate coverage denials. An official IBHS certificate gives local insurance agents the documented proof needed to request underwriting exceptions and bind policies that algorithms initially reject.
- **Non-Renewal Protection:** If an owner receives a non-renewal notice due to wildfire exposure, submitting a certified IBHS designation during the 60-day notice period is one of the few administrative appeals carriers recognize to reverse a cancellation.

2. State-Mandated Premium Discounts (CDI "Safer from Wildfires")

Under California Department of Insurance (CDI) regulations (**10 CCR § 2644.9**), every admitted insurance company writing residential property coverage in California is **legally required to provide rate discounts** for verified wildfire mitigation.

- **Applies Directly to HO-6:** Even though the HOA holds the master exterior certificate, CDI regulations require carriers to extend these credits to individual townhome unit owners.
- **Significant Savings on High Dwelling Coverage:** Because townhomes often encompass multiple stories, high-end kitchens, and extensive structural finishes, owners carry substantial **Coverage A (Dwelling / Additions & Alterations)** limits. Regulatory filings in California show that having an IBHS certification reduces the wildfire portion of residential policies by **5% to over 35%**, depending on the insurer.
- **Stackable Community Credits:** If the HOA also maintains NFPA Firewise USA recognition alongside the building's IBHS certification, townhome owners qualify for both community-level and structure-level discounts simultaneously.

3. California FAIR Plan Unit-Owners Discounts

If a townhome owner cannot find an admitted carrier and must use the **California FAIR Plan Unit-Owners Policy** (paired with a private DIC "wrap" for liability and water damage):

- The California FAIR Plan provides direct rate credits for properties that comply with IBHS standards (including a certified 0–5' non-combustible Zone 0, Class A roof, and ember-resistant vents).
- These discounts reduce the wildfire portion of the FAIR Plan premium by up to **14% to 16%**, generating meaningful recurring annual savings for each owner.

4. HO-6 "Loss Assessment" Underwriting Approval

Every HO-6 policy includes **Loss Assessment Coverage**, which protects an individual owner if the HOA levies a special assessment to cover a master policy insurance claim.

- **The Underwriter's Concern:** HO-6 carriers look at the HOA's master property deductible. If the HOA has an uncertified complex with a non-admitted carrier imposing a **10% or 15% wildfire deductible** (amounting to \$150,000 to \$250,000+ per building), HO-6 underwriters know their policyholder is at extreme risk of receiving an unpayable special assessment. Some carriers refuse to sell optional \$25,000 or \$50,000 Loss Assessment endorsements in those developments.
- **The IBHS Solution:** Because IBHS certification allows the HOA board to negotiate the master policy deductible down to a standard flat deductible (\$10,000 to \$25,000 per building), HO-6 carriers are far more willing to offer robust Loss Assessment endorsements to individual owners.