

How Your Roof Influences Your Home and Business Insurance



Your roof is an important part of the structure of your home or business. If it is well maintained, it protects the structure from the perils of hail, wind, water (rain, ice), fire, and other hazards. An old or poorly maintained roof can increase the risk of interior damage to ceilings, walls, foundations, and contents, such as furniture. Even a small leak can cause widespread water damage and can cause mold and mildew. Another concern is lightning. A lightning strike can cause a power surge that can impact electrical systems throughout a house or business. In homes, it can mean loss of appliances, electronics and more. In business, it can mean the loss of computers, communication devices and security systems, resulting in data loss and business interruption, according to the Lightning Protection Institute (LPI). A lightning bolt generates intense heat, capable of igniting roof trusses and insulation, which increases the likelihood of fires. The shockwave produced by a lightning strike can damage your roof – dislodging shingles, loosening gutters and damaging chimney bricks. That's why it's important to take precautionary measures by properly installing a lightning protection system, which consists of a roof lightning rod that conducts the energy from a lightning strike over the broader area of the roof reducing the amount of heat transferred to the building and reducing the potential of damage due to fire.

One of the biggest factors that play a role in how your insurance company will pay for roof replacement is its age and condition. If your roof is over 20 years old when you apply for home or business insurance, most insurance companies will require it to pass an inspection. Other insurers may decline to write new policies for homes or businesses with older roofs. And if they do accept your application, they may specify that it's only covered at its actual cash value (ACV) — meaning depreciation is factored into your final payout - rather than Replacement Cost Value (RCV).

Why is insurance underwriting and pricing changing?



In the past 20 years, the average cost of claims per insured home in the United States has increased at a rate that has outpaced inflation. This trend is being driven by a combination of factors, including natural catastrophes, rising home repair costs, supply chain disruptions, and the ongoing migration of populations into areas susceptible to disasters, according to the [Insurance Research Council](#). Additionally, insurance companies face challenges related to fraud, excessive claims, and legal system abuse in the aftermath of catastrophic events. These cost drivers have led to less affordable homeowners insurance countrywide. Some areas are experiencing both affordability and availability crises, as some insurers respond to these challenges by reducing coverage or withdrawing from specific markets entirely. Wind and hailstorms have been increasing over the past several years, impacting millions of homes and businesses. Roofs are also highly vulnerable to wildfire due to their large surface area and the potential for embers to land on. For roofs that are not maintained, debris can easily be ignited and in the worse case accumulate enough to ignite the roof itself. Understanding how many vulnerable roofs exist in wildfire-prone areas can illuminate the scale and cost of home and business retrofits needed to help communities adapt to wildfires.

When you renew your policy, check to see if there are changes to your roof coverage. As roofs age, some companies are automatically switching to ACV. Find out if your insurance company offers an endorsement or additional roof coverages. Some companies offer a better roof replacement endorsement, for example, and will pay to replace your roof with stronger and safer materials if it's damaged by a covered peril. Some offer customers the option to select full replacement cost but at a higher rate. If the roof is in poor condition, your insurance company may not renew coverage for your home or business. Insurers will typically offer you a time frame to replace the roof before canceling the coverage.

Purchasing a home or business with an old roof can be challenging because it can be difficult to get insurance, and the coverage may be limited. Some insurance companies may deny coverage or require a roof inspection before they issue a policy. If insurance does cover an older roof, it may only cover the original cost of the roof, not the current replacement cost. Roof repair or replacement may be necessary: Repairing or replacing a roof can help secure more favorable coverage rates.



Increased Roofing Fraud

Roofing fraud perpetuated on unsuspecting homeowners and business owners is another factor that has resulted in higher premiums and changes in insurance policies. States like Florida have been particularly hard hit by roofing fraud. [The National Insurance Crime Bureau \(NICB\)](#) estimates that Americans lose billions of dollars each year to contractor fraud, including roofing fraud. Some common roofing scams include:

- **Unforeseen costs:** Contractors may claim that there is unexpected damage or increased material costs once the job has started and demand more money.
- **Temporary repairs:** Contractors may encourage you to spend a lot of money on temporary repairs, which may leave you without enough money for permanent repairs.
- **Exaggerated damage:** Contractors may lie about the extent of the damage (or even create the damage) to overbill you or your insurance company.

- **Lowball bids:** Contractors may try to entice you with a low bid that does not match the actual scope of your roof repair or replacement.
- **Shoddy repairs:** Contractors may rush the work and use substandard materials.
- Some fraudulent contractors go from house to house after a storm, promising to get your insurer to pay for a new roof, when there's only been minimal damage.
- Remember, despite contractor claims, your insurance company is not obligated to pay for a new roof solely because your current roof is old or worn out.
- If you suspect roofing fraud you can report it anonymously by calling toll-free [800.TEL.NICB \(800.835.6422\)](tel:8008356422) or [submitting a form on NICB's website](#).

Many states have roofing legislation, including laws that regulate roofing contractors and insurance claims:

- **Roofing contractor licensing**

Some states require a license to perform roofing work, while others don't. For example, Alaska requires a license for roofing as a specialty trade, while Arkansas doesn't have any roofer-specific licenses. New York State requires roofing contractors to have a written contract with the owner that includes insurance information. As a homeowner or business owner, it's important to know what the license requirements are in your state. Here is a [list](#) of license requirements in all 50 states from FIXR.

- **Insurance claims**

Some states have laws that impact how roofing insurance claims are handled. For example, Florida's SB 76 of 2021 shortened the claim filing period from three to two years and requires homeowners to provide detailed damage estimates.

- **Other roofing legislation**

Some states have other roofing-related laws, such as advertising restrictions or building code requirements. In June 2021, Florida Governor Ron DeSantis signed a bill restricting how contractors can advertise and what they can say to homeowners. Before May 26, 2022, the rule in Florida was that, if more than 25% of a roof needed to be repaired or replaced, then the entire roof system was required to be replaced to bring the entire roof up to code (the "25% Roof Replacement Rule"). However, when SB 4-D took effect that day, it eliminated Florida's 25% Roof Replacement Rule. Now, so long as the rest of the roof is in compliance with the 2007 Florida Building Code, or any subsequent versions of that code, then a full roof replacement is not required. The homeowner is only required to have the part of their roof repaired or replaced brought up to the current version of the Florida Building Code. This legislation aims to ease the financial burden on insurers, many of whom suffered significant losses due to fraudulent or unnecessary roof replacement claims post-hurricane season.



Roof shape and material are important when determining premiums

The shape of a roof can affect insurance premiums because some shapes are more durable than others. There are two primary types of roofs:

Low-slope Roofs have a very low pitch (less than 9.5°, or 2:12 or less). Common in industrial buildings, but also some homes. Low slope roofs can be very durable and if maintained, works well for water removal. Most common examples are **Steep Slope Roofs**, which have a pitch greater than or equal to 14°, or 3:12. Most common configurations are hip and gable or a combination of both. Hip configurations are more wind resistant than a gable roof. Roof pitch is a crucial aspect and can protect your home or business from the elements. Water is one of the larger threats to a roof, as it can seep into the roofing and cause water damage. Pooling water is more likely to get inside your roofing, and steeper pitches make it harder for water to pool. Steeper pitches can more easily carry water down and into your gutters. Steeper roof pitches can shed snow and ice more quickly after a snowstorm and will help prevent build-up. Roof pitch is so important that many areas that have large amounts of snow will have a minimum roof pitch requirement in their municipal code.



Selecting the right roofing material is vital to its durability. Roofing material classifications for fire, wind and impact-resistance are also important factors that insurance companies consider when calculating premiums. Traditional options like asphalt shingles, metal, and tile each have their strengths. Asphalt shingles are cost-effective and easy to install, however, homes built with durable alternatives such as metal, tile or synthetic materials can offer improved protection. A slate roof, for example, is considered more stable and may earn you a lower insurance rate. A wood shake shingle isn't fire-resistant and poses a huge risk, particularly in wildfire-prone areas of the country, resulting in a higher rate or making you ineligible for a policy. Tiles have longevity; however, they are susceptible to cracking once hail sizes exceed 2.25 inches.

Roof performance is based on where the home is located and the perils that impact it. For example, an asphalt shingle roof even after 8-10 years becomes very vulnerable to severe winds from hurricanes or severe thunderstorms. A standing seam metal roof is one of the most resilient roofs to severe weather such as hurricanes and thunderstorms. But proper installation is crucial to its life expectancy. A good product installed incorrectly will not perform as the manufacturer has intended.

The structural integrity of your roof is also crucial in withstanding adverse weather conditions. Ensure your roof’s framing and support structures are designed to handle the local climate, including heavy snow loads, strong winds, or frequent rain. Consulting with a structural engineer can help you assess and reinforce your roof’s strength.

Proper ventilation is often overlooked but plays a critical role in maintaining a resilient roof. Adequate ventilation helps regulate temperature and moisture levels in an attic, preventing issues like mold growth and ice dams. It is important to install vents strategically to ensure continuous airflow. Homes built under modern building codes (after 2000-2002), shouldn’t be as much of a concern as those built from the 1960s to mid 1990s.

Just how long does your roof last?



One way to understand the vulnerability of roofs is to look at the damage caused when they fail. In most years, roof-related damage is responsible for an estimated 70–90 percent of total insured residential catastrophic losses, depending on specific weather events, according to the [Insurance Institute for Business & Home Safety](#) (IBHS).

[IBHS’s FORTIFIED program](#) – available in 27 states – is a voluntary construction and re-roofing method designed to strengthen homes and commercial buildings against specific types of severe weather such as high winds, hail, hurricanes and even tornadoes. The construction standard was created by IBHS after decades of research. In most areas, the FORTIFIED Roof standard is a beyond-code re-roofing method shown in lab and field tests to help prevent damage from high winds, hurricanes, hail, severe thunderstorms, and tornadoes up to EF-2. In some states, insurers offer discounts for homes built or re-roofed to the FORTIFIED standard. In [Alabama](#), for example, savings range from 20-55% off the wind portion of the property owner’s insurance and is available for [coastal](#) and [inland](#) homeowners. Additionally, Alabama

provides commercial property owners statewide a discount on insurance rates for buildings using the FORTIFIED Commercial standard.

Choosing a resilient roof involves a combination of the right materials, strong structure, effective sealing, proper ventilation, and thoughtful design.

What are Deductibles?

A [deductible](#) is an amount you must pay before your company pays for your claim. Ask your insurance professional if the deductible for wind and hail damage is different than the deductible for other types of damages. If it is, you might pay more out-of-pocket if your roof is damaged in a storm.

Filing a claim

Types of roof damage covered by the insurer depend on the policy's terms and the reasons the roof needs to be repaired or replaced. A policy typically covers problems that are sudden or accidental and caused by certain events such as falling objects, fire, hail, lightning, smoke, weight of ice and snow, wind, and vandalism.

To file a claim, contact your home insurance company or insurance agent professional. Provide information such as when the damage occurred. Take photos or video of the damage if you can do so safely.



Why do insurers use aerial imagery to inspect houses and businesses?

Aerial technology can help insurers and regulators in a variety of ways including property assessment. Insurers have been using aerial technology, including drones, satellites, and high-altitude balloons to take photos of properties without needing to make in-person visits. This can save time and resources. For many years insurers have been using aerial technology in disaster recovery to quickly assess damage after severe weather events and wildfires, which expedites the claim process.

Aerial technology is highly sophisticated and captures much more precise data about the condition of a home or business than an in-person inspection. Aerial imagery can also help insurers validate property information, damage and claims. For example, aerial photos can show before and after images of a wildfire area that would otherwise be inaccessible to adjusters. Aerial imagery can help insurers identify each property's unique risk factors, which can improve underwriting.

New technologies offered by drones, manned aircraft, or even satellites make home and business roof inspections easier, safer, faster, and less costly. In addition, the data enables insurers to make more precise underwriting decisions on the properties they insure. This can include damaged roof shingles, yard debris, overhanging tree branches, swimming pools, or trampolines that have not been discussed during the process of applying for coverage. In most cases, homeowners have an opportunity to remedy the situation so that they can get the coverage they need.



Roof Maintenance and Repair

A roof repair or replacement can be one of the largest expenses any homeowner might face, and no one can predict when and if a severe weather event, fallen tree, or other factors will cause damage.

While home insurance coverage is dependent on cause of damage, homeowners are responsible for roof maintenance and replacement due to normal wear and tear. That's why it's important to understand how warranties differ with different roofing materials, how to increase your roof's lifespan, and when a repair or replacement is necessary.

The Confusion About Shingle Warranties

Shingles may come with a product warranty of 25, 30, or even 50 years, so it's easy to believe that your roof will last that long. After all, that's what the warranty promises—but not necessarily.

Those warranties only cover “manufacturer's defect” and don't guarantee the full lifespan. The warranty time span is not an indicator for performance in severe weather and you shouldn't expect that to be correlated. Shingle warranties can also be pro-rated after the first few years, meaning they cover an increasingly smaller percentage as time progresses.

Even if a roof repair is necessary due to defective shingles, a roofer's fees and labor make up the bulk of the expenses, and the homeowner is responsible for them.

Always use approved roofing materials and components that meet the manufacturer's specifications. Using non-approved materials can compromise the warranty's coverage. Seek prior approval from the manufacturer before making any repairs or alterations to your roof. Unauthorized modifications can also void the warranty.



Tips on Roof Maintenance

Your insurance company will inspect your roof when you apply for insurance. They may charge you more or refuse to insure you based on what they see. Early detection of roof damage is crucial for preventing further deterioration and minimizing repair costs. Use this checklist to keep your roof in good shape, making it more likely to be insurable:

- Have your roof inspected yearly, especially if it's 15+ years old.
- Regularly check your roof for debris and standing water.
- Trim tree branches to 6 ft away from any structure on your property.
- Remove dead branches and trees near your home, garage, and other structures to prevent damage.
- Keep an eye out for trouble signs such as cracks in tree trunks and limbs or significant leaning and low hanging branches.
- No matter how precarious the tree is, your homeowners insurance policy probably doesn't cover its preventative removal. The costs associated with removing leaning, rotten, or otherwise dangerous trees fall to the homeowner or business owner. Damage caused by fallen trees that were not removed due to property owner negligence may not be covered by a homeowner's or business owner's policy, and the owner could be held responsible for any damages, injuries, and legal costs incurred.
- Never trim or remove trees near power lines. Call a licensed arborist for assistance.
- Examine large trees near the perimeter of your home as a storm could uproot these trees and cause damage to the foundation or roof of your home.
- Check your roof for missing or damaged shingles after a storm.
- Check your chimney for loose bricks that might fall on your roof.
- Keep gutters clean to keep water from damaging your roof.
- Schedule regular roof inspections for any signs of damage such as leaks, missing shingles, or sagging areas. Timely interventions can prevent minor issues from escalating into major repairs or replacements. Some insurance companies may require proof of a routine inspection and professional roof maintenance based on roofing contractor or manufacturer recommendations.
- Keep your roof maintenance receipts and before/after pictures.



When Roof Repair is Necessary

It may be time to repair or replace your roof if:

- It's an asphalt roof that's 15-20+ years old.
- Shingles are missing, damaged, or losing granules.
- Loose and damaged flashing; worn sealants.
- Moss or algae growing on the roof.
- The roof is sagging along the ridge or other areas.
- Shingles are curling or breaking.
- There's water stains on ceilings inside your home.
- Higher energy bills.
- Pest infestations.

How to Choose a Contractor

- It is your choice as to who you select and hire to provide an estimate or complete repairs to your property.
- Select an established, licensed, or bonded roofer. *(Not all jurisdictions require licensing of roofing contractors).*
- Get references as well as certificates of insurance (both liability and workers compensation), and verify they are active when your work is scheduled.

What Should the Roof Repair Estimate Include?

Request a detailed estimate (written or digital).

- Quantity of all materials needed (include all roofing items including vents, flashing or other wind or hail-damaged items)
- Labor charges
- Work specifications
- Approximate starting and completion dates
- Payment procedures
- Building permits secured (if applicable)
- Warranty details – review all conditions and make note of any that may void the warranty.

Be Alert

- Be cautious and ask questions before accepting a bid substantially lower than other bids for the same repair work in your area.
- Contact your local Better Business Bureau to check for complaints filed against the contractor.

Ways to Save Money on Repairs

While repairing or replacing a roof can be costly, it's important to address problems as quickly as possible because what starts as a minor issue, if ignored, will only get worse. Whether to repair or replace a roof depends on the condition of the roof and the extent of the damage. But there are ways to save money.

Roof Grant Programs

There are many roof grant programs throughout the U.S. to help homeowners repair their roofs. The United States Department of Agriculture (USDA), for example, offers the Rural Repair and Rehabilitation Grant program to assist rural homeowners with essential home repairs, including roof replacements. To qualify, you must be in a rural area and have a modest income.

In Florida there are over 211 approved Florida home improvement grants, grants for home repairs and repair assistance resources available for homeowners (most, but not all, programs are based on income). The My Safe Florida Home (MSFH) matching grant program is a state-funded program that reimburses Florida homeowners up to \$10,000 to make improvements to their homes to help lower their insurance rates. The state contributes \$2 for every \$1 spent by homeowners, up to a maximum of a \$10,000 grant. It prioritizes grants for low-income families and senior citizens.

In California there are several home improvement roof grant programs, home repair programs, weather assistance programs, and federal tax credits, where homeowners can receive up to 30% of the price of many home energy upgrades. California is also participating in a [pilot program](#) with grants available up to \$10,000 (up from \$7,500) and loans available up to \$40,000 (up from \$20,000) with a maximum of \$50,000 (up from \$27,500) for assistance.

Alabama and Mississippi have several roof grant programs, including the Strengthen Alabama Homes, which provides up to \$10,000 to re-roof a home to the FORTIFIED Roof standard. The Mississippi Home Mitigation Program offers grants to help residents shore up their homes, including roof upgrades.

Many insurance companies also offer wind mitigation discounts for homeowners and business owners who have impact-resistant roofing typically in the range of 5% to 35%.

It's simple: insurers are invested in resilient roofs. Why? Because the intensity of natural disasters and extreme weather events are rising. Private insurers are responding with a host of strategies aimed at better understanding the risks of these events, to promote resilience and close the protection gap. The insurance industry is evolving from a focus on “detect and repair” to “predict and prevent.” This includes improved land-use and building codes, use of sophisticated data and analytical tools to inform underwriting, reserving, and pricing, public- and private-sector collaboration to address the decades-long trend of populations moving into harm's way, which drives up the cost of extreme events; and educating the public about advanced mitigation and the role of insurance as part of their resilience planning.

Resilient roofs help mitigate the impact of extreme weather and the cost of claims. For homeowners, it means protecting their most important investment. For business owners, a resilient roof means reducing business disruption and revenue loss. When an essential structure, like a hospital, school, or power facility, has a resilient roof, it can continue providing critical services and support to those who rely on its purpose. If the roof does sustain limited damage, repairs are less extensive, and downtime is reduced. More resilient roofs contribute to more resilient communities – and that's something to raise the roof about!



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