



Stronger Building, Safer Country

Stronger, safer buildings for Americans and their families can save lives and reduce loss, thereby reducing the need for public disaster aid.

NAMIC SUPPORTS the Safe Building Code Incentive Act, legislation to encourage the adoption and enforcement of strong building codes. NAMIC and the Build Strong Coalition support the creation of a separate financial incentive for states that have adopted and enforce statewide building codes. Legislation promising greater post-event aid for those states with strong building codes can serve as a powerful incentive to state governments.

Background

Tropical Storm Sandy is the latest in a line of recent high profile natural disasters around the world in the last two years alone. Each of these events takes lives, shatters communities and costs the federal government billions in disaster aid. For these reasons, NAMIC continues to champion common-sense mitigation measures to enhance the current infrastructure and strengthen preparedness for natural disasters. One of NAMIC's top legislative priorities remains the passage of legislation incentivizing the adoption of statewide, nationally recognized building codes.

Building codes are the simplest and most effective means of mitigating against disaster. Strong, mandatory statewide building codes promote a level, predictable playing field for designers, builders and suppliers. They also allow for economies of scale in the production of building materials and construction, as well as a level of safety for first responders during and after fires, earthquakes, and other catastrophes.

Building Codes Save Lives and Reduce Costs

The purpose of building codes is to assure that – at the very least – minimum standards are used in the design, construction and maintenance of the places where people live and work. Building codes are intended to increase the safety and integrity of structures, thereby reducing deaths, injuries and property damage from a wide range of hazards. Damage reduction that results from adoption and enforcement of strong building codes helps keep people in their homes following a natural or manmade disaster, reduces the need for public and private disaster aid, and preserves natural resources. Furthermore, reducing damage to the built environment means that businesses can remain open after a disaster; their presence helps to sustain local economies through jobs and tax revenue.

The scientific evidence supporting strong building codes is overwhelming. According to a National Institute of Building Sciences study for every \$1 spent to make buildings stronger, the American taxpayer saves \$4 in federal disaster assistance. The Louisiana State University Hurricane Center estimated that stronger building



Federal and Political Affairs Department

Jimi Grande
Senior Vice President –
Federal & Political Affairs
jgrande@namic.org

Matt Gannon
Assistant Vice President –
Federal Affairs
mgannon@namic.org

Jon Bergner
Federal Affairs Director
jbergner@namic.org

Caitlin Lucchino
Federal Affairs Manager
clucchino@namic.org

Irica Solomon
Political Director
isolomon@namic.org

Matt Brady
Media Relations Director
mbrady@namic.org

Kristin Eichhorn
Congressional Contact
Program Director
keichhorn@namic.org

122 C Street, N.W.
Suite 540
Washington, D.C.
(202) 628-1558

www.namic.org

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codes would have reduced wind damage from Katrina by 80%, saving \$8 billion. The LSU Hurricane Center also conducted a comparative analysis of the economic loss in Mississippi due to Katrina, showing savings of \$3.1 billion if tougher building codes had been in place. In addition to saving lives and reducing property loss, statewide building codes based on nationally recognized standards contribute to the durability of structures; and, in some locations, favorably affect the affordability and availability of insurance.

Additionally, Insurance Institute for Business and Home Safety (IBHS) studied Hurricane Charley in 2004 and found that homes built to modern building codes suffered 60 percent less damage, and that the frequency of damage among houses built to code was 40 percent lower than among homes that were built to older codes. Separate research found that insured losses from Hurricane Andrew in 1992 would have been half of the total amount (which was over \$19 billion in 1992 dollars) if modern building codes had been in place.

NAMIC and the BuildStrong Coalition

In 2008, NAMIC formed the BuildStrong Coalition to support legislation promoting disaster mitigation through modern building codes. BuildStrong is comprised of insurers, emergency managers, builders and contractors, fire fighters and code officials. The primary goal of BuildStrong is to influence passage of *The Safe Building Code Incentive Act (SBCIA)* through Congress, legislation that would increase the amount of federal monies available to a state under current disaster relief legislation if that state adopted and enforced nationally recognized building code standards. Receiving additional money available for post-disaster aid would create an incentive –not a mandate – for states to adopt and enforce codes.

In 2012 NAMIC commissioned a study by actuarial consulting firm Milliman to provide a cost estimate of the incentive act to the federal budget. The report concluded that *the Safe Building Code Incentive Act* would have saved US taxpayers \$11 Billion from 1988 to 2011 had it been in place -- almost \$500 Million a year in savings. Despite the additional upfront expense to states with strong codes, NAMIC and BuildStrong contend that fiscal responsibility means spending smarter for the long term, not necessarily always spending less in the short term.

For more information on building codes go to <http://www.namic.org/federal/fedissues.asp>, or contact



Matt Gannon
Assistant Vice President – Federal Affairs
mgannon@namic.org