



Introduction

The Build Strong Coalition thanks Chairman Denham, Ranking Member Norton and the Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings, and Emergency Management for holding this hearing to focus on streamlining the recovery process following local disasters.

disasters while saving all taxpayers money at the same time. Our thoughts and prayers go out to the victims of recent tragedies caused by natural disasters events which compel us to advance vital legislation to help mitigate future devastation.

According to the Insurance Information Institute and Munich Re, severe natural catastrophes have already made 2011 the highest loss year for global catastrophes on record. Approximately \$265 billion in economic losses have accumulated through June, easily exceeding the total figure for 2005, previously the costliest year to date with \$220 billion for the year as a whole. Most of the 2011 losses were caused by the earthquake in Japan on March 11. The insured losses, around \$60 billion, were also nearly five times greater than the average since 2001.

In the United States, where insurance penetration is relatively higher than other parts of the world, 100 events in the first half of 2011 produced \$27 billion in overall losses and \$17.3 billion in insured losses, which is well above the 10-year averages of \$11.8 billion and \$6.6 billion, respectively. A very active thunderstorm and tornado season resulted in insured losses exceeding \$16 billion, far above the 2001 to 2010 January to June average thunderstorm loss of \$6.4 billion (in 2010 dollars). It was also the deadliest thunderstorm season in over 50 years. The National Oceanographic and Atmospheric Administration currently predicts 16 named storms for the current hurricane season, much higher than the 9.6 annual average.

For its part, more than \$5.2 billion has been obligated by FEMA for Major Disasters, including more than \$18 million for Emergency Declarations; and more than \$26 million Fire Management Assistance Grants (FMAGs).¹

Building Codes Save Lives, Property and Taxpayer Money

Overwhelming evidence exists to demonstrate the adoption and enforcement of statewide building codes saves lives and greatly reduces property damage and the need for federal assistance resulting from disasters. The Louisiana State University Hurricane Center estimated that stronger building codes would have reduced wind damage from Katrina by 80%, saving \$8 billion.

¹ FEMA Office of PBTBDC qa0ne CicaA3(ofDC qaice)-r(r)-BT1 (r)4(s (y)20DC q)-2(Js. u2 8.0y)20DC q-3(e)4(r)4(ty).0yrMC A714



Multihazard Mitigation Council. The goal of the study, based on the work of more than 50 national experts, was to "assess the future savings from hazard mitigation activities." According



The evidence supporting mitigation benefits proves this incentive to be a fiscally responsible method of enabling FEMA to assist in natural disaster recovery while working to prevent future damage.

While mitigation will not prevent natural catastrophes, stronger homes and businesses will save private property, federal funds, environmental damage and insurance claims paid. Most importantly, stronger homes and businesses save lives. The Safe Building Code Incentive Act is a forward-thinking, mitigation-leadership in the midst of a heightened natural catastrophe year.

The Build Strong Coalition thanks the bill sponsors for their leadership and urges the Transportation and Infrastructure Committee to expeditiously pass *H.R. 2069, The Safe Building Code Incentive Act*.



Table 1: Safe Building Code Incentive Act – States Qualifying for Incentive

Current Qualifying States*

California	New Jersey
District of Columbia	New Mexico
Florida	New York
Louisiana	Pennsylvania
Maine	South Carolina
Michigan	Utah
Minnesota	Virginia
New Hampshire	Washington

