



Where building safety research leads to real-world solutions.

**Testimony of Julie A. Rochman, President and CEO of the Insurance Institute for Business & Home Safety (IBHS)**

**Before the U.S. House of Representatives  
Committee on Transportation and Infrastructure  
Subcommittee on Economic Development, Public Buildings and Emergency Management**

**RE: H.R. 2069, the Safe Building Code Incentive Act  
July 24, 2012**

Chairman Denham, Ranking Member Norton, and members of the Subcommittee, thank you for the opportunity to speak with you today regarding the importance of the enactment and enforcement of strong statewide building codes.

The Insurance Institute for Business & Home Safety (IBHS) is a 501(c)(3) organization, wholly supported by the property (re)insurance industry. IBHS' mission is to conduct objective, scientific research to identify and promote effective actions that strengthen homes, businesses, and communities against natural disasters and other causes of loss. IBHS does this by conducting research and advocating improved property design, construction, maintenance, and preparation practices.

The centerpiece of our research program is the IBHS Research Center in Chester County, South Carolina. It is the only laboratory of its kind in the world. Using a 105-fan array and other specialized equipment, IBHS engineers can recreate a variety of highly realistic wind, rain, fire and hail events. Other test facilities use scaled-down models or pieces of buildings. Only IBHS can look at entire structures as a system. The ability to mimic Mother Nature in a controlled, repeatable way allows IBHS to demonstrate the effectiveness, affordability and financial value of stronger building codes and better-built structures; identify effective solutions to building vulnerabilities; strengthen the relationship between theoretical and real building performance; and, validate/improve current scientific bases for designing and installing building products and systems. Our goal is to translate the results of this research into better public policy and market-based approaches to mitigation, in order to provide the best possible protection for homes, for businesses, and for entire communities.

Among IBHS' highest priorities is the adoption and enforcement of strong, mandatory statewide building codes – that is why we support H.R. 2069, the Safe Building Code Incentive Act. Like other effective mitigation measures, strong building codes can save lives, promote long-term fiscal stability, reduce public sector response and recovery costs, protect the environment, and create a more resilient society.

Last year, the federal government issued a record 99 Major Disaster Declarations in response to weather-related events in 35 states and two U.S. territories. The litany of disasters included floods, hurricanes and

tropical storms, landslides, severe winter storms, tornadoes, wildfires, and even an earthquake that was felt here in Washington, D.C. Of particular note, 2011 was an exceptionally deadly and destructive year for tornadoes, resulting in 550 confirmed fatalities; it was also the deadliest thunderstorm season in over 75 years, with 552 direct fatalities. From a financial perspective, insured losses from tornadoes and thunderstorms totaled over \$25 billion in 2011 alone, more than double the previous record, while U.S. insured catastrophe losses from all weather events totaled \$35.9 billion, well above the 2000 to 2010 average of \$23.8 billion.

IBHS strongly agrees with the recently released Federal Emergency Management Agency (FEMA) Mitigation Framework that it is critical to identify new ways to “stop increasing the trajectory of our risk and start taking steps to reduce it.” H.R. 2069 is one such initiative.

### **Mitigation Matters**

Given its important societal benefits, mitigation is a public health objective, economic imperative and humanitarian obligation. Every region of our country is vulnerable to one or more potentially devastating natural hazards; this is why improving disaster mitigation, preparedness, response, and recovery must be a national priority.

- Mitigation encourages personal responsibility by providing the tools that people need to protect themselves and their families from harm. In this regard, there are well-documented physical and property protection measures that homeowners and businesses should take to reduce damage and dislocation from almost every type of natural disaster. In addition, all Americans should have a disaster essentials kit, as well as an emergency evacuation plan that includes food, water, communications tools, and other supplies in sufficient quantity to last for at least three days.
- Mitigation is a sound fiscal strategy for private property owners and all levels of government, almost always resulting in significant long-term savings, including reduced public sector response and recovery costs. According to a study conducted by the National Institute for Building Sciences’ Multi-hazard Mitigation Council, every dollar spent by FEMA on hazard mitigation grants reduced post-disaster relief costs by \$3.65 – a savings for all taxpayers, regardless of where they live.
- Mitigation trades off an investment today against future losses. This creates a greater sense of inter-generational equity and a way to avoid the need for future Americans to pay for damage that could have been reduced or avoided entirely through cost-effective property protection measures taken now.
- Mitigation is a sound business strategy that protects the physical plant of commercial facilities and the bottom line of the employers who occupy them, as well as their employees, suppliers, and customers.
- Mitigation is particularly important for vulnerable populations, including the elderly, people with disabilities, those living in poverty, and those with limited English language skills. Such individuals often live in housing that is less able to withstand natural forces, and they may lack necessary resources for quickly evacuating in the face of imminent harm.
- Mitigation protects the environment by reducing the massive amounts of post-disaster debris that can overwhelm landfills and lessening the release of carbon dioxide and other greenhouse gases generated when buildings burn in wildfires.
- Mitigation enhances community resiliency by protecting property, improving disaster planning and response, and creating a culture that is focused on long-term economic health and social welfare.

While everyone wants their home to escape damage, few would want to live in the last house standing in a community destroyed by natural disaster. That is why comprehensive, community-wide property mitigation efforts are critical to maintaining community vitality.

### **Why Building Codes are Important**

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.

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. From a financial perspective, IBHS research after Hurricane Charley 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 would have been half of the total amount (which was over \$19 billion in 1992 dollars) if modern building codes had been in place.

However, strong building codes alone are not enough to assure safe, stable construction. Good building codes have little value if they are not enforced by building department officials who understand code requirements and conduct on-site inspections to make sure that code requirements are put in place as homes and businesses are under construction. Unfortunately, disasters such as Hurricane Andrew have shown that lax code enforcement of otherwise effective building codes needlessly and greatly increased total damage. In each case, strong safety requirements were in place, but local officials failed to make sure that they actually were followed during the construction process.

Recognizing the importance of comprehensive building code safety systems, IBHS recently completed a first-of-its-kind “Rating the States” report, examining regulations and processes governing residential building construction in the 18 states most vulnerable to catastrophic hurricanes along the Atlantic Coast and Gulf of Mexico. The report combines IBHS’ engineering expertise and regulatory research, looking at the adoption and enforcement of strong statewide building codes; code official certification and training; and contractor and subcontractor licensing. Not surprisingly, the research identified a wide range in the quality of building code safety systems –ranging from 4 to 95 (Florida and Virginia earned the highest ratings) on a 100 point scale (with zero being the weakest rating and 100 the strongest). Equally important to the concept of “rating the states,” the analysis shines a much-needed spotlight on how states can take specific steps to improve their building code processes in order to better protect their citizens.

In order to better understand how real world performance compares to technical requirements, IBHS has conducted several unique, full-scale tests of houses at our Research Center. These tests examine the way structures work as a system, either to withstand, or succumb to, natural forces, such as high winds, wind-driven rain, wildfire ember storms and hailstorms. In our inaugural tests, we subjected houses to a highly realistic windstorm, with wind speeds and gusts up to 120 mph. In one notable test, the roof of one of the homes built using conventional construction practices in Central Illinois, where there is no statewide building code, lifted off entirely. This loss of the roof caused total destruction of the home only moments later. It is simply inexcusable that we do not ensure that houses in areas subject to high wind events –

much of this country – do not have better connections between the walls and roof, and between the walls and foundation.

The types of strapping needed to provide a continuous chain of connections from the roof to the foundation of a structure do not cost much, and they greatly increase the strength and safety of a home or business with respect to a variety of wind events, including hurricanes, tornadoes, and straight-line windstorms. Fortunately, there are states, like Florida, where this chain of connections are an integral part of the building code. Such simple, known technology that costs less than \$1,500 to \$2,000 for a home or small business should be a feature of residential and commercial construction everywhere – and can be through building codes. This is one of the reasons why Florida achieved a high score in the IBHS Rating the States Report and offers a model for other states to follow with respect to building codes.

### **The Safe Building Code Incentive Act**

Consistent with its long support for effective statewide building codes, IBHS urges support for H.R. 2069, The Safe Building Code Incentive Act. The bill provides states with additional post-disaster relief funding if they take steps before a disaster to enact and enforce nationally recognized model building codes for residential and commercial structures. Specifically, states that meet the bill's well-designed criteria would qualify for an additional four percent of funding (above currently available levels) for Post-Disaster Mitigation Grants. None of these grants would be associated with the Pre-Disaster Mitigation Program that has been proposed for elimination in the President's FY13 Budget Proposal.

We believe that about 20 states either could qualify now – or with minor changes to their laws and regulation – for the additional 4 percent funding. However, it is important to note that the nature of the incentive does not mandate adoption or enforcement of statewide building codes in any jurisdiction that does not wish to improve its building code safety system.

The Safe Building Code Incentive Act grant program would be administered by FEMA, but does not require any additional appropriation to FEMA, since it draws funds from the existing Disaster Relief Fund. Moreover, consistent with the fiscal benefits of mitigation, any grants provided under the Safe Building Code Incentive Act are likely to prevent future disaster-related damage, and thus reduce future expenditures for FEMA Disaster Relief assistance.

H.R. 2069 provides a critical link between disaster prevention, protection, mitigation, response, and recovery, as called for in Presidential Policy Directive 8 (PPD-8), which has launched a comprehensive set of frameworks in each of these areas, with the overall goal of strengthening the security and resilience of the U.S. against natural and man-made threats that pose the greatest risks. In particular, the National Mitigation Framework within PPD-8 recognizes the important role that building codes play in reducing long-term vulnerabilities to economic, housing, health and social, infrastructure, environmental, and natural resources. H.R. 2069 is one important way to implement the Framework's proposed partnership between federal, state, and local governments by providing appropriate incentives that are "not focused only on particular incidents or events but which occur well before, during, and after events."

Thank you for the opportunity to offer our comments on the importance of mitigation and the benefits of the Safe Building Code Incentive Act. We urge you to move forward on this important legislation that utilizes knowledge about the proven benefits of building codes to improve our nation's safety, sustainability, and resilience.

**Julie Rochman**  
**President & Chief Executive Officer**

Julie Rochman joined IBHS in November 2007 with more than 20 years of public affairs and advocacy experience representing major corporations, research and safety organizations, and Issue-based coalitions. She is regularly consulted and quoted by national print, broadcast and electronic media on a wide variety of topics. IBHS is an independent, nonprofit, applied research and communication organization supported by the property insurance industry. IBHS is dedicated to reducing societal and economic effects of natural disasters and other causes of residential and commercial property loss. IBHS conducts field and laboratory research to identify and advance improved construction, maintenance and preparation practices.



She joined IBHS from The Glover Park Group, a leading Washington, D.C.-based strategic communication consulting firm, where she was senior vice president of public affairs, managing a portfolio primarily comprising financial services sector clients. Prior to that, Ms. Rochman was senior vice president of public affairs for the American Insurance Association (AIA), a national public policy advocacy organization for property-casualty insurance companies. As a member of AIA's management team for six years, Ms. Rochman was responsible for developing and executing integrated communication campaigns to achieve AIA's public policy goals at both the state and federal levels.

From November 1996 until late 2000, Ms. Rochman was vice president of communications for the Insurance Institute for Highway Safety (IIHS), where she successfully managed media relations for the IIHS and the Highway Loss Data Institute (HLDI). Upon leaving the IIHS, Ms. Rochman served on the IIHS and HLDI boards of directors for several years. Prior to joining IIHS, Ms. Rochman managed federal communications for the Alliance of American Insurers, worked for the Insurance Information Institute, for a public health organization dedicated to preventing drunk driving, at an advertising agency, and for a global insurance brokerage.

A native of Omaha, Nebraska, Ms. Rochman earned a bachelor's degree in International Relations from Tulane University and a master's degree in American Government from the University of Virginia. She now resides in Tampa.

**COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE**  
*Truth in Testimony Disclosure*

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Pursuant to clause 2(g)(5) of House Rule XI, in the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include: (1) a curriculum vitae; and (2) a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by an entity represented by the witness. Such statements, with appropriate redaction to protect the privacy of the witness, shall be made publicly available in electronic form not later than one day after the witness appears.

**(1) Name:**  
Julie A. Rochman

**(2) Other than yourself, name of entity you are representing:**  
Insurance Institute for Building & Home Safety

**(3) Are you testifying on behalf of an entity other than a Government (federal, state, local) entity?**

YES

If yes, please provide the information requested below and attach your curriculum vitae.

**(4) Please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by you or by the entity you are representing:**

USDA Forest Service: \$240,000 grant for wildfire research, which came to IBHS through the Savannah River National Laboratory



Signature Julie A. Rochman

July 15, 2012  
Date