Mitigation Matters in Louisiana

Debra Ballen, General Counsel and
SVP Public Policy

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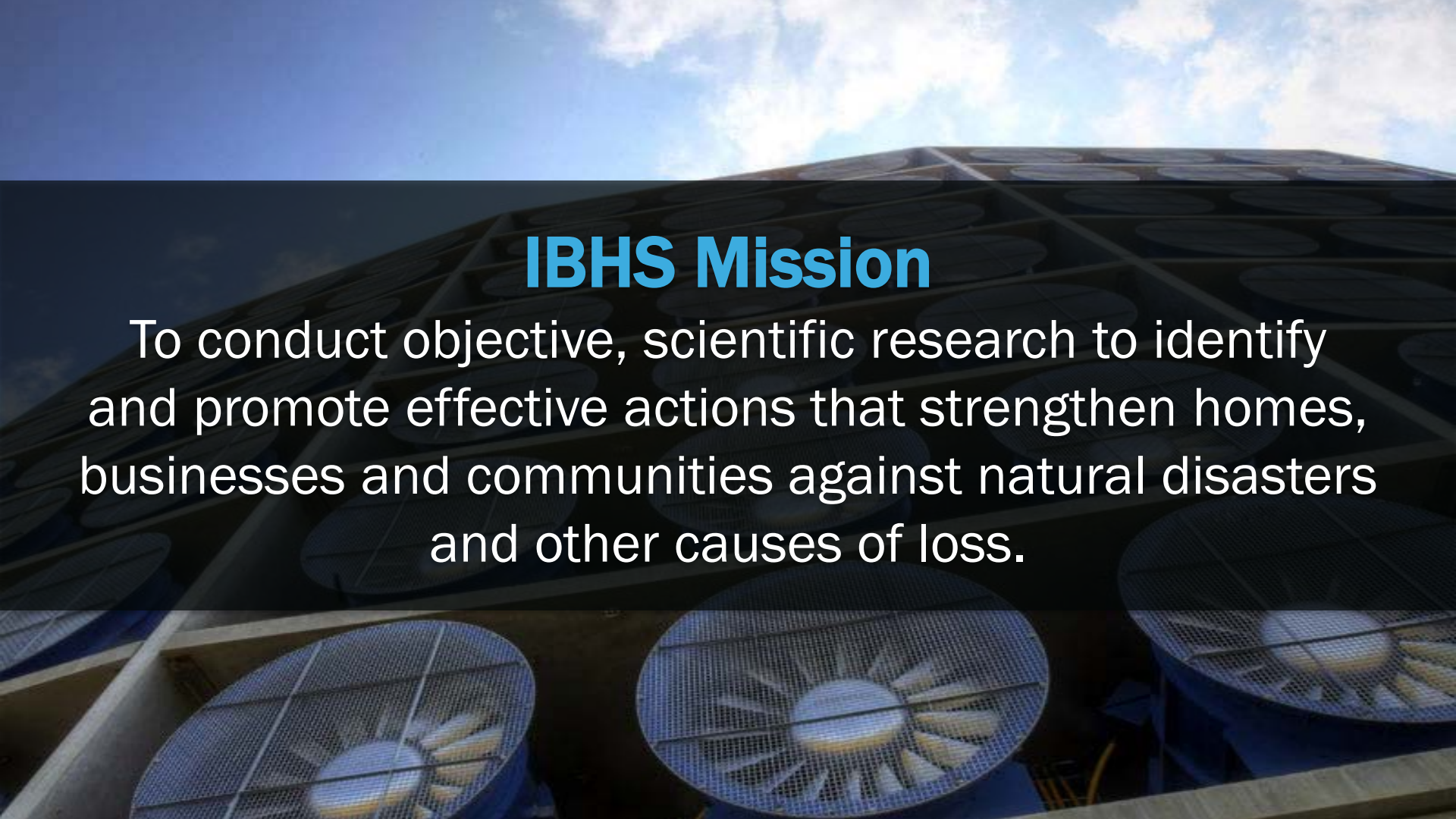

IBHS Mission

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.

What Successful Mitigation Looks Like

- Building codes = strong and enforced for residential and commercial
- FORTIFIED Home™, FORTIFIED Commercial™ = national voluntary standards for resilience
- All parts of the building performance chain
- OFB-EZ® and EZ-PREP™
- Preservation of economic and social structures = not just buildings
- Overall goal = community resilience = a resilient nation

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IBHS Priorities Relating to Insurance

- Lower loss exceedance curve
- Better understand (reducing) vulnerabilities
- Accurately assess weather–built environment interaction
- Improve Cat models
- New claims tools
- Reduce contractor fraud

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Hurricane Harvey
IBHS Post-Disaster Investigation

- Focus on wind damage to residential and commercial properties affected by western eyewall, using new mobile app
- Damage ranged from total destruction (just slab and some rubble remaining), to minor facade damage, to no discernable damage
- All else being equal, newer construction performed better than older construction
- Lack of power one of biggest barriers to recovery

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Irma Observations

- In FL, wind speeds lower and path less destructive than forecast
- Homes sustained much less damage than from Andrew = better codes and enforcement
- Storm surge on Gulf Coast less than expected, but major flooding in northern FL, GA, SC, etc.
- Lack of power one of biggest barriers to recovery

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What Do People Think About Disaster Risk?

- “It won’t happen to me; if it does, someone else will pay for it”
- “I would rather invest in granite countertops than a strong roof”
- “A 1/100 year event means nothing bad will happen for 99 more years”
- “I am outside a flood zone so my house won’t flood”
- “Insurance costs too much”

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Louisiana Considerations

- Hurricane Katrina's legacy looms large in human, economic and insurance terms; Baton Rouge floods are another example that "it can (and probably will) happen here"
- Accomplishments = first statewide building code; multiple public, private, non-profit resilience initiatives; and billions of dollars spent on buildings and infrastructure

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Louisiana Considerations Cont.

- Challenges = multiple efforts to reverse or bypass codes/regulatory requirements to save money or rebuild faster
- LA should understand the need for protection and a strong code, yet is backstepping with the recent Executive Order
- Culture shift must occur where officials and citizens understand that codes protect against repeated disasters and enable personal freedom; they don't erode it

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Wind	Wind-Driven Rain	Hail	Wildfire

Initial Performance (test standards)

Aging Effects

Repair vs. Replacement

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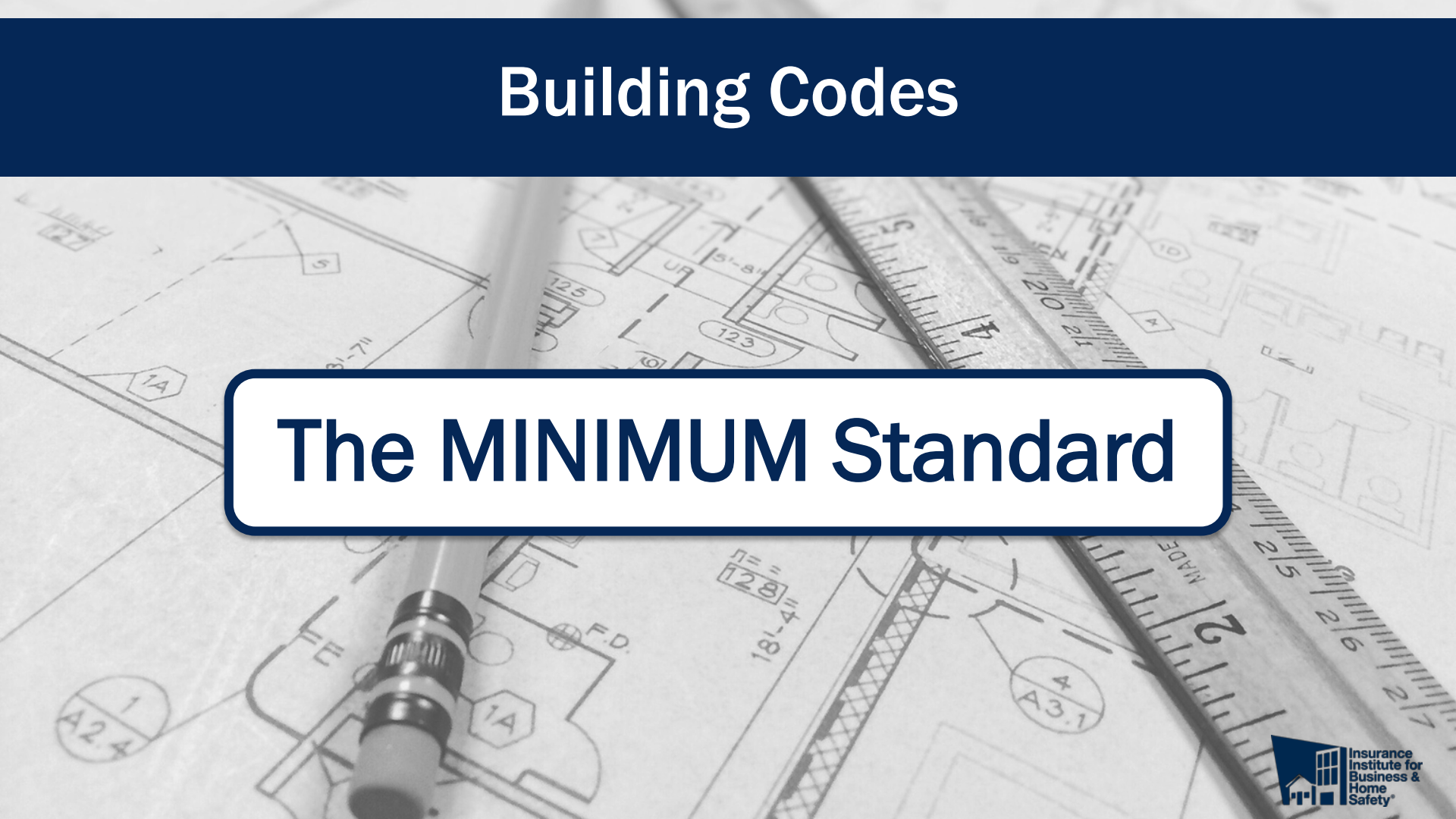
Building Codes



The MINIMUM Standard

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Life Safety Protections

- **2015**: 500,000 structural fires in U.S., 2,685 civilian deaths
- **2016**: Oakland Ghost Ship fire (36 deaths)
- **2017**: Grenfell Tower fire (80+ deaths)

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What Difference Do Building Codes Make?

Claim Severity

Claim Frequency

Reduction in losses of homes built to modern codes
—according to IBHS study after Hurricane Charley (2004)

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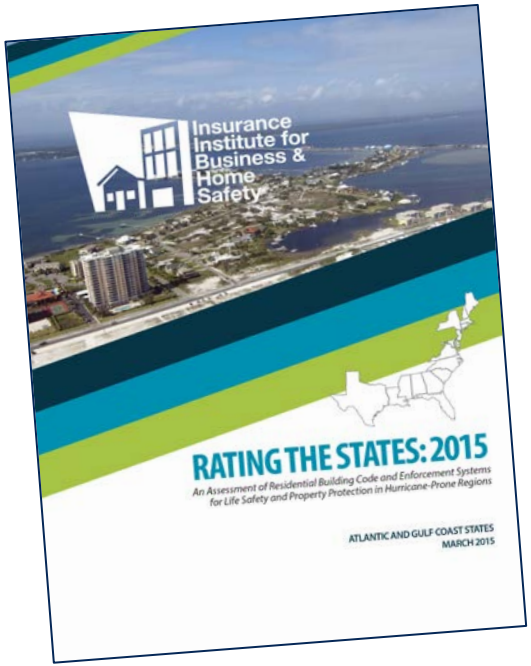
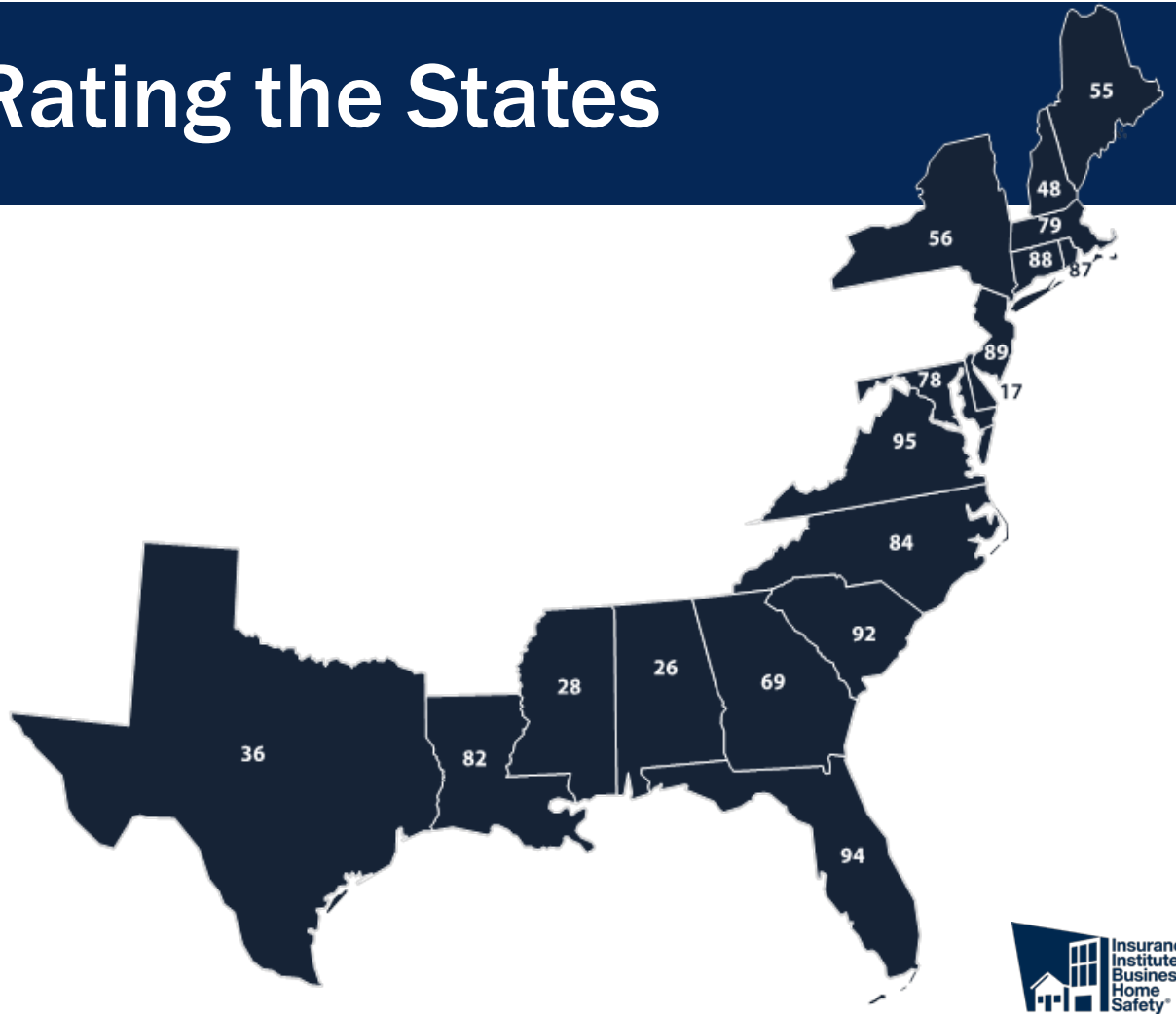
Rating the States





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Katrina 10 Years Later—Roof Resilience

2015 IBHS study surveyed 14 LA coastal parishes to measure post-Katrina improvements

- All 14 require permits for new construction/remodeling, but only 7 for re-roofing
- Only 7 require roofers to be licensed
- Almost all require inspections for roof sheathing and sheathing attachments for new roofs

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LA Building Code Issues: 2005–2017

- Following Hurricane Katrina, LA adopted its first statewide building code (LA State Uniform Construction Code)
- In 2013, LA State Code Council adopted design wind speed maps of 2012 edition of IRC without accompanying maps delineating high-wind design or windborne debris regions

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LA Building Code Issues: 2005–2017 Cont.

- Adoption of 2015 IRC would have resolved deficiency created as a result of not adopting the trigger high-wind design and windborne debris maps of 2012 IRC
- However, just before 2015 IRC scheduled to be effective (July 1, 2017) EO suspended code adoptions until June 1, 2018
- Result is gap in windborne debris protection high-wind areas

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What Is FORTIFIED?

FORTIFIED is a suite of systematic, inspection-based resilience programs developed by IBHS

fortifiedhome.org

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Why FORTIFIED?

- Reduce property damage and insurance claims
- Protect business operations and livelihoods
- Win-win situation for homeowners, communities, business owners, their customers, insurance companies, and society

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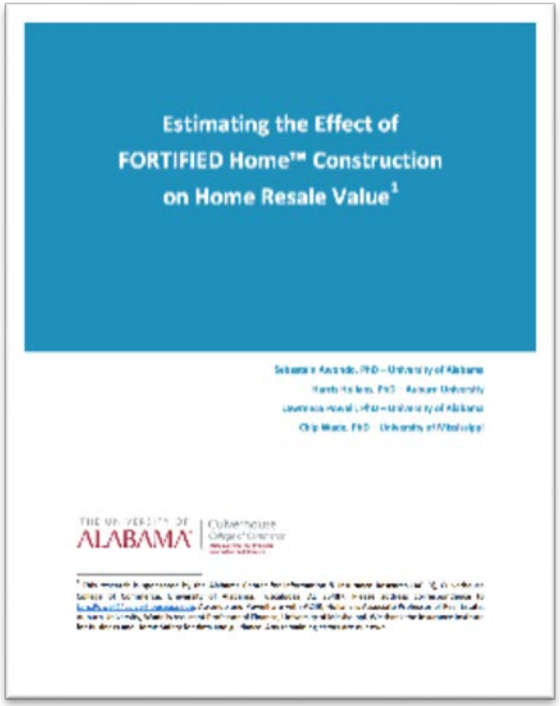
FORTIFIED Increases Home Values



"Results show that switching from a conventional construction standard to a FORTIFIED designation increases the value of a home by nearly 7%, holding all other variables constant."

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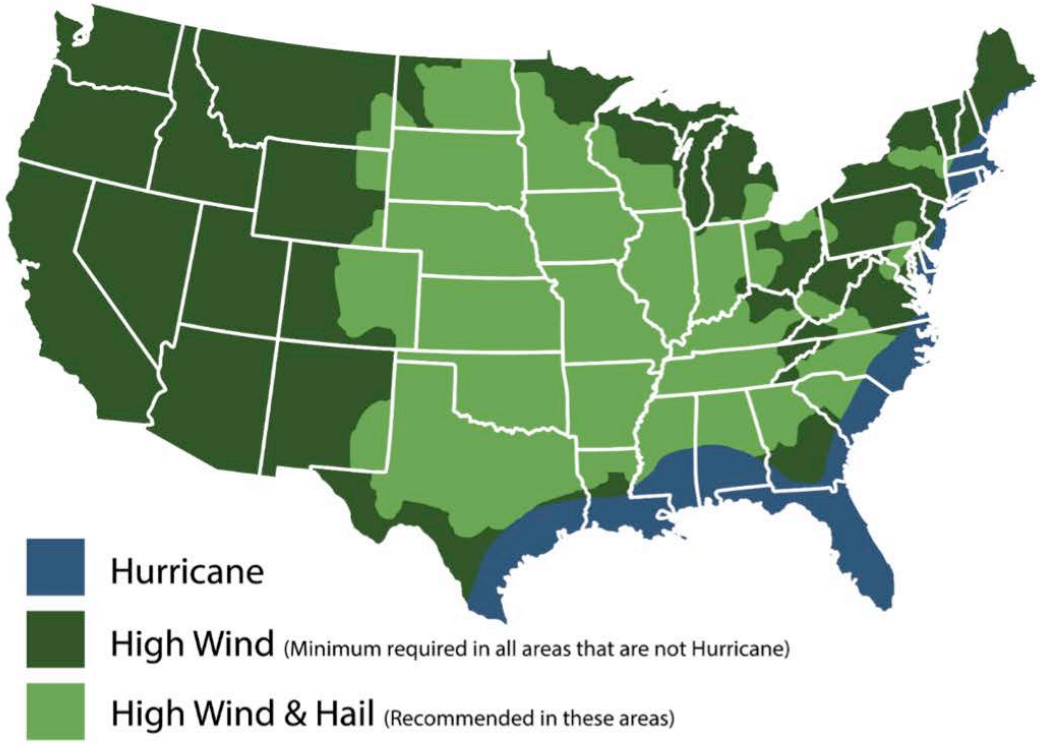
FORTIFIED Risk Map



FORTIFIED HOME

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FORTIFIED Home™ Levels

	Hurricane	High Wind/High Wind & Hail
FORTIFIED HOME	Roof and Attic Vent System	Roof System* *Class 3 or 4 Impact Rating for HWH
FORTIFIED HOME	Openings, Gables and Attached Structures	Gables, Porches, Carports and Chimneys
FORTIFIED HOME	Structure (Continuous Load Path) and Chimney	Garage Doors and Structure (CLP)

Location and Design Wind Speed are key determining factors in deciding which standard(s) apply.

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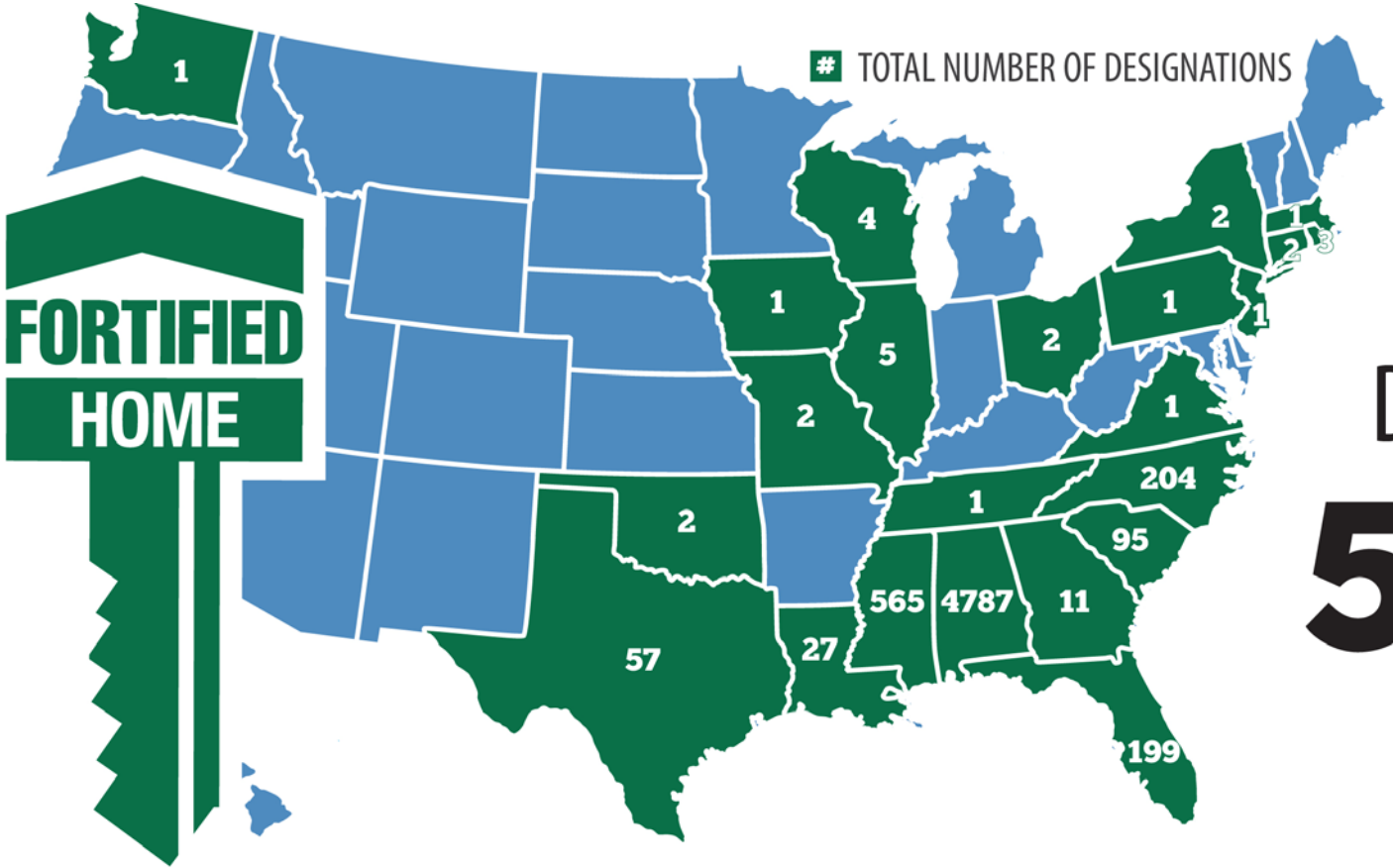

As of September 2017

FORTIFIED programs are products of the Insurance Institute for Business & Home Safety

Challenges Ahead

- Understanding risk
- Valuing resilience
- Financing mitigation
- Identifying and assessing risks associated with new technologies
- Public policy environment

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Thank You

Please visit DisasterSafety.org

Contact IBHS at info@ibhs.org

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