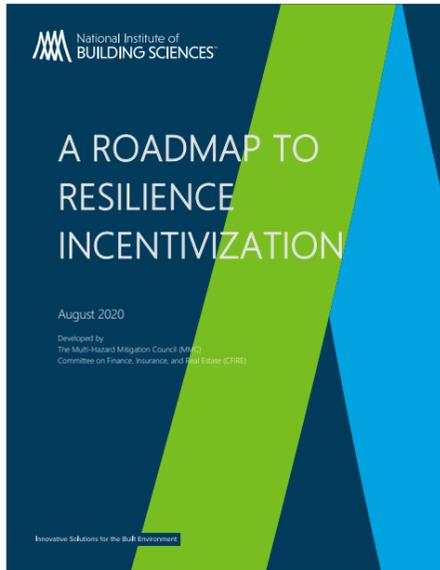


# NIBS CALLS FOR INCENTIVIZING MORE RESILIENT BUILDINGS

A Multi-Hazard Mitigation Council initiative led by the Committee on Finance, Insurance, and Real Estate



Collaboration is key to creating more resilient communities.

A collaborative approach, supported by the Multi-Hazard Mitigation Council (MMC) and led by its Committee on Finance, Insurance and Real Estate (CFIRE), removes silos and incentivizes investors, owners, lenders, insurers, developers and local governments to work together to increase community resilience. Details are defined in MMC’s initiative, [A Roadmap to Resilience Incentivization](#). In short, if we expand relationships and broaden the scope to develop more resilient communities, governments will spend less

## Here’s how merging resources can create untapped benefits



### Financial Institutions

Stronger buildings create stronger collateral, lower default risks, greater affordability and a more stable economy.



### Insurers

Stronger buildings and resilient communities can lower claim frequency and severity, lower reinsurance costs, increase policy take-up rates and make uninsurable clients insurable and the insurance industry more stable.



### Public Sector

Stronger buildings and resilient communities can lower response and recovery costs, stabilize your tax base and makes business and residential investments more inviting.



### Private Sector

Upgrading to more resilient structures will lower risk and repair costs, decrease the cost of lost rent and increase resale value. That also gives you greater peace of mind.



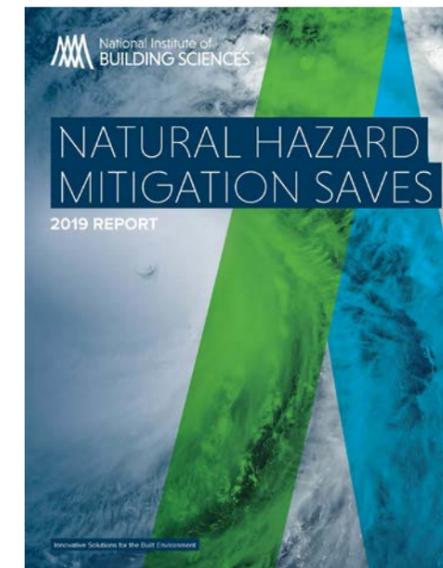
repairing and replacing properties after disasters. Insurance for protecting properties will decrease, and property values and security will strengthen. It’s a win-win.

Our nation averaged 14 floods, wildfires and other disasters each year between 2015 and 2019. Each of these disasters cost more than \$1 billion. Total annual catastrophe losses now average \$106 billion—about 8% of all the construction put in place in an average year. And the losses are growing at an unsustainable rate of 6% per year, 10 times faster than population growth. These costs are high and no sector — even government — can afford it alone.

We can lower our disaster costs by incentivizing resilient construction and sharing resources among private and government stakeholders. We know from the National Institute of Building Sciences research report, [Natural Hazard Mitigation Saves](#), pre-disaster mitigation strategies pay dividends:

- Adopting and enforcing current model codes saves \$11 per \$1 spent.
- Federal mitigation grants (such as BRIC) save \$6 per \$1 spent.
- Private-sector building retrofits save \$4 per \$1 spent.
- Exceeding codes saves \$4 per \$1 spent.
- Mitigating infrastructure saves \$4 per \$1 spent.

Pre-disaster mitigation—preparing in advance for future disasters—can help ensure that hazardous events are short-lived and manageable. Mitigation saves lives and preserves homes, businesses, government facilities, utilities and transportation infrastructure. It also reduces damages, helps local economies spring back faster and lowers recovery costs.



## Objective

To have stronger and safer buildings and resilient and sustainable communities by:

1

Catalyzing collaboration across the building science, finance, insurance and real estate industries and increase mitigation investment.

2

Developing coordinated resilience guidelines and tools for community implementation. Increasing mitigation activities by serving as a national resource and provide technical support for local communities on mitigation activities.

3

Supporting consumer engagement and education and promoting public awareness.

# INCENTIVIZING MORE RESILIENT BUILDINGS

## Mission

Through MMC/CFIRE, NIBS offers a national and authoritative forum to unite the strengths of its member organizations through strategic collaboration across the building science, finance, insurance and real estate industries. MMC/CFIRE is the collective voice that convenes the public and private sectors to set a resilience agenda.

## Stakeholders



If you're a **lender**, we want to work with you to explore financial products that support resilient buildings.



If you're an **insurer**, we want to work with you to promote insurance programs that reward safer structures.



If you're a **community leader**, we want to work with you to develop layered mitigation investment packages.



If you're a **developer, an owner or buyer**, we want to work with you to properly evaluate risk and recognize values of resilient buildings. We want to lower the upfront mitigation costs by leveraging investments from both the public and private sectors.



If you're a **government administrator**, we want to work with you to identify and coordinate different public mitigation assistance programs and leverage these with private investments.



If you're an **engineer, researcher, social scientist, emergency manager, policymaker, or stakeholder**, we want to work with you to support guidelines and tools development and support community implementation.

## Best Engineering Practices

Code, above code, guidelines, post disaster recovery

NIBS

Financial products recognizing stronger collateral and lower default risk

Insurance programs reflecting lower claim frequency & severity, higher take-up rate

Real estate practice with higher resale & rent value, faster leasing

Federal and local public programs with lower response & recovery cost, more stable tax base

Guidelines & tools for incentivizing resilient buildings and for application in communities

NIBS through CFIRE serves as a convener and a national resource center, supporting collaboration and innovation and assisting with the development of guidelines and tools for community implementations.

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