U.S had world’s 3 costliest disasters:
- California Wildfires
- Hurricane Michael
- Hurricane Florence

These three events combined totaled $46.5 billion in overall losses

Underscores the urgent need to implement
- Robust pre-disaster mitigation
- Building Codes

Five largest natural catastrophes in 2018 by overall losses (in U.S. billions)

- Camp Wildfire | U.S. | Nov. 8-25 | $16.5
- Hurricane Michael | U.S., Cuba | Oct. 8-10 | $16.0
- Hurricane Florence | U.S. | Sept. 10-27 | $14.0
- Typhoon Jebi | Japan, Taiwan | Sept. 1-6 | $12.5
- Flood, landslide | Japan | July 5-9 | $9.5

SOURCE Munich Re Group
George Petras/USA TODAY

The total cost for all the natural catastrophes globally in 2018 was $160 billion. Though far below the extreme total of $350 billion in 2017, it’s above the long-term average of $140 billion.
But despite an increasing number of severe disasters, many states have not adopted nor enforce the most modern minimum life safety building codes.

This has led to an endless cycle of destruction, where states rebuild after a disaster to the same subpar standards that led to a home’s destruction.
In February 2018, a key element from the Disaster Recovery Reform Act was included in the Bipartisan Budget Act of 2018 and became law.

This provision established a Federal Cost Share Reform Incentive that will help reverse the cycle of destruction following a disaster in the U.S.

The Federal Cost Share Reform Incentive will incentivize states to invest in resiliency by allowing a state’s post-disaster federal cost-share to be increased from 75 percent to as high as 85 percent on a sliding scale based on a variety of factors.

This represents a paradigm shift in the federal approach to pre-disaster mitigation and the nation’s resilience.
The DRRA contains a host of major provisions long called for by NAMIC, including one that would arm communities all over the country with hundreds of millions in new dollars to mitigate against the risk of flood, wind, fire, and other catastrophic events. (Final components of DRRA were signed into law October 2018.)

The provision would authorize the President to put a fixed percentage of disaster relief funds in FEMA’s Pre-Disaster Mitigation (PDM) fund after major disasters.

This could result in over $1 billion being put into the PDM fund during years of major disasters, which would be game changing.

By comparison, in Fiscal Year 2015, the PDM program was allocated just $30 million.
Model building codes govern all aspects of construction and help to protect homes and office buildings from catastrophes.

A uniform statewide adoption and enforcement of model building codes by states will help to eliminate long-term risks affecting people, property, the environment and ultimately the economy.

A 2018 National Institute of Building Sciences study found that for every $1 spent on pre-disaster hazard mitigation and more resilient construction, $11 is saved; yet FEMA has historically spent far more on reactive post-disaster mitigation than proactive, pre-disaster investment.
We are now working to ensure states are using this massive amount of new money in a way that leads to a measurable reduction in disaster losses.

To do this, we are working with FEMA to create the guidance for the submission of cost-effective, risk-reducing grant applications.

To lay the groundwork for this effort, we are working with state legislatures to adopt “Resiliency Weeks,” and will be hosting a series of regional disaster summits designed to highlight the changed landscape following the enactment of the DRRA.
NAMIC is encouraging states to undertake a review of their current resiliency programs and begin improving those measures by establishing the first week of September as “Resiliency Week.”

14 states have passed the resolution or have issued a proclamation in 2019.
NAMIC and the BuildStrong Coalition are planning to partner with the U.S. Chamber of Commerce to host regional pre-disaster mitigation forums throughout the country.

These forums will serve to instruct state and local officials on the Disaster Cost Share Incentive and new funds available as a result of the DRRA, build an understanding of FEMA’s mitigation priorities, and share best practices on state mitigation plan development and grant submission.

First forum held on July 23, 2019 in Washington, DC.