



Institute for Catastrophic
Loss Reduction

Building resilient communities

Institut de Prévention
des Sinistres Catastrophiques

Construction de resilient communities

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**ICLR welcomes release of NIBS study
“Natural Hazard Mitigation Saves: 2017 Interim Report”**

TORONTO: The Institute for Catastrophic Loss Reduction welcomes the release of a report by the National Institute of Building Sciences' Multihazard Mitigation Council confirming the significant, measurable benefits of investment in disaster risk reduction in the U.S. The bottom line is that smart investments can significantly reduce the consequences of flood, earthquakes, strong winds and wildfire.

The interim report was released at the National Institute of Building Sciences' Building Innovation 2018 conference in Washington, D.C. on January 11. The report covers benefits and costs of a variety of disaster mitigation initiatives and scenarios that help protect communities, building occupants and owners, among other stakeholders, from the impacts of natural disasters. The interim report provides an update to the 2005 *Natural Hazard Mitigation Saves* report, which found that federal investments in disaster mitigation saves \$4 in avoided future loss for every \$1 invested.

The updated report focused on two strategies: U.S. federal investments in mitigation through specific federal agencies, and implementing measures that exceed select 2015 model International Code provisions. On average, it was found that federal investments in mitigation can save society \$6 in future costs for every \$1 invested. Implementing measures that exceed model code provisions were found, on average, to save \$4 for every \$1 invested.

According to ICLR Executive Director Paul Kovacs “Findings of the 2005 report, that resilience offers a societal payback of \$4 for every \$1 invested in mitigation, made an extremely important contribution to the argument that building resilience towards natural hazards is not costly in the mid- to long-term and, in fact, offers a solid Return on Investment. The 4:1 ratio became *the* most commonly cited metric to show that resilience works, that such things as building codes work. The updated study released yesterday puts a finer point on the metrics and continues to offer overwhelming evidence that building resilience is key to avoiding death, injuries, property damage and disruption.”

The following benefit-cost ratios were further identified when building beyond code for the following natural hazards:

5:1 for riverine flood

7:1 for hurricane surge

5:1 for wind

4:1 for earthquake, and

4:1 for wildland-urban interface fire.

For investments in mitigation, the following benefit-cost ratios were identified:

7:1 for riverine flood

5:1 for wind

3:1 for earthquake, and

3:1 for wildland-urban interface fire.

There were too few hurricane surge mitigation grants to develop a benefit-cost ratio.

The report provides a strong cost-benefit basis for disaster mitigation investments, and can be used to help a variety of key professionals, including engineers, architects, planners, code officials, emergency managers and insurers consider the beneficial impacts of disaster mitigation initiatives.

For more information see: <http://www.nibs.org/news/381874/National-Institute-of-Building-Sciences-Issues-New-Report-on-the-Value-of-Mitigation.htm>

The report can be downloaded at www.nibs.org/page/ms2_download

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Established in 1998 by Canada's property and casualty insurers, ICLR is an independent, not-for-profit research institute based in Toronto and at Western University in London, Canada. ICLR is a centre of excellence for disaster loss prevention research and education. ICLR's research staff is internationally recognized for pioneering work in a number of fields including wind and seismic engineering, atmospheric sciences, water resources engineering and economics. Multi-disciplined research is a foundation for ICLR's work to build communities more resilient to disasters.

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