

The Impact of Disasters and the Potential for Mitigation

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On June 14, 2010, the Travelers Institute convened policymakers, insurance representatives and other stakeholders at a half-day symposium on Capitol Hill entitled “Opportunities for Integrating Disaster Mitigation and Energy Retrofit Programs.” Co-hosted with Ceres, the Institute for Business and Home Safety and RenaissanceRe, the event comprised a series of panel discussions to discuss strategies for improving buildings to be both more disaster-resistant and more energy efficient. Dr. Sandra Knight, Deputy Federal Insurance and Mitigation Administrator at FEMA, was the keynote speaker. This event is part of an ongoing initiative to promote disaster preparedness by the Travelers Institute.



Dr. Sandra Knight, Deputy Federal Insurance and Mitigation Administrator, FEMA

The Travelers Institute led the day’s first panel discussion, “The Impact of Disasters and the Potential for Mitigation.” Moderated by Joan Woodward, Travelers Executive Vice President of Public Policy and head of the Travelers Institute, the panel included:

- Ed Laatsch, Chief, Building Science Section Risk Reduction Branch, Mitigation Division, FEMA;
- Warren Edwards, Director, Community and Regional Resilience Institute (CARRI); and
- Eric M. Nelson, Vice President, Personal Insurance and Risk Management, Travelers.

Setting the context for the panel, Woodward stated, “Extreme weather events can cause massive damage, erase the investments of property owners and displace vulnerable populations into substandard housing. The Travelers Institute is committed to collaborating with all stakeholders to advance and raise awareness of mitigation strategies that create more resilient communities.”



Joan Woodward, Travelers Institute; Warren Edwards, CARRI; Ed Laatsch, FEMA; Eric Nelson, Travelers

Ed Laatsch of FEMA shared information on the many programs FEMA offers to encourage mitigation, which range from training to partnerships to awareness campaigns. He spoke in depth on the tools FEMA provides to the public to assess damage and vulnerability, including the Hazards U.S. Multi-Hazard (HAZUS-MH) tool. HAZUS-MH helps people understand what their exposures are to earthquakes, floods and wind; make educated decisions in terms of land use planning; and be prepared for needs that will arise after a disaster.

“The focus after extreme weather events needs to be on learning what can be done to prevent damage the next time,” he said. “For example, the widespread damage to foundations along the Gulf Coast resulting from storm surge is something that needs to be addressed. We begin by issuing this guidance, which spreads into construction practices and then into building codes for strong foundation requirements. At the current rate of construction, after 25 years we could affect half the built environment.”



Debra Ballen, IBHS; Wanda Edwards, IBHS; Katie Rothenberg, U.S. Green Building Council; Stephen S. Szoke, Portland Cement Association



Sharlene Leurig, Ceres; Greg Hale, Natural Resources Defense Council; Mike Italiano, Capital Markets Partnership; Garrett Walton, Rebuild Northwest Florida

He also addressed the environmental benefit that resilient communities bring. For example, if a home is strong enough to survive a storm, the contents also survive and aren't contributing to debris in landfills. More than 100 tons of debris filled landfills as a result of Hurricane Katrina.

Warren Edwards discussed the efforts by CARRI to build a resilient America by focusing at the community level. CARRI grew out of a project at the Oak Ridge Laboratory in Tennessee to examine the issue of resiliency. The team spent time speaking with the private and public sectors and individuals in three Southeast communities – Memphis, Tenn.; Gulfport, Miss.; and Charleston, S.C. – around the concept of resiliency. They learned that communities want four things:

- A better understanding of the concept of resilience;
- A measurement of community resilience;
- Processes and tools to improve community resilience; and
- Rewards to encourage efforts toward resiliency, including discounts from insurance providers and grants from the federal government.

From the research gathered, CARRI is launching the Community Resilience Systems Initiative, a system of tools and processes designed to provide all communities with the action steps needed to become resilient, regardless of the disasters they face. The initiative will include best practices from other communities, measurement tools and suggested processes.

Travelers' Eric M. Nelson placed particular emphasis on the need for stronger buildings and consistent building codes to lower potential losses. He talked about the statewide changes Florida made to building code adoption and enforcement after Hurricane Andrew in August of 1992, citing a 50 percent difference in loss from homes built pre-Hurricane Andrew and those built after the hurricane. He encouraged the audience to imagine the impact federally mandated, consistent building codes across the country could have on the coastal homeowners insurance crisis.

He also shared a new initiative by Travelers to insure fortified homes along the coast. Homes in select states meeting established design standards to resist the impacts of tropical storm and hurricane winds are now eligible for up to a 35 percent hurricane premium credit.

"Travelers believes it is up to the public sector to enforce proper building codes and the private sector to provide rewards for creating stronger communities," he said.

Attendees supported the panelists' recommendations for the broad adoption of mitigation techniques and the implementation of incentives for communities that become more resilient. There was also consensus that solutions will come from a collective effort, and some attendees plan to form a working group across sectors to continue conversation and advance progress.



Sharlene Leurig, Ceres; Michael Cohen, Renaissance Re; Joan Woodward, Travelers Institute; Debra Ballen, IBHS