




Nationwide® advocates for the adoption of modern building codes

As severe weather worsens, these standards
can help protect us all



“Insurance leaders, distribution professionals and government officials have a historic opportunity to work together to protect customers from extreme weather and build more resilient communities for us all.”

Mark Berven

President & COO,
Nationwide Property & Casualty

Catastrophic weather events are on the rise

The frequency and severity of extreme weather continue to increase, creating challenges for homeowners and business owners across the country. If insurance carriers, distribution professionals and government officials work together, we can help customers and communities take proactive steps to mitigate risk and be more resilient when severe weather strikes.

Resilient homes, businesses and communities are built to withstand severe weather and can reduce or even prevent the damage, disruption and dislocation all too often associated with natural disasters.

Embracing resilient construction has become critically important because the frequency and severity of weather events have increased, and based on trends, their impact will continue to grow.

High-cost weather and climate disasters are becoming more common

63 disasters

Between 2000 and 2009¹



89 billion-dollar events

Between 2018 and 2022²

\$742.1 billion

The total cost of billion-dollar disasters between 2017 and 2021¹

Close to \$150 billion

Annual cost of extreme weather events in the U.S.²

More of us are being affected by severe weather

One of the challenges facing the U.S. is that the construction of many homes and businesses is vulnerable to these weather events. Population growth and development in coastal and wildfire-prone areas are contributing to an increase in the risk of property loss. According to a recent Wall Street Journal article, *“The rising cost of disasters is more about population increases in hazardous areas than climate change itself. [Research] suggests that demographic shifts have caused more than a doubling in expected annual losses since 1970, compared with a 25% increase from climate change.”*³

The potential for catastrophic events isn't limited to hurricanes and wildfires, though: Tornadoes, high winds, winter storms, hail, earthquakes and flooding are risks throughout the country.

Commercial property stakeholders are very concerned about severe weather.⁴

 **62%** Nationally

More than 1/3 of commercial property stakeholders have recently experienced damage from a natural disaster.⁴

36% Nationally

 **65%** Wildfire-risk states

38% Wildfire-risk states

 **70%** Hurricane-risk states

59% Hurricane-risk states

Recovering from severe weather and natural disasters often takes months and thousands of dollars; **49%** of those with damage reported costs between **\$20,000 and \$50,000** and a total recovery time of **4 to 6 months**.⁴

Modern building codes can help protect us, but there's a gap in adoption

FEMA reports that while following modern building codes is one of the best ways to safeguard against the effects of a natural disaster, 65% of U.S. counties, cities and towns are not adhering to them.⁵ Get the details on [building codes](#) in your community.

When an enforced statewide code doesn't exist, officials encourage participation in the Insurance Institute for Business and Home Safety (IBHS) FORTIFIED designation program.

One program example is Strengthen Alabama Homes, which helps homeowners get FORTIFIED roofs. This effort's success was clear after Hurricane Sally affected more than 17,000 FORTIFIED homes.

95% had little to no damage.⁶

The bottom line is that it's critical for our nation's homes and businesses to be built to withstand the impact of severe weather, and we have work to do to accomplish this.



Where Nationwide® stands on adopting modern building codes

We advocate for the mandatory adoption and uniform enforcement of statewide building codes as well as enforceable standards for permits, inspections and building code inspector licensing and training. Strong, enforceable building codes are the simplest and most effective way to protect property, reduce damage, save lives and lessen the need for post-catastrophe federal aid.

Studies show that the costs associated with modern building codes have a significant return on investment:

FEMA's 2020 Building Codes Save study found that enhanced building codes will reduce losses by

\$132 billion between 2000 and 2040.⁵

There's overwhelming agreement on the importance of building codes.

Building code compliance is vital for protecting property from severe weather damage.⁴

99% of commercial property stakeholders nationally

Builders should use the most current code standards.⁴

94% of insurance agents

92% of commercial property stakeholders nationally




It's important to improve local building codes.⁴

89% of insurance agents

84% of commercial property stakeholders nationally

People are willing to make a financial commitment.

The majority of commercial property stakeholders who own their property are willing to spend money to increase their structure's resilience.⁴

	53% Nationally	\$20,000
	57% Wildfire-risk states	\$77,500
	66% Hurricane-risk states	\$50,000

In the absence of statewide codes, local jurisdictions should fill the gaps and protect their community by adopting and enforcing building codes at the local level, specifically Insurance Institute for Business and Home Safety (IBHS) FORTIFIED standards, which offer enhanced protection compared to conventional building codes. These standards should be mandatory.

Nationwide's investment in modern building code adoption

Our commitment to modern building codes includes **research, innovation** and **advocacy** as well as offerings that directly help our members.



We're a founding member of IBHS, which is committed to scientific and objective research to identify and promote achievable, affordable and effective actions that create resilience against loss.



We were instrumental in establishing FEMA's Building Resilient Infrastructure and Communities [grant program](#), which encourages the adoption and enforcement of disaster-resistant building codes through funding and direct technical assistance.



Through products, programs and services, we support building to codes to withstand catastrophic events; examples include our [Better Roof Replacement® endorsement](#) and [wildfire support services](#).



We continue to call on elected officials and policymakers to require buildings to be built to IBHS FORTIFIED building standards.

Taking action together

Together, we can build a more resilient future.



Learn more about [building codes](#) in your community



Learn about [IBHS Fortified standards](#)



Contact your [elected officials](#) about the importance of adopting modern building codes





¹ "2021 U.S. billion-dollar weather and climate disasters in historical context," climate.gov/news-features/blogs/beyond-data/2021-us-billion-dollar-weather-and-climate-disasters-historical (January 2022).

² "The Fifth National Climate Assessment," nca2023.globalchange.gov (accessed November 15, 2023).

³ "Climate Risk Is Becoming Uninsurable. Better Forecasting Can Help," wsj.com/business/entrepreneurship/climate-risk-is-becoming-uninsurable-better-forecasting-can-help-b9c94ca6 (October 30, 2023).

⁴ "Nationwide Agency Forward Commercial Lines Protection Survey," news.nationwide.com/study-shows-agent-commercial-client-differing-views-on-severe-weather-readiness (October 2023).

⁵ "Protecting Communities and Saving Money: The Case for Adopting Building Codes," FEMA (November 2020).

⁶ "Smart Home America: Examples of Success," smarthomeamerica.org/policy/examples-of-successes.

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