



## Building code enforcement information to guide risk assessment at the address level

### Sound local construction standards can impact portfolio profitability

Community building codes and enforcement are critical in anticipating how structures fare in the face of natural disasters such as hurricanes and earthquakes, as well more frequent perils like hail and wind. And it's important to know where construction practices don't measure up.

These perils and risk factors can have major implications not only for the safety of building occupants, but for local economic well-being. Not fully understanding the building standards enforced where you insure properties can leave your portfolio exposed.

### Accurate, trusted building code enforcement and adoption data

The Federal Emergency Management Agency (FEMA) recognizes the importance of code adoption and enforcement in ensuring structures are safe against natural hazards. FEMA turned to the Building Code Effectiveness Grading Schedule (BCEGS®) to track key measures of adherence to disaster-resistant building codes.<sup>1</sup>

The BCEGS program provides information on communities' building code adoption and enforcement practices across the country. Aided by the participation of thousands of local jurisdictions, Verisk is working to promote safer communities.

## Granular classifications of a community's commitment to building code enforcement

BCEGS evaluates hundreds of criteria and examines three main categories:

- capability of code administration and strength of code requirements
- rigor of building plan review
- quality of field inspections

The information has broad application across personal and commercial property portfolios.

BCEGS data is analyzed on a 100-point scale and then aggregated into classifications from 1 to 10, with Grade 1 representing exemplary commitment to building code enforcement.

## Flexible delivery methods

Delivery methods are available to adapt to your business operations, systems environment, and requirements, integrating the information into your rating, policywriting, or consumer quoting system.

Access building code information:

- online through your browser or by connecting to Verisk using a web service API
- as a batch delivery
- through Verisk platforms: LOCATION® and ProMetrix®

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1. 2019 National Building Code Assessment Report

 [verisk.com/LOCATION](https://verisk.com/LOCATION)

 1-800-888-4476



BCEGS has evaluated more than **40,000 U.S. communities** to determine the effectiveness of their code enforcement.

## Effective, well-enforced building codes support communities

Florida's hurricane exposure provided a test bed for tougher building codes. Recent research using ISO industry loss data and BCEGS rating data helped substantiate the value of stronger, well-enforced building codes in reducing wind-related property losses:<sup>1</sup>

- 72% lower windstorm property damage from implementation of the statewide Florida Building Code
- additional reduction of Florida windstorm losses through intensity of local building code implementation using BCEGS rating data
- a \$2 to \$8 reduction in property damage for every dollar spent on compliance

The economic effectiveness of the Florida Building Code serves as an example for other states with windstorm exposure—whether coastal or inland—to consider in examining their own codes.

