

Extreme Weather Events: The Costs of Not Being Prepared

Senate Committee on Homeland Security and Governmental Affairs Hearing, “Extreme Weather Events: The Costs of Not Being Prepared”

February 12, 2014

Witness Panel I

The Honorable David F. Heyman

Assistant Secretary for Policy, U.S. Department of Homeland Security

Ms. Caitlin A. Durkovich

Assistant Secretary for Infrastructure Protection, National Protection and Programs Directorate, U.S. Department of Homeland Security

Mr. Mark E. Gaffigan

Managing Director, Natural Resources and Environment Issues, U.S. Government Accountability Office

Witness Panel II

Mr. Collin P. O’Mara

Secretary, Delaware Department of Natural Resources and Environmental Control

Dr. Paul Kirshen, P.hD.

Research Professor, Environmental Research Group, Civil Engineering Department & Institute for the Study of Earth, Oceans, and Space, University of New Hampshire

Ms. Lindene E. Patton, Esq.

Chief Climate Product Officer, Zurich Insurance Group, Ltd.

Committee Members Present

Thomas Carper (D-DE), Chairman

Ron Johnson (R-WI)

Mark Begich (D-AK)

On February 12, the Senate Committee on Homeland Security and Governmental Affairs held a hearing on “Extreme Weather Events: The Costs of Not Being Prepared.” Discussion included dissemination of scientific information for the purposes of disaster preparedness and changes in insurance costs associated with the Biggert-Waters Flood Insurance Reform Act of 2012 (BW-12).

BW-12 became law as part of the infrastructural overhaul Moving Ahead for Progress in the 21st Century Act (MAP-21) signed by the President in 2012. BW-12 aims to better apply data on coastal erosion levels and changes in sea level to update regional flood maps.

Witnesses focused on BW-12’s ability to foster resilience strategies to mitigate natural disaster damages. These strategies include providing state and local governments access to the best available synthesized scientific data on potential hazards in their jurisdictions, educating the public on the science of the events and how the insurance industry works, investing in stronger infrastructure, and incentivizing states and individuals to invest in such long-term benefit strategies.

Collin O’Mara, from the Delaware Department of Natural Resources and Environmental Control, pointed out that his state was

essentially punished for investing in strong infrastructure when they received little to no Superstorm Sandy relief in 2011. Other states that had not implemented disaster planning were rewarded with large relief checks. O'Mara testified that this punishment coupled with outdated NIFP Standard Codes and an overall lack of motivation to rebuild to higher standards provides incentives for negligence.

Administrative steps to revamp disaster relief include the Department of Homeland Security's National Protection and Programs Directorate's (NPPD) focus on "all hazards," encompassing natural disasters and cyber security. Under the NPPD, the Office of Infrastructure Protection has formed an interagency security committee to address climate change in design basis threat scenarios for infrastructure. NPPD has also created a pilot "Resilience Star" program based on the Energy Star program, to insure stronger homes and extend critical infrastructure. The website Ready.gov informs citizens on preparedness measures.

Witnesses agreed that the federal government, and therefore taxpayers, currently bears the brunt of costs for property and crop damage accrued from increased frequency of disasters. Because many individuals do not have flood damage coverage from private insurance, the Federal Emergency Management Agency (FEMA) often goes over budget in disaster relief resulting in current debt of \$24 billion.

According to FEMA, 20 percent of National Flood Insurance Program policyholders currently pay subsidized rates. The new law immediately increases premiums for a portion of these policies and has the potential to do so on a national scale. Premium increases are currently a subject of congressional debate.

A full archived webcast of the briefing is available at the Senate Committee on Homeland Security and Governmental Affairs website.

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