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NCOIL LAYS FOUNDATION FOR STATEWIDE BUILDING CODES, ADOPTS MODEL ACT

Savannah, Georgia, March 6, 2007 — Legislators at the National Conference of Insurance Legislators (NCOIL) Spring Meeting here laid a foundation for statewide building standards on March 3, when the NCOIL Executive Committee unanimously adopted a proposed Model State Uniform Building Code that encourages development and enforcement of strong construction requirements.

The draft model reflects the latest NCOIL effort to promote mitigation. According to Rep. George Keiser (ND), sponsor of the proposal, “It is critical that state and local governments appreciate the role that building codes play in significantly reducing the impact of natural disasters—including those caused by floods, windstorms, and earthquakes, among others. Perhaps no other policy initiative has a more dramatic ability to lessen the wide-ranging risk of loss.”

The model act would establish structural building requirements in order to minimize losses from wind, flood, and earthquake in areas with significant catastrophe exposure. It also would create a framework for a statewide system of building regulation.

On March 1, during the NCOIL Subcommittee on Natural Disaster Insurance Legislation meeting, numerous parties showed their support for the proposal, including insurance industry and agent representatives, as well as those from the Federal Emergency Management Agency (FEMA), Insurance Services Office (ISO), and the Institute for Business and Home Safety (IBHS).

Following unanimous adoption by the Subcommittee on March 1 and by the Property-Casualty Insurance Committee on March 2, the Executive Committee adopted the draft unanimously on March 3.

Also during the Spring Meeting, the Subcommittee furthered its consideration of a proposed National Association of Insurance Commissioners (NAIC) Natural Catastrophe Risk: Creating a Comprehensive National Plan. The Subcommittee addressed Layer Two, regarding optional establishment of state or regional catastrophe funds and promotion of various mitigation initiatives, but chose not to offer comments to the NAIC at this time.

Following the NCOIL Annual Meeting in November, the Subcommittee conveyed its initial thoughts on Layer One, regarding, among other things, creating a new Federal Natural Disaster Catastrophe Commission to evaluate whether public-sector involvement would be called for and, if so, what triggers
might be appropriate. Layer Three of the NAIC proposal, which the Subcommittee has not discussed, calls for a federal reinsurance program should the Commission see a need for public participation.

The NCOIL Spring Meeting was held from March 1 through 4 at the Savannah Hyatt Hotel & Towers.

NCOIL is an organization of state legislators whose public policy concern is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

For further details, please contact the NCOIL National Office at 518-687-0178.

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