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IRC Study Finds Strong Support for Government Policies to Mitigate Damage from Natural Disasters Before They Happen But Also Finds Lack of Personal Preparation

MALVERN, Pa.— Most Americans favor public policies that could help to mitigate the damage caused by catastrophic natural disasters before they happen, but many Americans remain unprepared for a disaster in their own homes and communities. Nine out of ten adult Americans support the adoption and enforcement of building codes to make new homes stronger and safer. Two-thirds (67 percent) support building codes even when they would add 6 percent to the cost of a new home. These findings are from a new report, *Public Attitude Monitor 2006, Issue 1, Natural Disasters*, from the Insurance Research Council (IRC).

Other public policies relating to natural disaster loss mitigation now being discussed in state legislatures around the country and in Congress also enjoy strong support, according to the survey. A large majority (70 percent) of those surveyed favored the adoption of laws and regulations restricting the construction of new homes in disaster-prone areas, including coastal areas, and 82 percent favored government action and public spending to preserve and rebuild coastal wetlands that act as buffers against hurricanes.

These proactive views toward government policies aimed at mitigating the damage caused by catastrophic natural disasters before they happen contrast sharply with private perceptions of, and actions to promote, personal preparedness. Only 26 percent of those surveyed said they are personally prepared for a natural catastrophe in their community, and only 38 percent have a disaster preparedness kit containing enough food, water, and essential supplies to last at least three days.

The contrast between public views on the role of government in mitigating damage from natural disasters before they happen and personal actions to minimize the personal disruption and financial loss following a natural disaster is particularly stark when it comes to insurance. A large majority (80 percent) of those surveyed favored laws that would require people who live in disaster-prone areas to purchase insurance covering the particular risk involved. However, according to the survey, many homeowners have not purchased insurance to cover disaster risks, even though they indicate they may be at risk for those disasters. For example, of those who report living in an area where a flood could occur or has occurred in the past (not including those also at risk of hurricane), only 20 percent said they have purchased flood insurance

coverage. Of those who report living in an area at risk of having a severe earthquake, 42 percent say they have purchased earthquake insurance coverage.

“Americans clearly want government to take steps to mitigate the damage from catastrophic natural disasters before they occur,” explained Elizabeth A. Sprinkel, senior vice president of the IRC. “This enthusiasm, however, appears to stop at the front door of many households, as many homeowners have not pursued personal strategies to minimize the disruption and reduce the financial impact a natural disaster would cause.”

While the survey found strong support for government policies aimed at mitigating risk before a natural disaster occurs, it found strong opposition to programs and policies that subsidize the cost of insurance for people in high-risk areas. Asked to consider the National Flood Insurance Program as an example, almost six in ten (59 percent) indicated that it is unfair to use taxpayer dollars to subsidize the cost of insurance in high-risk areas. A similar percentage indicated that it is unfair to require policyholders in non-coastal areas of a state to subsidize the cost of insurance for wind damage in coastal areas. Two-thirds (67 percent) also disagreed with the idea of using taxpayer dollars to subsidize the cost of insurance in order to encourage new construction in coastal areas.

The results of IRC’s report, *Public Attitude Monitor 2006, Issue 1, Natural Disasters* are based on a survey conducted by Harris Interactive®, a global market research and consulting company. The survey consisted of self-administered online questionnaires completed by more than 1,400 members of the Harris Interactive multimillion member online consumer survey panel. Results were weighted to adequately reflect the opinions of the total adult population of the United States. The online surveys were completed during a two-week period in late July and early August 2006.

For more detailed information on the study’s methodology and findings, contact Elizabeth Sprinkel by phone at (610) 644-2212, ext. 7568; or by e-mail at irc@cpcuia.org. Or visit IRC’s Web site at www.ircweb.org. Copies of the study are available at \$50 each in the U.S. (\$65 elsewhere) postpaid from the Insurance Research Council, 718 Providence Rd., Malvern, Pa. 19355-0715. Phone: (610) 644-2212, ext. 7569. Fax: (610) 640-5388.

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Support for Natural Disaster Mitigation Policies and Personal Preparedness for a Natural Disaster

