



BUILDING CODES BUREAU

Montana Department of Labor & Industry

Building Safety Month

Building Codes: Driving Growth through Innovation, Resilience and Safety

Week Four – May 23-29, 2016

Building Codes: A Smart Investment



The biggest investment most people will ever make is when they buy a home. Homes represent security, a place where people will live, raise their families, and share life with others. Whether you own or rent a home, following the building codes during construction or remodeling can help protect your health and safety, and your investment as well.

The building codes include research from experts that help ensure every phase of the construction process is done correctly. In addition to helping make your home safe, the building codes can also help make your home more energy efficient, use less water, and conserve resources.

If your construction project does not comply with the codes adopted by your community, the value of your investment could be reduced. Property insurers may not cover work done without permits and inspections. If you decide to sell a home or building that has had modifications without a permit, you may be required to tear down the addition, leave it unoccupied, or make costly repairs.

A property owner who can show that code requirements were strictly and consistently met--as demonstrated by a code official's carefully maintained records--has a strong ally if

something happens to trigger a potentially destructive lawsuit. Your permit also allows the code official to protect the public by reducing the potential hazards of unsafe construction and ensuring public health, safety, and welfare. By following code guidelines, the completed project will meet minimum standards of safety and will be less likely to cause injury to you, your family, your friends, or future owners, plus you'll benefit from the best energy efficiency construction techniques that will continue to pay you back for the life of your home.

Invest wisely in your home or remodeling project. It's a smart investment to build and remodel your home to the latest codes.

Cost Implications in Areas Subject to Natural Hazards

While hazard mitigation can increase the costs of building in a hazard-prone area, benefits such as potential reductions in insurance premiums and reduced repair time following a natural disaster may offset the higher costs. In the floodplain, the latest building codes incorporate higher standards that reduce risk and can reduce insurance premiums. Examples in FEMA's Coastal Construction Manual show that adding one foot of freeboard above the base flood elevation can reduce annual flood insurance premiums by approximately 20-45%.

Insurance should never be viewed as an alternative to damage prevention, but hazard insurance to offset potential financial exposure is an important consideration and sometimes a requirement for homeowners in areas subject to natural hazards. Flood insurance is offered through the NFIP in participating communities and is separate from homeowners insurance. Wind insurance coverage is generally part of a homeowners insurance policy, but private companies offer last resort insurance to homeowners in coastal areas in some states. Earthquake insurance is an addition to a regular homeowners insurance policy.