

Building Financial **Resilience** to Floods



I Assure that you need to Insure to Ensure Financial Resilience | **Anonymous**



of Hurricane
Harvey flood
victims did not
have insurance



43% of homeowners think standard homeowners insurance
covers damage caused by flooding from heavy rain

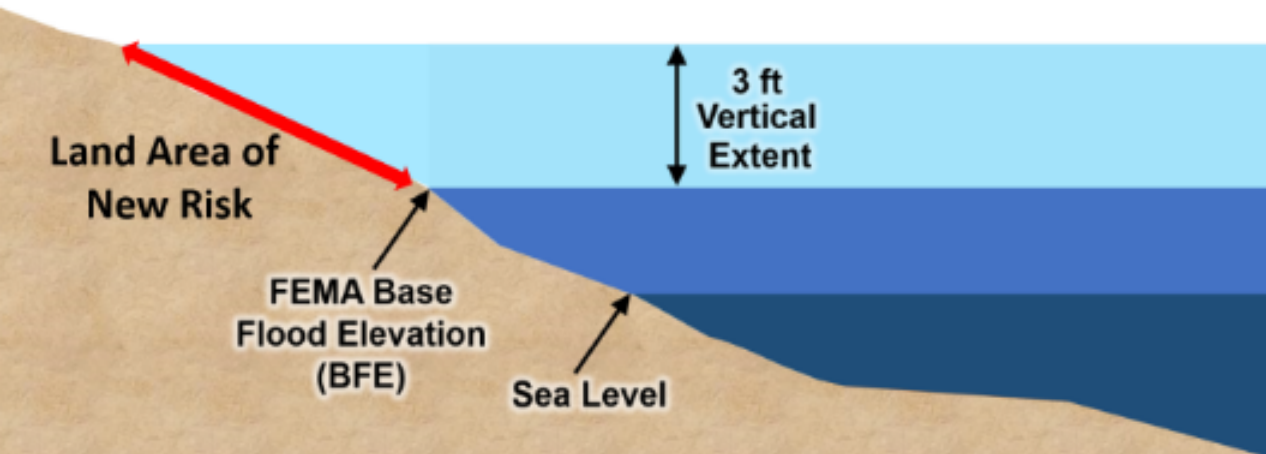
The Questions

- 01 Is Flood Insurance a Merit Good?
- 02 Can we Target Subsidies?
- 03 Benefits of Targeted Subsidies?
- 04 Costs of Targeted Subsidies?
- 05 Can Benefits Outweigh Costs?
- 06 Can You Help us Frame an Analysis?

Coast Smart

Vertical Increase

- Land
- Sea Level
- FEMA 100 year Floodplain
- 100 year + 3ft



The 100-Year Floodplain
is becoming outdated by
Climate Change

Can We Target Insurance?

We can buy flood insurance a lot faster than we can design & build mitigation measures

Flood Elevations

- 100-Year Level 
- Plus 1 foot 
- Plus 2 feet 
- Plus 3 feet 



The GIS Analysis is being done in Maryland for Tidal and Inland Flooding

The Answer is likely YES

What are the Benefits?



Protect Tax Revenues & Bond Ratings

Shield State and Local tax revenues, and bond ratings from losses.

Avoid Direct Costs

Government, homeowners and businesses avoid direct costs of flood events, like direct government assistance, rebuilding costs and lost business activity.

Insurance Claims Boost Economy

Insurance claims after a flood are injected into local economy through building supply stores and local contractors. State and local government receive tax revenue.

Can we estimate ranges and conduct the analysis using them?

What are the Costs?



Marketing, Promotion, Outreach

Invest in the increased purchase of flood insurance in areas with higher risk.

Subsidies & Inducements

Invest in subsidies and other inducements that will increase the purchase of flood insurance.

Research & Administration

Costs will include research into social behavior change, targeting and program administration.

The cost of Insurance outside the 100-yr floodplain starts at \$325/yr



If more people in high risk areas
have flood insurance,
Maryland will be
more financially resilient.

Can we find a Revenue Neutral Balance?

What is *our immediate request?*

1/2

The purpose of this request for financial coaching is to assess whether this concept warrants further development or is fatally flawed.

What is *our immediate request*?

2/2

If not fatally flawed, the outcome would be a refined description of the concept, which could be used to secure resources for further research and development of the concept.

Thank you

I hope this outline helped!