



Connecticut Catastrophes

NFIP, Rising Waters, and the Flood Ins Risk

By George Bradner, Property Casualty Director
Connecticut Insurance Department (CID)





Our Risks...

- Coastal Property: \$479.9 billion worth of property insured on CT coastline, 6th highest of 18 Atlantic states
- Value of insured coastal property: Comprises 64 % of all insured property in the state, 2nd only to FL
- Trees: Nearly 60% of CT is forested. One of the most heavily forested states, among the most densely populated





Storms By The Numbers

| Storm | Claims | Claims \$ Paid | Complaints to CID |
|-----------------|---------|----------------|-------------------|
| Sandy (2012) | 61,791* | \$493M | 134 |
| Irene (2011) | 60,000 | \$235M | 237 |
| 2011 Nor'easter | 93,000 | \$247M | 60 |
| Winter 2010-11 | n/a | \$165M | n/a |

* 96 percent closed through September 2013





Question Time!

- ▶ Where Irene and Sandy Hurricanes?

NO





NFIP Facts

- ❑ NFIP is a Federal Program
- ❑ Created by Congress through the National Flood Insurance Act of 1968
- ❑ FEMA produces the flood maps and makes flood insurance available to residents in participating communities
- ❑ FEMA and NFIP develop their own rates

Source: FEMA/NFIP



Connecticut Flood Facts

- ❑ Approximately 45% of CT properties are subsidized
- ❑ Since 1978 as of 10/31/2013
 - ❖ Premium Paid – \$469,361,099
 - ❖ Losses Paid – \$492,941,728
- ❑ Pure Loss Ratio (PLR) of 105%
- ❑ Excluding Sandy losses PLR is 54%
 - ❖ Sandy claims for CT \$251.3M paid

Source: FEMA/NFIP

Question?

- ▶ Does your homeowner policy cover flood insurance?
 - Answer: NO!!
- ▶ I live outside of a high-risk flood mapped area and don't need flood insurance!
 - FACT: People outside of mapped high-risk flood areas file nearly 25% of all National Flood Insurance Program flood insurance claims





Sandy By The Numbers

| Sandy FEMA Numbers | # Applicants / Claims | Eligible Applicants | Claims \$ Paid | Average Paid |
|------------------------|---|---------------------|----------------------------------|--------------|
| *Individual Households | 12,458 | 2,970 | \$15.4M | \$5,189 |
| SBA | 9,781 <small>Apps issued</small> 1,870 <small>Received</small> | 834 | \$52.4M | \$62,928 |
| **NFIP | 6,173 | **5,511 | \$251.3M | \$43,497 |
| Public Assistance | n/a | n/a | \$86.2M <small>Estimated</small> | n/a |
| Total | | | \$405.3M | |

*IHP MAX AWARD: \$31,900 X 38 AWARDS (as of 3/2014)

** As of January 2014



- ▶ WHAT IS THE RISK.....
- ▶ Floods are not going away....
- ▶ Frequency of Flooding and catastrophic events are increasing!



CT Open Disasters

- ▶ January 2011 Record Snowstorm (FEMA DR 1958)
Public Assistance Damages (100%): \$18.3 million
- ▶ Tropical Storm Irene August 2011 (FEMA DR 4023)
Public Assistance Damages (100%): \$62.5 million
Individual Assistance Damages: \$ 9.5 million
SBA Loans (Business and Residential): \$11.7 million
- ▶ October Nor'easter October 2011 (FEMA DR 4046)
Public Assistance Damages (100%): \$114.5 million
- ▶ Super Storm Sandy October 2012 (FEMA DR 4087)
Public Assistance Estimated Damages (100%): \$86.2 million
Individual Assistance Estimated Damages: \$14 million+
SBA Loans (Business and Residential): \$47 million+
- ▶ February 2013 Severe Winter Storm (Pending)
Public Assistance Estimated Damages (48-hr) \$43.7 million

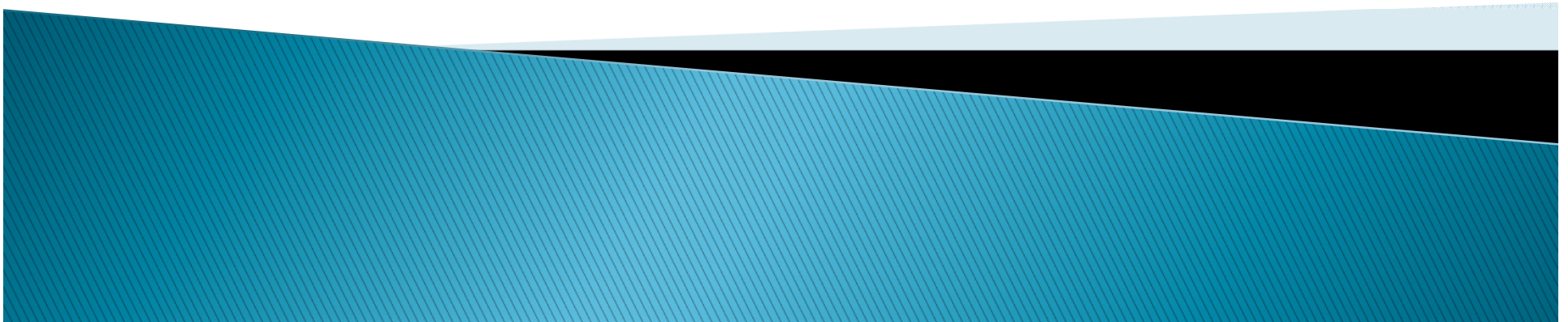




Melting glaciers threaten global sea levels

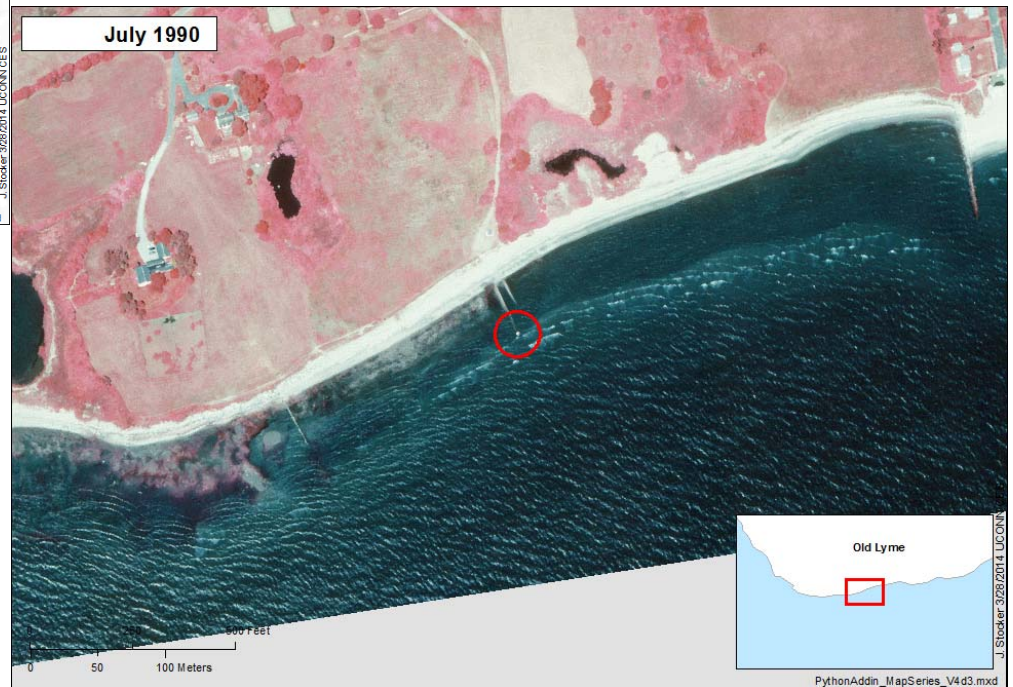
CNBC Article 5/2014

- ❑ A large part of the West Antarctic ice sheet appears to be in an "unstoppable" decline meaning global sea level rise predictions will have to be revised, scientists have found.
- ❑ Glaciers in the Amundsen Sea that contain enough ice to raise sea levels by four feet (1.2 meters) are thawing faster than expected and there is nothing to stop them melting into the ocean, according to a study based on 40 years of observations by researchers from the Nasa space agency and the University of California, Irvine.





Sea Level Rise 1880 – 1990



Sunset Beach Branford, CT



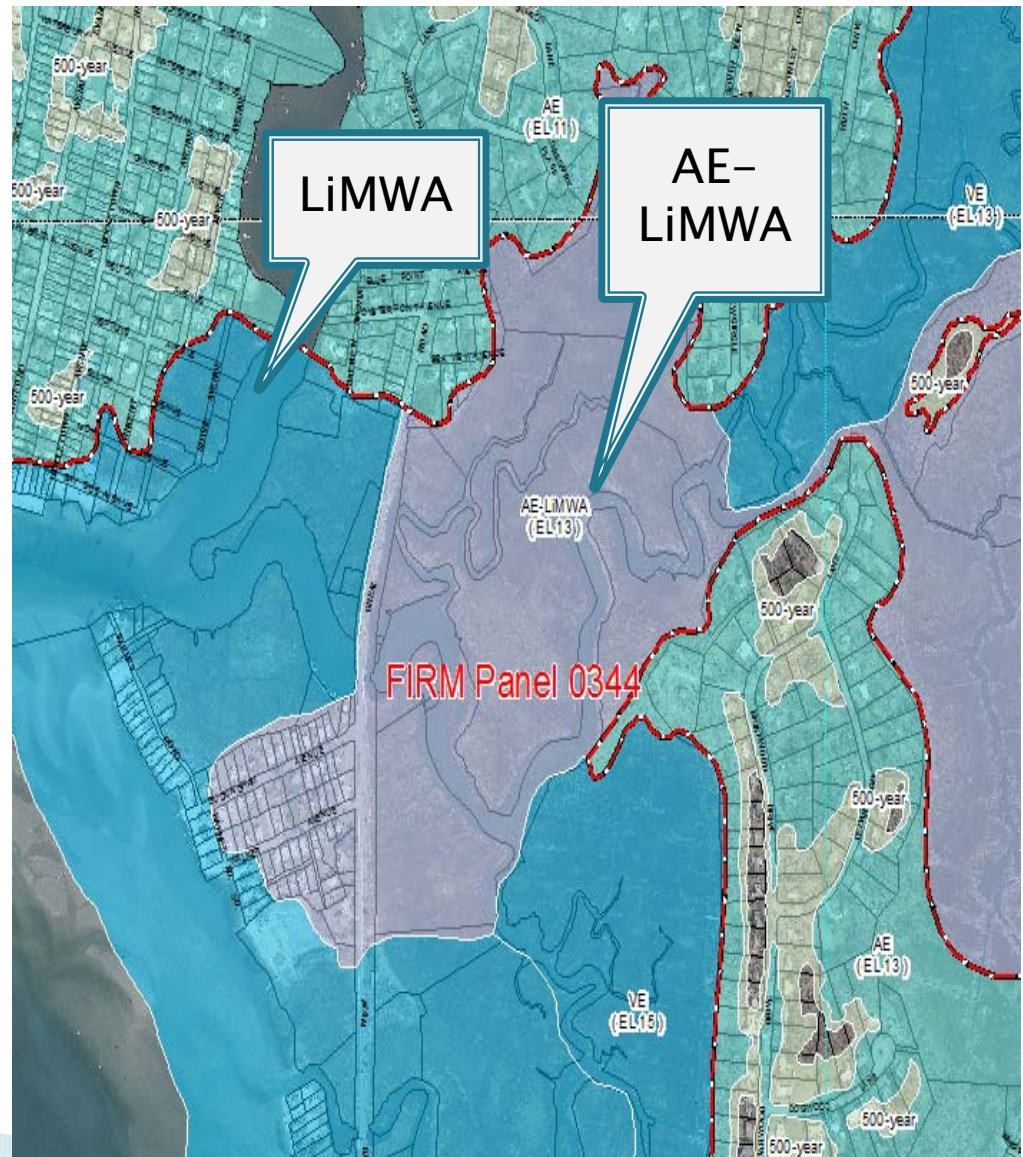


CT Coastline



Flood Ordinance – Higher Standards

Old Saybrook was the first CT town to adopt FEMA's Limit of Moderate Wave Action (LiMWA) in the AE Zone and requires that construction meet the higher standards of the VE Zone.



Building Code – 2009 International Residential Building code eff 2/1/2014

- ▶ **WIND BORNE DEBRIS REGION.**

Areas south of Interstate 95 in the following municipalities:

Clinton, East Lyme, Groton, Madison, New London, Old Lyme, Old Saybrook, Stonington, Waterford, and Westbrook.



Building Code – Impact Resistant Windows

- ▶ New construction or remodeling now requires the use of impact resistant windows within 1 mile of the LIS coast.
- ▶ Exception:
 - Wood structural panels with a minimum thickness of 7/16 inch and a maximum span of 8 feet shall be permitted for opening protection in one.
- ▶ Applies to all new construction or remodels >50%





PRIVATE FLOOD INSURANCE

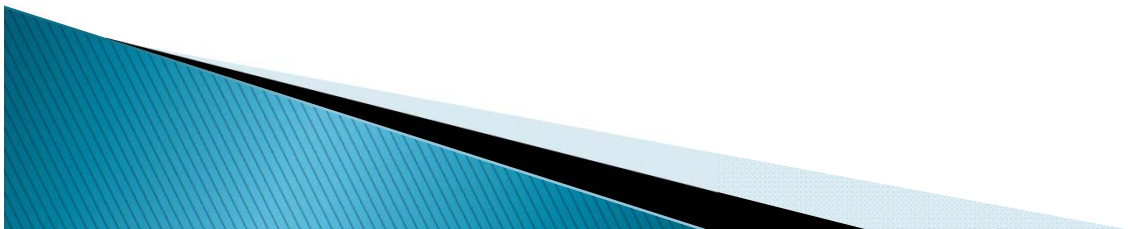
- ❑ BW-12 calls for a Private Market mechanism to compete with the NFIP
- ❑ BW-12 requires Fannie Mae to accept flood insurance from private providers as an alternative to NFIP policies.





Private Flood Market is Developing

- ❑ The Private Market Flood program backed by underwriters at Lloyd's of London.
 - Available for single family dwelling and 2 to 4 family residential buildings.
 - Available for over 5 multi-unit residential buildings.
 - Available for commercial buildings with replacement cost under \$5 million.
 - Available for "A" Zones and "V" zones.
 - No Elevation certificates required.
- ❑ Target markets will be:
 - All FEMA premiums in excess of \$1000.
 - Non-primary residences.
 - Commercial buildings.
 - Apartment buildings.





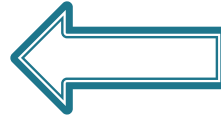
Ike - 2008



Galveston, Texas



Stronger Homes, Stronger Market



- Fewer losses
- Carriers stay in the market
- Accessibility & affordability



High Risk Area
High Premiums
Carriers leave market
Few choices for consumers

CT Recovers Web Site

<http://www.ct.gov/ctrecovers>



RESOURCES & OPPORTUNITIES

RESIDENTS

BUSINESSES

MUNICIPALITIES

HOME

LONG-TERM RECOVERY COMMITTEE

RESILIENCY RESOURCES

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LONG-TERM RECOVERY COMMITTEE

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The Connecticut Long Term Recovery Committee (LTR) is one of 14 Emergency Support Functions that comprise the *State Response Framework*. Since early 2012, the LTR Committee has been building a framework for the state to support long-term recovery of our communities through:

- Coordination of federal, state and local government resources and expertise
- Involvement of business and nonprofit sectors
- Education & outreach
- Mitigation and risk reduction programs & policies



2-1-1

Working Groups

Natural & Cultural Resources coordinates departments and agencies to provide information and assistance to communities that want to preserve, protect and restore natural and cultural resources during recovery.

Contacts: Daniel Forrest: Daniel.Forrest@ct.gov
Peter Francis: Peter.Francis@ct.gov

Community and Capacity Building coordinates expertise for communities in planning and implementing pre- and post-disaster recovery programs, with an emphasis on hazard mitigation.

Contacts: Mike Muszynski: mmuszynski@ccm-CT.org
April Capone: April.Capone@ct.Gov

Economic focuses on activities to help communities efficiently and effectively restore economic and business activities while adapting to market changes brought on by catastrophic events.

Contacts: Peter Lent: Peter.Lent@ct.gov
Stan Sorkin: ssorkin@ctfoodassociation.org
Paul Ryan: pryan@aosinc.com

Individual Assistance (Including Housing and Volunteer Organizations Active in Disasters) helps coordinate available housing and individual assistance needs and identifies gaps in services and delivery.

Contacts: Kenneth Dumais: Kenneth.Dumais@ct.gov
Dakibu Muley: Dakibu.Muley@ct.gov
Richard Branigan: Richard.Branigan@redcross.org

RESIDENTS

BUSINESSES

MUNICIPALITIES

COMMUNITY PLANNING AND CAPACITY BUILDING

Mission

The Mission is to support and build recovery capabilities and community planning resources of state, local and Tribal governments that are needed to effectively plan for, manage and implement resiliency measures for community disaster recovery activities.



2-1-1

Members

- Co-Chair April Capone, Office of Policy and Management
- Co-Chair Mike Muszynski, CT Conference of Municipalities
- Tessa Gutowski, Div. of Emergency Management & Homeland Security
- Gary Pescosolido, Dept. of Education
- Carla Feroni, Dept. of Energy & Environmental Protection
- Brian Thompson, Dept. of Energy & Environmental Protection
- TBD, Region 1 Long-Term Recovery Coordinator
- Bill Richards, Region 2 Long-Term Recovery Coordinator
- TBD, Region 3 Long-Term Recovery Coordinator
- TBD, Region 4 Long-Term Recovery Coordinator
- Martin Connor, Region 5 Long-Term Recovery Coordinator
- TBD, Region 6 Long-Term Recovery Coordinator
- TBD, CT Association of Regional Planning Organizations
- Dan Forest, State Historic Preservation Organization
- Matt Knickerbocker, Council of Small Towns
- Erron Smith, CT Economic Resources Center
- Ed Sarabia, Mohegan/Pequot
- Alicia Woodsby, Partnership for Strong Communities
- Jeff Bolton, Division of Construction Services
- TBD, College/Universities
- John E. McCahill, CT Association of Zoning Enforcement Officers
- Chris Wood, CT Chapter of American Planning Association
- Bonnie Stewart, CBIA
- Kim Barrows, CT Association of Zoning Enforcement Officers
- Laurie Whitten, CT Association of Zoning Enforcement Officers
- John Simone, CT Main Street Center
- Jonathan Best, Department of Public Health

Objectives

- Integrates mitigation, recovery and other pre-disaster plans and activities into state and local, community-wide planning and development activities, such as comprehensive plans, land use plans, economic development plans, affordable housing plans, zoning regulations and municipal ordinances and other development regulations through technical assistance.
- Coordinates the provision of resources of federal, state, local and non-governmental agencies for recovery planning technical assistance and to support recovery and capacity needs in a variety of government functional areas (e.g., city management, financial management, hazard mitigation and risk assessment, project management, damage assessment, building inspection and permitting); coordinates resources to address other skill sets that communities often lack capacity after large-scale and catastrophic disasters.



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Government Organization

Connecticut Recovers is a clearinghouse for services available in the aftermath of disaster and for information on building resiliency throughout the state



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April 29

Unmet Needs: A number of private, non-profit and volunteer groups coordinate with state and federal agencies to provide a variety of services – financial, technical, housing, cleanup and more – for residents who continue to recover from disasters and

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Connecticut Recovers

April 29



Questions

After the Storm.....the calm

