Overcoming Misperceptions About Flooding
How Local Officials Can Help

Texas Floodplain Management
April 16, 2015
Sara Rassi, FloodSmart
Today’s Discussion

• Review recent research on homeowners’ and insurance agents’ perceptions of flood risk and flood insurance.

• Discuss key misperceptions and how to address them.

• Illustrate how FloodSmart tools aid the dialogue.
Review of Research
• Reviewed awareness and interest in the NFIP and flood insurance.
• Provided insight into the buying and selling behavior of homeowners and agents.
• Second year Fors Marsh conducted the study.
• Revealed a consistent pattern—denial of risk.
Why Buy or Sell Flood Insurance?

Homeowner: Why I Buy

- Peace of mind: 59%
- Flood damage can be expensive: 45%
- I'm required to have flood insurance by my lender or law: 31%

Agent: Why I Sell

- Flood damage can be expensive: 65%
- I want to be a one-stop shop for all of my customers' insurance needs: 48%
- My customer lives in a floodplain: 46%
Why Not?

Homeowner: Why I Don’t Buy

Agent: Why I Don’t Sell
### Agent: Why Homeowners Said No

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Reason</th>
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<tbody>
<tr>
<td>60%</td>
<td>They do not believe they are at risk</td>
</tr>
<tr>
<td>44%</td>
<td>They do not live near water</td>
</tr>
<tr>
<td>43%</td>
<td>They think flood insurance is too expensive</td>
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<tr>
<td>36%</td>
<td>They don’t believe in the severity of the consequences</td>
</tr>
<tr>
<td>36%</td>
<td>They think flood insurance is a waste of money</td>
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• Studied homeowners at high risk in New York City post-Sandy.
• Looked at flood risk perception and the decision to purchase flood insurance.
• Key finding—following a disaster, people acknowledge the flood risk but still **underestimate** the resulting damage.
Misperceptions of Flood Risk
Our Challenge: Overcome Consumer Misperception and Denial

- “My home is not at risk.”
- “Maybe I am at some risk, but how bad can some water damage be?”
- “Anyway, flood insurance is too expensive.”
Misperception #1: I’m Not at Risk
Most homeowners underestimate their home’s risk of flooding.
Personalizing the Risk

Flood Risk Scenarios

Risk MAP Depth Grid

Levee Simulator

IF THE LEVEE BREAKS
Living near a levee means living with risk.
Misperception #2: Maybe I Am at Some Risk, but How Bad Can It Be?

86% believe they live in a floodprone area.

Only 39% of these homeowners expect damage from a flood to be costly.
Educate about the Consequences

The Cost of Flooding

Measure Your Damage

All it takes is a few inches of water to cause major damage to your home and its contents. This interactive tool shows you how much your home could cost, inch by inch.

Typically, there is a 30-day waiting period on new flood insurance policies.

6 inch flood

FIND AN AGENT

Estimates are for illustrative purposes only and should not be used to estimate any actual flood loss. A flood certified insurance adjuster making a room-by-room item-by-item, detailed estimate of covered flood damage is the only estimating method approved by and acceptable to the National Flood Insurance Program. These estimated costs are based on an average U.S. home of 1,000 and 2,000 square feet, built on a slab and with typical household items. Costs vary from state to state and home to home.

The Cost Of Flooding

$39,150

2,000 Square Foot Home

See 1,000 Square Foot
Educate about the Consequences

FLOODING & FLOOD RISKS: Floodsmart Video Library

THE LUSKS: SO MANY PEOPLE WERE LEFT WITH NOTHING
3 min 30 sec Transcript
A levee breach devastated their Des Moines neighborhood. Without flood insurance, they would have lost everything.

Atlanta: Two looks at the same flood
3 min 4 sec Transcript
In late 2009, several days of heavy rain in the Atlanta area brought unexpected flooding. Two victims discuss how they dealt with the damage.

Bertie Midgett
A look at Hurricane Irene's destructive force along the North Carolina coast.
2 min 53 sec
View Transcript

A Business Story: "It's worth the peace of mind"
Heavy rain and snowmelt almost ruined their dream.
2 min 46 sec
View Transcript

Are you FLOODSMART?
Misperception #3: Flood Insurance Is Too Expensive

<table>
<thead>
<tr>
<th></th>
<th>2014 Average Premium</th>
<th>2014 Average Claim</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-Risk Flood Area</td>
<td>$779</td>
<td>$23,033</td>
</tr>
<tr>
<td>Moderate- to Low-Risk Flood Area</td>
<td>$420</td>
<td>$27,888</td>
</tr>
</tbody>
</table>
Additional Tools to Help Communicate Risk
FloodSmart.gov/Partners

Community Resources

Tools & Resources

FloodSmart offers a range of resources, including interactive tools, widgets, toolkits, and materials, you can use to educate Americans about the impact of flooding and what they can do to protect themselves. Help connect individuals to the information they need to make informed decisions by sharing these resources via your website, blog, social networks, and other communication channels.

How are you making your community FloodSmart?

We are always looking to hear from individuals, communities, and organizations. Tell us what you are doing to prepare your community for flooding so that we can share your story with others.

Cost of Flooding

Include this tool on your website to educate individuals about the high cost of a flood to a home.

Launch Tool

Share This Tool
Other FloodSmart Resources

Seasonal Widgets

Infographics

Toolkits
Community Examples

Houston, Texas

Georgia Association of Floodplain Management

Flood Insurance is an important part of protecting your biggest investment, your home. Protecting your home from financial loss is easy. Purchasing flood insurance from an Licensed NFIP Insurance agent can help you protect you in case of a flood. To see a participating insurance agent, visit the FloodSmart Agent Locator.

For more information on the NFIP Program and other FEMA related information please visit FEMA’s FEMA National Flood Insurance Programs website.

Please use the following tool below to help understand the potential cost of flooding. This tool is provided by FloodSmart - The Cost of Flooding.

(You must have the Adobe Reader Flash player installed on your computer for the simulator to work.)

The Cost Of Flooding

Select a sample home size.

1,000 Square Feet

2,000 Square Feet

Are you FLOODSMART?
What to Say

• Know your risk.
• Understand your risk.
• The consequences can be significant.
• You can reduce your flood risk through mitigation efforts.
• You can reduce your financial risk through flood insurance.
Questions

FloodSmart.gov/Partners

Call toll free: 1-888-379-9631 or have us call you

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There is a 30-day waiting period on new flood insurance policies.

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