

FOCUS AREA: INSURANCE AFFORDABILITY & AVAILABILITY

Insurance prices should not dictate who lives on the Gulf Coast. By strategically exploring strategies for addressing insurance challenges, we are improving the existing insurance system while working towards larger transformational changes.



RISK TRANSPARENCY

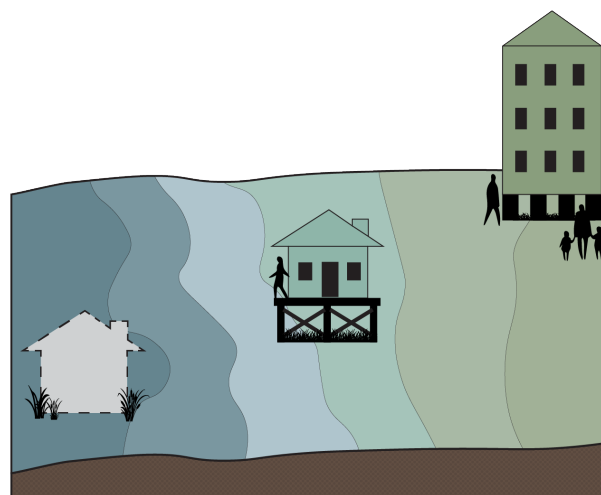
The Center will find pathways to incorporate insurance-based risk assessments into individual and community decision making.

GOALS

SHORT TERM. More community officials and leaders are aware of how to leverage flood risk insurance information for development siting and design.

MID TERM. Affordable housing and local development practices better incorporate flood risk and insurance considerations.

LONG TERM. Affordable housing is more resilient.



Insurers' risk assessments can be used to inform housing design and location to reduce risk of future damages.

SDOH ALIGNMENT:



CLIMATE VULNERABILITY
ALIGNMENT:



PROJECT SPOTLIGHT

IMPROVING BUILDING RESILIENCE. Much of the forward-looking risk information is held by insurers and is inaccessible to local stakeholders like realtors, building officials, and affordable housing developers. To improve development practices and reduce future flood damages, the Center will explore ways to inform the design and siting of affordable housing using flood insurance's risk information.



The Water Institute's staff engages community members at French Quarter Fest in activities demonstrating the importance of healthy shorelines in reducing risk.



ADDRESSING INACCURACIES IN RISK ASSESSMENTS

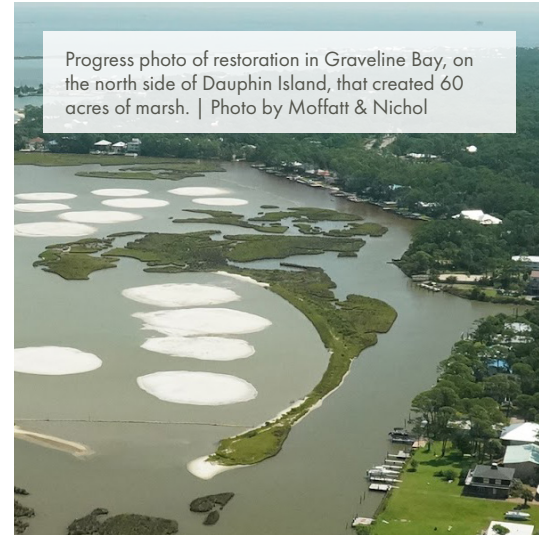
The Center will pilot approaches to understand how the implementation of risk reduction measures can impact pricing of flood insurance.

GOALS

SHORT TERM. Practitioners and stakeholders have a greater understanding of which mechanisms or pathways will foster premiums that more accurately reflect risk.

MID TERM. More families can afford insurance because of systematic inclusion of risk reduction measures in premium assessments for ecosystem restoration and flood mitigation projects.

LONG TERM. Close explicit and implicit gaps in the existing insurance system.



Progress photo of restoration in Graveline Bay, on the north side of Dauphin Island, that created 60 acres of marsh. | Photo by Moffatt & Nichol

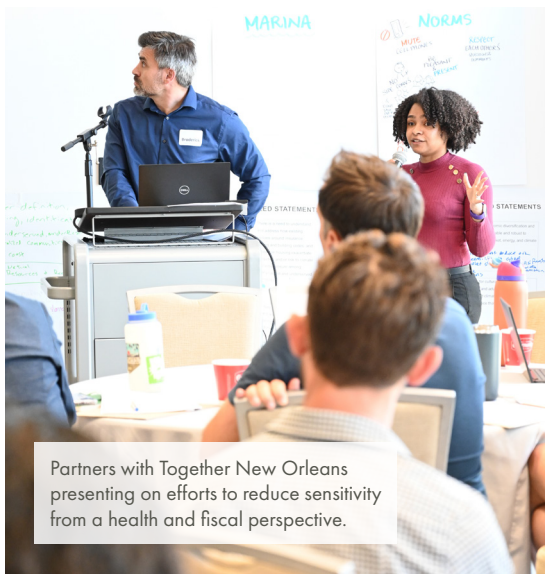
PROJECT SPOTLIGHT

DAUPHIN ISLAND, ALABAMA. The Center is working with Munich Re and Moffatt and Nichol to connect marsh restoration to flood insurance premiums. The Center will test if a recent project that created over 60 acres of restored marsh and its modeled risk reduction result in lower premiums for adjacent homeowners. This project will help understand a key uncertainty of the NFIP's new Risk Rating 2.0 pricing model: how do large-scale restoration and mitigation projects impact premium pricing?

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Partners with Together New Orleans presenting on efforts to reduce sensitivity from a health and fiscal perspective.



FLEXIBLE & RESPONSIVE INSURANCE PRODUCTS

The Center will undertake pilots to explore the processes, communications, and structures needed to increase the availability of more flexible and affordable risk products.

GOALS

SHORT TERM. Practitioners and stakeholders understand the potential role of parametric and similar products, while low-income residents participating in the pilot have immediate cash on hand post-disaster.

MID TERM. Insurance is more accessible and affordable leading to a greater uptake in insurance coverage, and future pilots are better designed and implemented.

LONG TERM. Negative outcomes are reduced and safety and community cohesion are increased after a disaster.

PROJECT SPOTLIGHT

COMMUNITY-BASED CATASTROPHE INSURANCE (CBCI). This promising approach to closing the disaster aid gap can be structured with community partners or other institutions to secure widespread coverage for its membership. CBCIs are often structured as a kind of parametric insurance, where rather than a conventional indemnity policy, pre-agreed payouts are triggered automatically if the parameter (such as specific wind speed) is met.

SDOH ALIGNMENT:



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