

# CONNECTING MARSH RESTORATION TO FLOOD INSURANCE PREMIUMS

- ◇ *FEMA's Risk Rating 2.0 system for pricing flood insurance premiums is difficult to understand, and increasing premiums are expected to put further strain on coastal residents*
- ◇ *Gulf Coast states and federal partners are investing in risk reduction projects like marsh restoration, but those projects aren't considered in FEMA's calculations that set prices for flood insurance.*
- ◇ *What can be done to ensure that flood insurance prices account for reduced risk from successful restoration projects?*

With funding support from the Gulf of Mexico Alliance, we are undertaking a pilot project in Dauphin Island, AL to understand how marsh restoration projects with verifiable risk reduction can impact flood insurance premiums.

The average cost of flood insurance on Dauphin Island is currently \$1,037, but is expected to rise to \$2,379—an increase of 129%. However, in Graveline Bay, a recent marsh restoration project has added over 60 acres of marsh. Nearby homeowners should have reduced flood risk from this project—but is that reflected in their flood insurance premium?

## OUR PROJECT WILL:

- Work with engineering and reinsurance partners to assess the risk reduction from the project and any subsequent changes in actuarial risk
- Engage with approximately 40 nearby residents to discuss their flood insurance, Risk Rating 2.0, and the goals of this project
- Create communications materials for each home with their change in flood frequency and corresponding reduction in actuarial risk
- Support residents in sharing this information with their insurance company
- Troubleshoot roadblocks and share progress



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

