


Frontline Families & Communities Facing Flood Insurance

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NJRP/NJOP

Just over 5 years ago, I helped to start the New Jersey Resource Project, and our sister organization the New Jersey Organizing Project with 9 Sandy survivors who had no hope and nowhere to go two years after the storm.



Flood Insurance: An Outside Perspective

→ Making Middle States Pay

A taxpayer program that people from other states pay into so that coastal states can get billions for living places people shouldn't live.

→ Coastal Elites

A program for wealthy beachfront homeowners.

→ Risky

A financial failure that encourages risky development.

Our Story: Flood Insurance & Rising Seas



Rising Seas

New Jersey is one of the fastest warming states in the country: New Jersey's average temperatures have risen nearly 2 degrees Celsius since 1895 — double the average for the Lower 48 states.



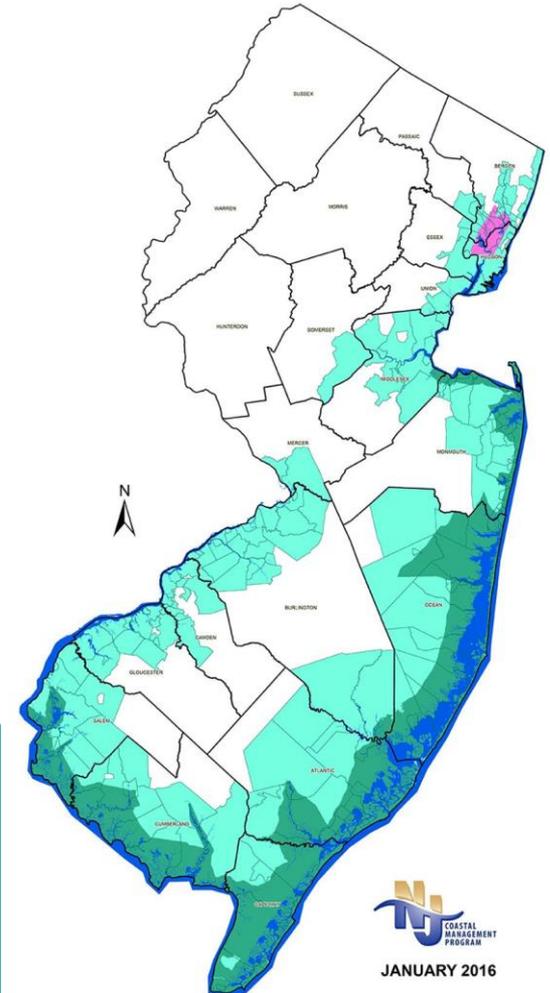
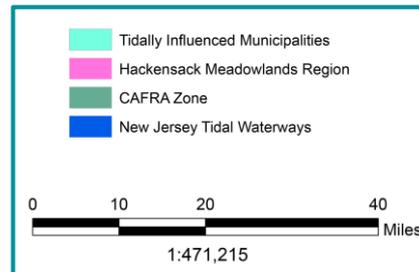
Sea level at Atlantic City has risen

17.6 inches

since records began in 1911.

Sea level rise affects both “tidal” flooding and flooding from storms and nor’easters

- 239 municipalities
- Almost 95% of New Jersey municipalities have submitted and received a payout from a flood insurance claim between 1978 – 2007.
- [New Jerseyans have submitted more than 190,000 claims, with about 83 percent paid a total of \\$5.9 billion.](#)
- New Jersey currently has 508,000 residents who live in a FEMA 100-year floodplain, or have a 1 in 100 chance of flooding each year



A Tale of Two Homes - Same Coverage



Maximum coverage for home: \$250,000
Maximum coverage for contents: \$100,000
Total: \$350,000



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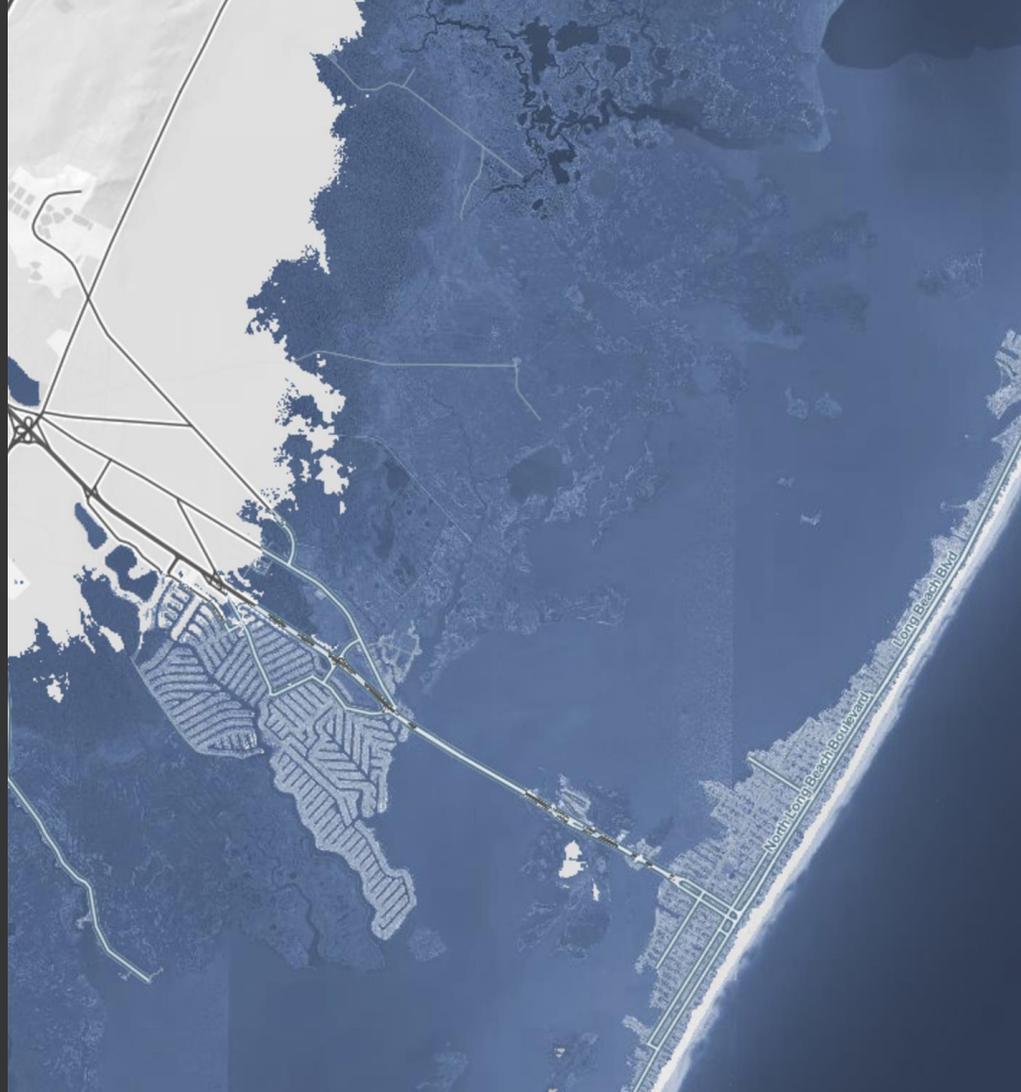
A person is standing in a field of debris and rubble, likely the remains of a destroyed building. The scene is filled with scattered wood, metal, and other materials. In the background, there is a dense forest of trees. The overall tone is somber and desolate.

The majority of people who need flood insurance have no idea that they can get it, and that they deserve flood protection that is affordable and puts families first.

Homeowners, Renters, Manufactured Homeowners

41 million people total

28 million more than the 13 million
FEMA currently estimates.





FEMA

Yes, renters can buy flood insurance

Release date: May 4, 2018

Release Number: NR-205

Austin, Texas – Flood insurance isn't just for homeowners and businesses. If you are a renter, you can buy a policy from the National Flood Insurance Program (NFIP) to cover contents up to \$100,000.

The difference between a NFIP renters policy and a traditional renters insurance policy is that the NFIP policy covers your personal property and contents during a flood event. The cost of the policy is based on several factors including the flood risk of the building in which you live.

If you are a renter in low-to-moderate risk areas, you may be eligible for a Preferred Risk Policy. These policy premiums are the lowest premiums available through NFIP. Nearly 26 percent of all NFIP flood claims occur in the low-to-moderate risk areas.

If you live in an area that has a high risk for floods, a standard rated policy is the only option for you.

Renters flood insurance premiums are calculated based on factors such as:

- Year of building construction
- Building occupancy
- Number of floors
- The location of your contents
- The flood risk (i.e. flood zone)
- The location of the lowest floor in relation to the elevation requirement on the flood map (in newer buildings only)
- The deductible you choose and the amount of coverage

Flood Insurance Can Fail Frontline Families

Flood Insurance is very expensive, and, it turns out, can completely fail you. And neither of those are acceptable given the increased risk we all face from flooding.

SuperStorm Sandy

Superstorm Sandy hit the Northeast coast of the United States on October 29, 2012 and left a devastating aftermath.

- The superstorm was responsible for the deaths of 72 people in the U.S., caused billions of dollars of damage to coastal communities, and displaced thousands of people.
- In New Jersey alone, the storm damaged 346,000 homes and 1,400 boats, affected 70 drinking water systems, and significantly eroded the coastline.
- Out of the 346,000 homes damaged, 55,000 primary residences were substantially damaged or destroyed.
- These include approximately 40,000 homes owned and 15,000 homes rented by Sandy survivors.



OCTOBER 2017

THE LONG ROAD HOME

UNDERSTANDING SANDY RECOVERY AND LESSONS FOR FUTURE STORMS FIVE YEARS LATER

NJRP

UNDERPAYMENT OF FLOOD CLAIMS

DOLLAR AMOUNT OF
DAMAGE REPORTED



10%



19%



24%



48%



DOLLAR AMOUNT OF
CLAIM RECEIVED



28%



38%



28%



5%



\$0 - \$25,000

\$25,001 - \$75,000

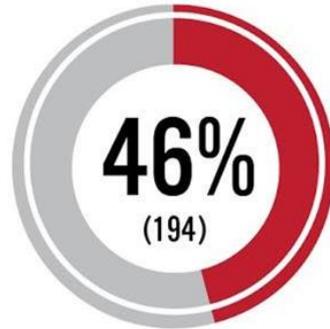
\$75,001 - \$150,000

OVER \$150,000

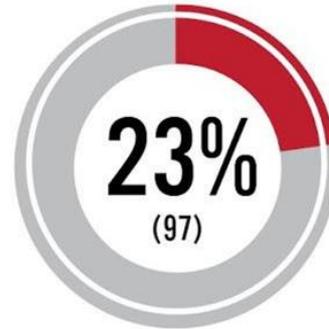
WHAT FUNDING SOURCES DID YOU USE, OR WILL YOU NEED, IN ORDER TO FINANCE YOUR REPAIRS?



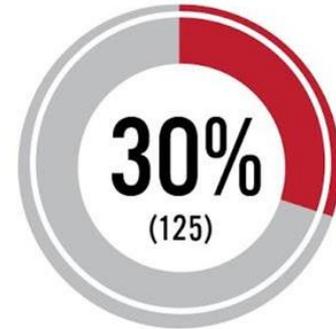
CASH IN RETIREMENT INVESTMENTS



SAVINGS



CREDIT CARD DEBT



**NEED ADDITIONAL FUNDING,
BUT NOT SURE WHERE
TO GET IT FROM**

*For full survey results, please consult the appendix.

Tricia M.

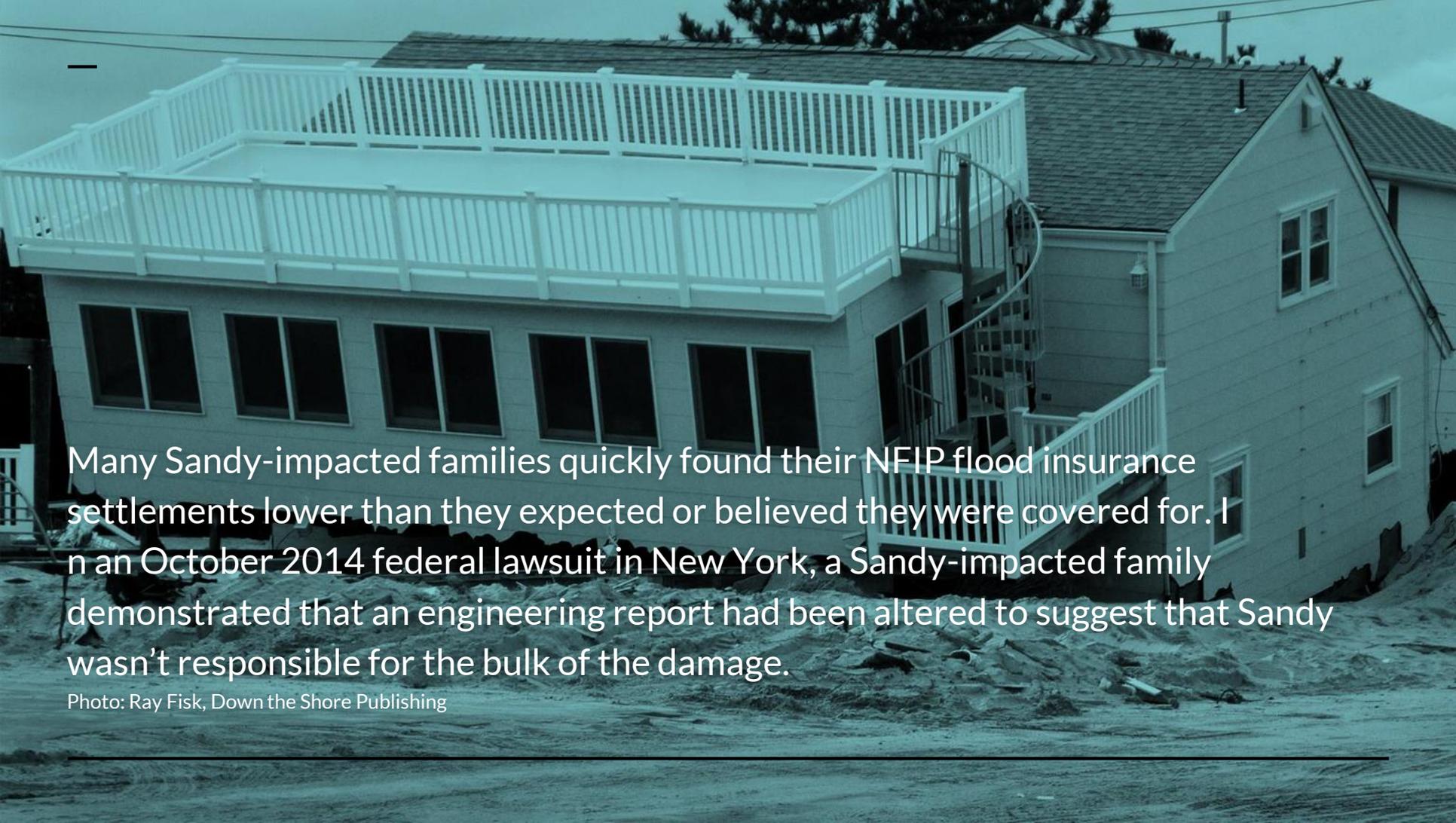
Her husband died February after the storm and she had two strokes by late fall of 2013. She was awarded initially only \$5,000 from her flood insurance and her appeal was initially denied because it had not been submitted within 60 days of the discovery of new damage. The deadline was not communicated to her, and it was the same period in which she had a stroke. She has been diagnosed with PTSD.



Krista S.

She carried maximum flood insurance coverage - \$250,000 /100,000. Her home was substantially damaged and yet her initial Insurance payout was \$29,000. She and her partner Mike and two children (pictured here, 5 years after Sandy) moved 7 times until they finally got home. She sued and was finally awarded the full \$250,000 but her legal fees were \$73,000 while taxpayers covered the WYO companies legal fees to fight against her.





Many Sandy-impacted families quickly found their NFIP flood insurance settlements lower than they expected or believed they were covered for. In an October 2014 federal lawsuit in New York, a Sandy-impacted family demonstrated that an engineering report had been altered to suggest that Sandy wasn't responsible for the bulk of the damage.

Photo: Ray Fisk, Down the Shore Publishing

The Storm After the Storm

- Because of widespread underpayment, major pressure and fraudulent engineering reports FEMA reopened all Sandy claims (around 144,000) in 2015.
- Nearly 85% of people who asked to have their claims reopened got additional funding.
- Additional payouts totaled \$258,648,226 and, FEMA also paid out \$164,320,515 for cases that were in litigation, which brought the total additional paid out to \$422,968,741 as of January 29 2018.

Joe M.

“Four years later I was able to get \$43K. It was a relief to finally see that money but it would have had a bigger impact in 2012 when I really needed it. When Sandy hit I lost a home, a business, and a second job. I foolishly thought I could get us back home in 6 - 8 weeks and we spent our entire savings replacing the heating, electric and plumbing. I kept expecting our flood insurance to money to arrive any day. It didn't come, not even the advance I requested. All the money we had in the world was in my pocket. My wife, two young daughters and two cats were living in one small bedroom at a friend's house.



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The prolonged recovery process, due in part to the failure of the NFIP to pay out quickly or fairly and in part to failures in NJ's recovery programs has real consequences.

NINETEEN PERCENT of respondents reported a new or increased dependence on alcohol or drugs. They also reported new or worsening health conditions:



67% Depression

75% Anxiety

44% PTSD

11% Asthma

4% Heart Attack

2% Stroke



40%

Saw their household income decline.



32%

Say they have fallen behind on mortgage/rent payments, taxes or other expenses related to their Sandy damaged home.



35%

Say it has been hard to pay bills or afford food and gas.



67%

Say their children's college plans have changed due to the financial impacts of Sandy.



Insurance Firms Profited \$400 Million After Sandy

MAY 24, 2016 // BY LAURA SULLIVAN



Flood Insurance: A Frontline Perspective



Courtesy of the Anthropocene Alliance and Higher
Ground

Learn more at <https://anthropocenealliance.org/higherground>



Courtesy of MH Action

Read their report at:

https://mhaction.org/wp-content/uploads/2019/12/HIP_MHAction_OurHomesOurHealth_FullReport_2019.pdf

NFIP Connection to Federal Disaster Funding

Insurance requirements are attached to FEMA, SBA loans, and HUD-funded state programs.

This keeps people from accessing this funding & could push people out who rebuilt after a disaster if we don't address affordability.



We need a well resourced effort to support the vision of frontline communities who can create both the vision and the mandate for the changes we need for the future we are facing.

\$60 Million

to pass the Affordable Care Act.

Our Communities: A Love Story

