

Hurricane Mitigation Research:

Resilience, Vulnerability and Risk Awareness

Summary

- Overview of the insurance market
- Track changes in homeowner perceptions of hurricane threat, risk and potential mitigation measures
- Sea Level Rise – any effect?
- Trend analysis of hurricane risk in coastal counties

Homeowner Insurance Changes

- Citizen's depopulation efforts:
 - Removed 416,623 total policies in 2014 alone
 - Despite depopulation, Citizens' market share/exposure is significant
- Flood Insurance
 - Rate increases in the NFIP (2013)
 - Opening of the flood insurance market to private insurers in 2014 and 2015
 - Legislature requiring coastal management and local governments to create development plans that reduced flood risks and potential losses.

Homeowner Insurance Rates

- Average flood insurance policy for the state (\$530) is below national average of \$700.
 - Miami-Dade \$420, Broward \$383, Palm Beach \$397
 - Village of Indian Creek \$2,233 vs. City of Miramar \$404
- Personal Residential-Owner Occupied wind insurance had a 26% rate increase over the last five years, statewide.
 - South Florida: Miami-Dade 37%, Broward 40%, Palm Beach 32%
 - Tampa Bay: Hillsborough 9%, Pinellas 7%, Pasco 3%.

Homeowners' Views: Preparedness

- About 40 percent respondents consider themselves prepared at the start of hurricane season. From those not prepared,
 - 45 percent would begin to prepare when a hurricane warning (19%) or a hurricane watch (26%) is issued.
 - Approximately a third would begin preparations when a hurricane watch is issued (48 hours in advance).

Culture of Preparedness?

	2006	2007	2009	2011	2013	2015
Perception of vulnerability	46%	54%	48%	50%	57%	47%
Information access	87%	90%	93%	90%	93%	91%
Plan of action	85%	85%	87%	70%	75%	78%
Evacuate if ordered	28%	37%	40%	40%	38%	26%

Awareness

- One in seven do not know if their home is in a flood or evacuation zone. Additionally, of those who said they are not, one third actually are.
 - Population in floodplain: Miami-Dade 48%, Broward 79%, Palm Beach 18%
- One in 10 homeowners do not have home insurance and of those who do, 13% would cancel their insurance once their mortgage is paid off.
- 35% are not aware of any discounts offered by their insurance company for mitigation.

Sea Level Rise

- Half either do not believe sea level rise is happening or they do not know.
- Only 20 percent think they will be affected.

	A great deal (a leading role)	Some (a supporting role)	A little (very minor role)	Nothing
Federal Government	42%	32%	9%	17%
State government and agencies	48%	30%	5%	16%
Local governments located near the coast	45%	29%	9%	17%
Businesses located near the coast	35%	26%	13%	26%
Homeowners located near the coast	35%	34%	9%	22%
Real estate developers	45%	24%	5%	25%
General public	35%	36%	5%	24%
Scientists	55%	22%	5%	18%

Conclusions

- Insurance market is most diversified and prepared in decades.
- Coastal development continues despite the risk.
- There has been a decline in risk awareness and preparedness.
- The majority of Florida homeowners are not aware of the effect of sea level rise or they do not believe they will be affected.