

NFIP Insurance – Access is the Key

The critical need for more outreach to Illinois residents about the availability of flood insurance.

Joint presentation of the Illinois Department of Natural Resources, The Illinois Emergency Management Agency – Office of Homeland Security, and the Illinois Department of Insurance




Floods Happen – and Losses are Expensive


- In 2023, Illinois received two significant Presidential Disaster Declarations for severe weather and flooding that totaled over \$462 million in damages.
- Nationally, flooding is the most common natural hazard in the U.S. according to the Federal Emergency Management Agency (FEMA), with just 1 inch of water in a home able to cause \$25,000 of damage.
- NFIP insurance policies are available to **anyone** living in a participating community, including those who don't live in the designated floodplain and those who are renters.
- Many, if not most, of the people impacted by the 2023 Presidential Disasters did not have flood insurance.

The National Flood Insurance Reform Act of 1994

- The [National Flood Insurance Reform Act of 1994](#) strengthened the NFIP with a number of reforms that included increasing the focus on lender compliance, creating mitigation insurance and developing a mitigation assistance program to further reduce the costly and devastating impacts of flood.
- Unfortunately, people who don't use a traditional mortgage tool or who rent are in a gap because they are not required to have flood insurance.
- In those cases, real estate agents or insurance agents - who aren't required in Illinois to get training on flood insurance- may be the main point of information about insurance options.

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Disinformation can also have Devastating Consequences

- Staff from the Illinois Department of Natural Resources and the Illinois Emergency Management Agency – Office of Homeland Security are on site after flooding and have heard from people that they were told they couldn't get flood insurance because of their address or because they rented.
 - This was especially prevalent in low-income communities.
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East St. Louis – July 2022 Flooding

- The July 2022 storm that hit St. Clair County, and especially the Metro East St. Louis area, impacted large neighborhoods of low-income homeowners and renters. The homes in East St. Louis on Terrace and Mary, shown in these slides, were all deemed to be substantially damaged.
- At the Multi Agency Resource Center that was set up for residents IDNR staff heard from people repeatedly saying that they were told they could not get flood insurance for their homes either because they were in a flood zone or because it wasn't available in their neighborhood.
- The city of East St. Louis participates in the NFIP, and everyone in the city has access to NFIP insurance.



Bringing Department of Insurance into the Mix



New standalone consumer education and protection unit established to focus on community outreach and education at schools, libraries, legislative events, fairs, churches, and community meetings: hiring two new dedicated consumer education staff in Chicago and Springfield



Outreach to date has revealed low awareness of Department of Insurance resources such as online consumer complaint system and coverage information



Served as resource at grassroots community events on the West side of Chicago during 2023 disasters through coalitions such as The Leaders Network, which was formed to help organize after Hurricane Katrina

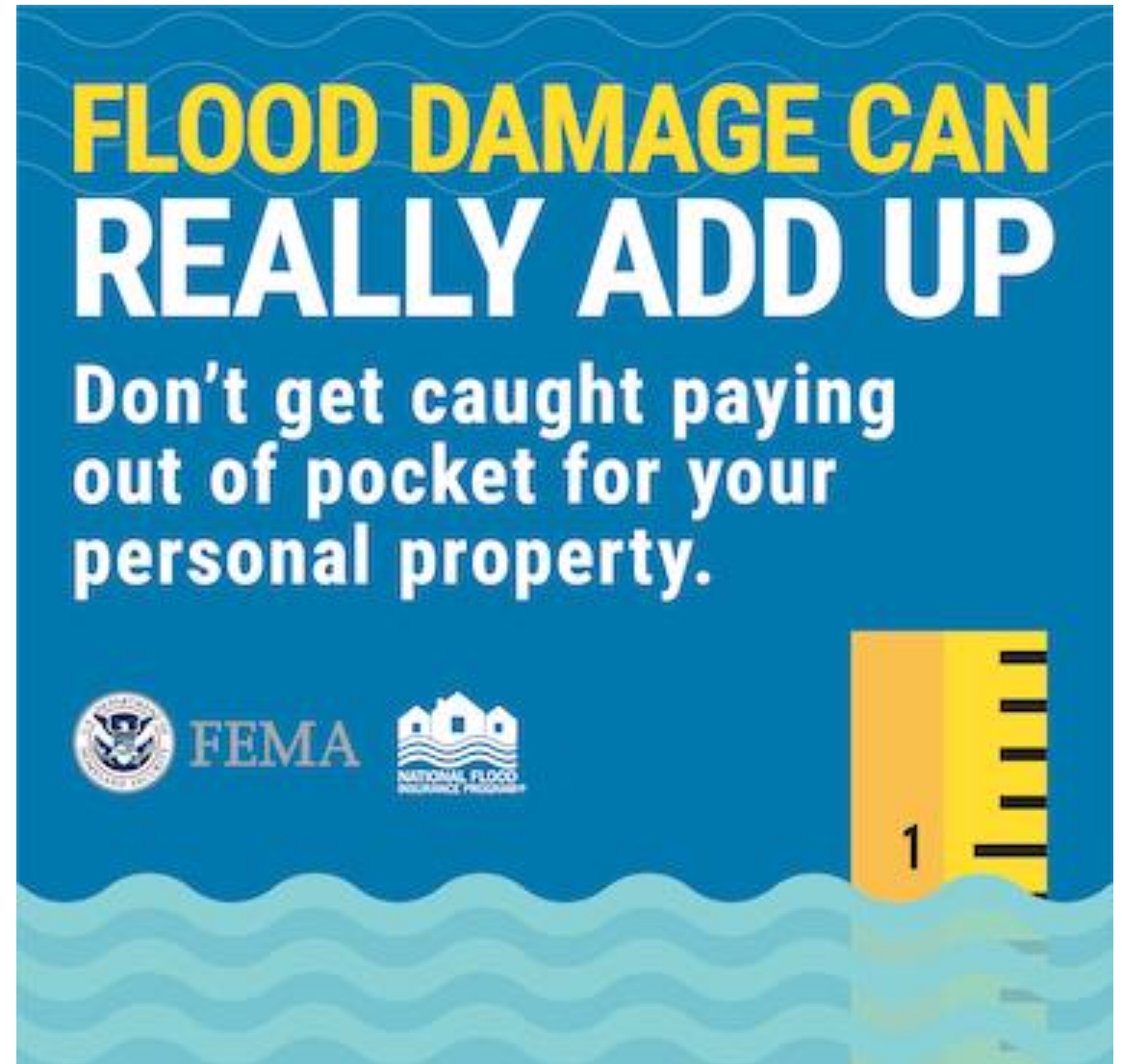
What Campaign is Needed?

- Jointly we realized that more focused outreach is required to raise awareness of the availability of flood insurance.
- The three agencies are working on a campaign to highlight how people can access flood insurance, bringing our different perspectives to the table to create this campaign.



How Will this be Carried Out?

- In 2024 the campaign will start with Public Service Advertisements that highlight the threat of flooding and how people can insure their property and belongings.



Flood Mitigation Assistance and NFIP

- “Flood Mitigation Assistance competitive selections focus on reducing or eliminating the risk of repetitive flood damage to buildings and structures insured by the National Flood Insurance Program (NFIP), and with NFIP-participating communities.” – FEMA.gov
- Swift Current funds Individual Flood Mitigation Projects for Flood Mitigation Assistance and/or NFIP-defined Repetitive Loss (RL), Severe Repetitive Loss (SRL), or properties deemed Substantially Damaged after the applicant’s disaster declaration date.



Questions and Contact Information

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