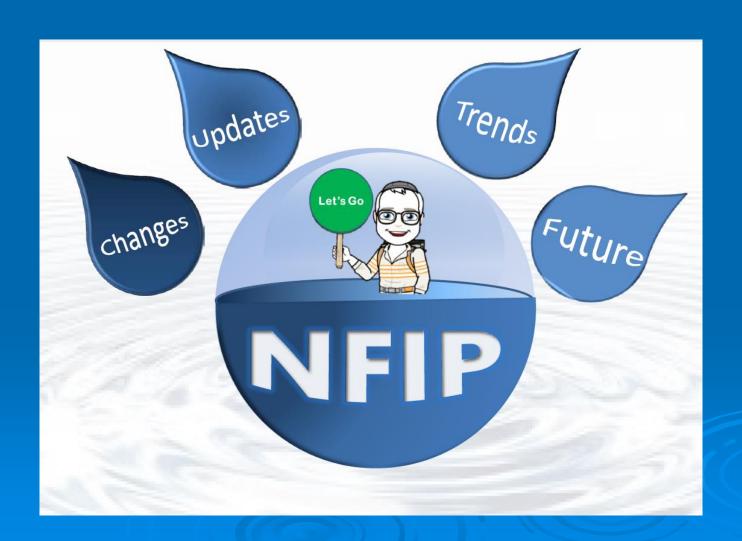
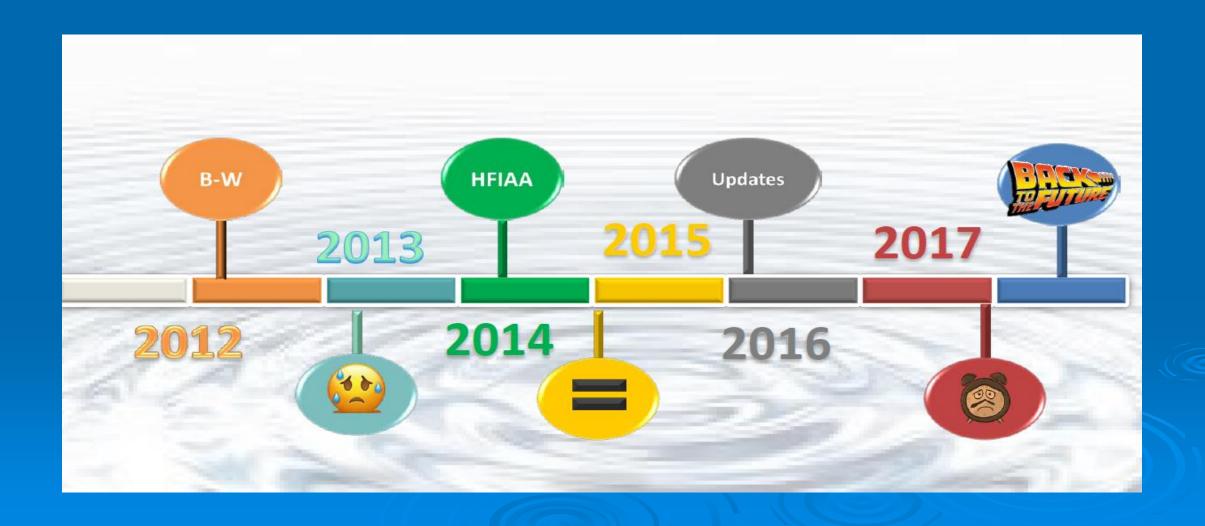
Flood Insurance Trends in Illinois What The Heck Is Going On?



NFIP Timeline



B-W

2012

Biggert-Waters Flood Insurance Reform Act

- Passed on July 6, 2012.
- Extended the National Flood Insurance Program 5 years, until September 30, 2017.
- Its purpose:
- Make the NFIP more financially stable by raising rates on certain classes of property to reflect true flood risk
- Create a funding pool for large disasters. (Reserve Fund)
- Triggered rate changes for certain properties, when certain events were met to accurately reflect the flood risk

Biggert-Waters Implementation



- Began in January 2013
- Newly purchased policies required to go to full-risk rates
 - Elevation Certificates required for full-risk rating
 - Pre-FIRM structures wrote at full-risk rates
- Annual Percentage Increase Policies
 - Most rate classes had a jump in rates
 - Some had 25%+ rate increases
- Policies jumped in cases by \$1,000s
- Grandfathered policies phase-out
- We all started to feel the pressure



Homeowners Flood Insurance Affordability Act. Passed in March 2014, started implementation in April 2014.

- Stop policy increases for certain subsidized policyholders
- Reverted full-risk rating for Pre-FIRM properties that hit full risk the triggers
- Set a Cap on how high policies can go in a given year
- Created refunds for policies that went over a cap
- Halts the elimination of Grandfathering (for now)
- Implements a surcharge on all policyholders

Updates

Clear Communication Letters

- Section 28, Clear Communication of Risk, within the Homeowner Flood Insurance Affordability Act of 2014
 - Letters started being sent out January 2017.
 - Communicate Flood Risk and Policy Rating based on that risk.





Month DD, YYYY

John Smith Jones 123 Main Street Anywhere, US 12345

RE: FLOOD INSURANCE POLICY FOR [Property Address]

INSURANCE COMPANY:

POLICY NUMBER:

EFFECTIVE DATES:

BUILDING COVERAGE: **BUILDING DEDUCTIBLE:** CONTENTS COVERAGE: CONTENTS

DEDUCTIBLE: CURRENT FLOOD ZONE: RATED FLOOD ZONE:

[NAME]

1234567890 MM/DD/YYYY to

MM/DD/YYYY

SXXX.XXX SX,XXX \$XXX,XXX SX,XXX XX SX,XXX

PREMIUM:

Dear Mr./Ms. Jones:

Thank you for being a valued policyholder of the National Flood Insurance Program. This letter discusses your flood risk and some important changes and options for your flood insurance policy.

Rate Increases Continue....

- Policy Rates will continue to go up in all rate classes on average by 5.24%
- Elevation Based Rates
 - Unnumbered A Zone: 5%
 - AE: 1%
- > Subsidized (pre-FIRM, No Elevation Cert)
 - Primary Residence: 5%
 - Non-primary residences, Pre-FIRM A, and V zones: 24%
 - Business Class, Severe Rep Loss: 24%



Trends In Illinois

2012 Policies in Force 49,158



2020 Policies in Force 38,375

2012 Average Premium\$849



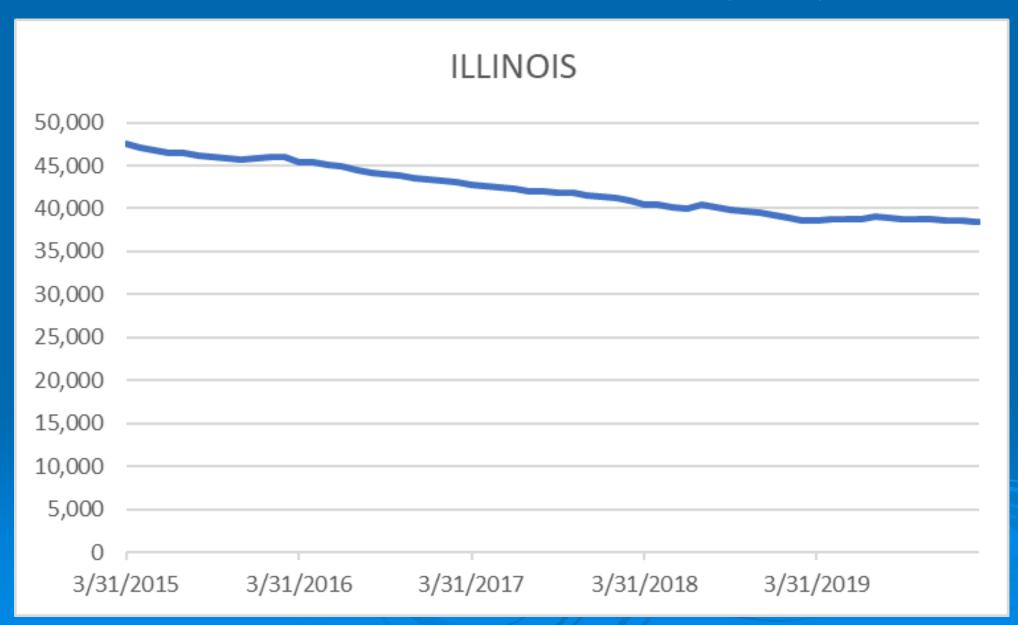
2020 Average Premium \$1,061

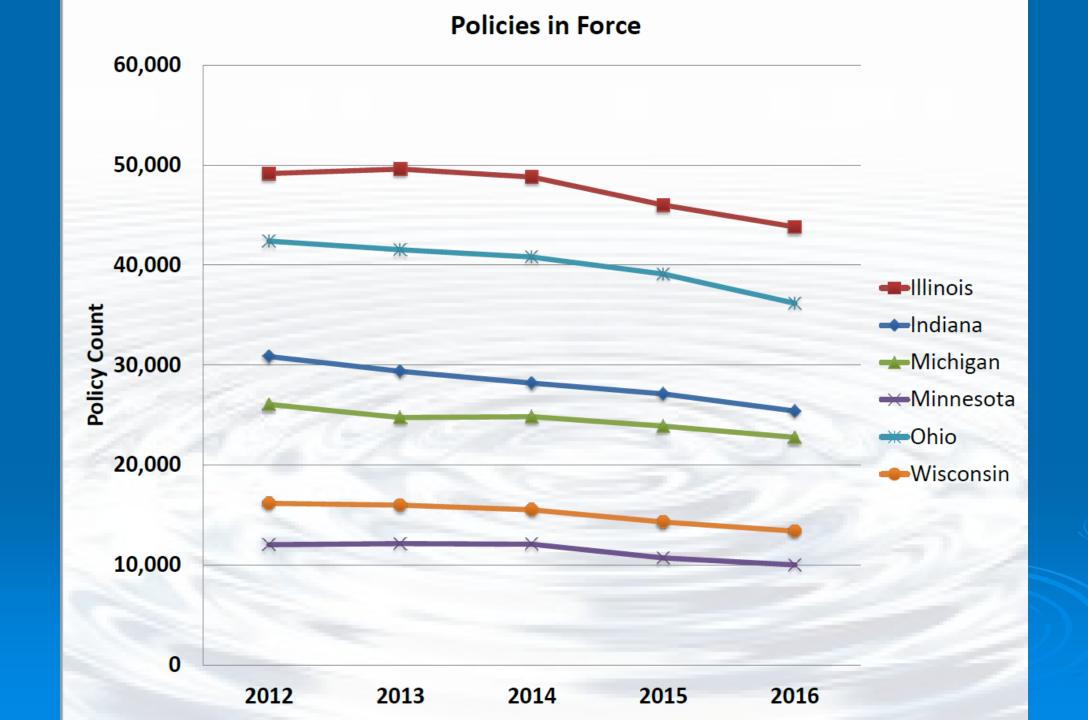
2012 total Coverage \$8.7 Billion



2020 Total Coverage\$7.8 Billion

Illinois Policies in Force (PIF)

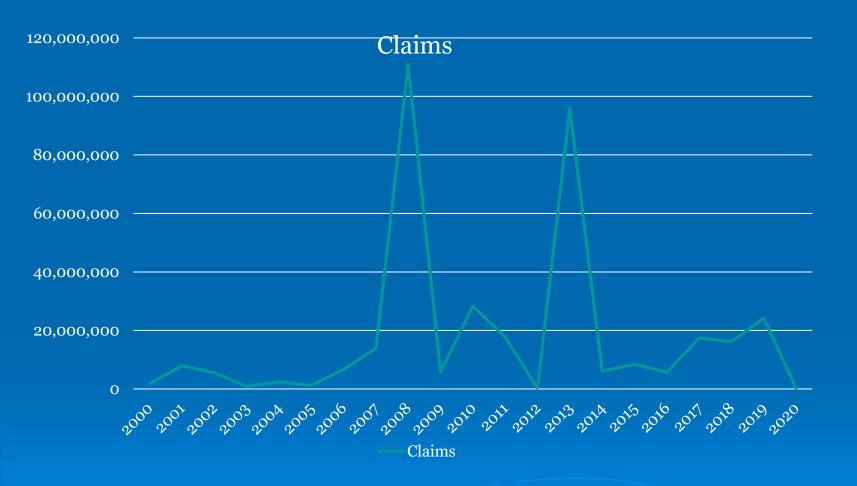




Top 10 PIF Communities

Community	Policy Count	Total Coverage	Total / Ave. Premium
DES PLAINES	1,618	\$352,152,600	\$1,587,344 (\$981)
CHICAGO	1,303	\$252,217,300	\$602,732 (\$463)
LAKE COUNTY	901	\$196,752,900	\$1,163,081 (\$1,291)
DU PAGE COUNTY	741	\$131,569,200	\$499,324 (\$674)
PROSPECT HTS	679	\$81,378,400	\$447,955 (\$660)
NORTH CHICAGO	672	\$232,282,100	\$282,314 (\$420)
Unknown	629	\$125,037,700	\$473,312 (\$752)
AURORA	603	\$96,374,500	\$435,443 (\$722)
JOLIET	591	\$86,251,000	\$794,885 (\$1,345)
ROLLING MEADOWS	563	\$66,352,000	\$217,419 (\$386)
MADISON COUNTY	557	\$136,185,300	\$598,661 (\$1,075)
IL Total	38,375	\$7,876,749,200	\$40,714,148 (\$1,061)

Flood Insurance Claims In IL



2017, 2018, 2019 all "near 2008 & 2013" events.

75% reduction in claims.

Year	Claims	Paid
2008	5,357	110,929,768
2009	582	5,843,888
2010	2,100	28,336,412
2011	1,210	17,697,178
2012	69	346,657
2013	4,399	95,999,940
2014	681	6,126,129
2015	716	8,459,088
2016	486	5,703,630
2017	892	17,436,186
2018	675	16,221,644
2019	1,065	24,173,292
2020	45	277,255

Top 15 Claims Communities in IL

Community Name	Number of Losses	Total Payments
DES PLAINES	1,409	\$30,916,461
JERSEY COUNTY	1,594	\$16,698,020
PEORIA COUNTY	1,674	\$16,178,755
ADAMS COUNTY	372	\$14,390,074
WATSEKA	686	\$13,014,204
VALMEYER	311	\$11,665,003
CALHOUN COUNTY	1,336	\$10,983,415
ROCK ISLAND COUNTY	1,239	\$10,941,990
MONROE COUNTY	384	\$10,600,993
WILL COUNTY	908	\$10,345,454
ROCKFORD	613	\$10,272,231
MACHESNEY PARK	454	\$9,816,716
BELLWOOD	1,431	\$9,322,990
COOK COUNTY	861	\$9,253,865
GRAFTON	754	\$8,575,880
IL TOTAL	51,096	\$566,769,824

To 15 Claims (post 2015)

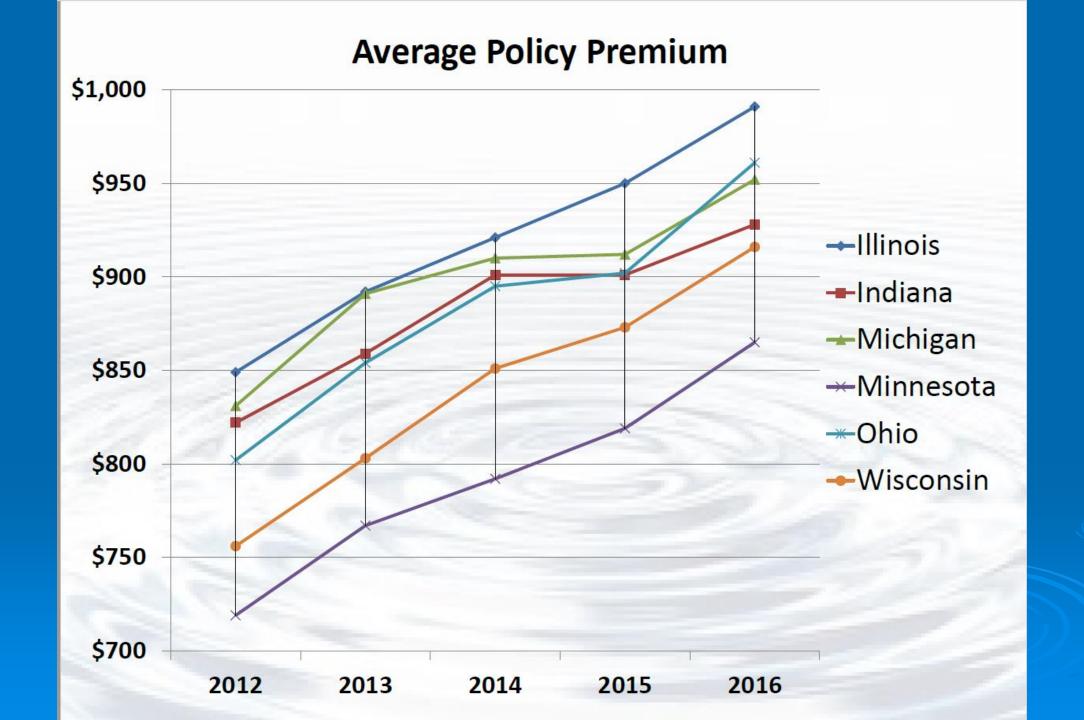
Community Name	Number of Losses	Total Payments
WATSEKA	308	\$6,535,950
KANKAKEE COUNTY	120	\$4,667,309
LAKE COUNTY	202	\$3,802,329
GRAFTON	101	\$2,829,475
MACHESNEY PARK	91	\$2,332,696
CALHOUN COUNTY	75	\$2,016,451
ADAMS COUNTY	41	\$1,956,067
IROQUOIS COUNTY	50	\$1,895,466
JERSEY COUNTY	41	\$1,808,581
ROCK ISLAND COUNTY	140	\$1,773,160
GURNEE	22	\$1,310,463
FOX LAKE	55	\$1,177,205
ROCKFORD	41	\$1,116,160
LINCOLNSHIRE	22	\$1,106,264
STONE PARK	47	\$973,554
Total	3,875	\$72,267,534

Des Plaines, Calhoun, Jersey, Peoria, Rock Island, Adams... Have all basically dropped off the list.

Prior claims in the thousands. Now less than 100!

Rep Loss In Illinois

Community	Properties	Paid
Des Plaines	245	22,950,139
Bellwood	237	5,631,423
Peoria County	127	6,194,650
Cook County	126	7,377,157
Will County	120	5,478,152
Rock Island County	94	4,320,848
Stone Park	91	5,567,359
Westchester	83	1,862,269
Rockford	79	4,319,772
Watseka	71	3,405,185



Region V

While Property exposure went down

Revenue by premiums did not go down









2 out of 3 Homes Underinsured By Average of 22%

Flood Insurance Marketing Initiatives

- Acquisition Getting New Policyholders
 - Year-round
 - Short-term
 - Geographically finite areas
 - Based largely on where people buy when
 - Done in "Waves" (Winter, Spring, Hurricanes, etc.)
- Retention Keeping who we have
 - Year-round
 - All policyholders
 - No boundaries
- > Specials
 - Pilot projects testing specific messaging/tools
 - Opportunistic campaigns (event driven)

Engagement and Messaging

Paid Media

CY19 Spring Wave markets received 6 weeks of the full campaign, including 4 weeks of select digital media tactics that will serve to prime the markets:

- Digital Display Banners (CNN)
- Paid Search Ads (Google, Bing)
- Radio (Broadcast, Pandora)
- Dynamic Display (Weather.com)









Engagement and Messaging

Earned Media

FEMA conducts earned media outreach using local flood contexts as a newsworthy hook.

Earned media outreach can consist of: Direct outreach

 Coordinating interview requests with federal and local spokespeople

Materials may include:

- Media Lists
- Talking points
- Template pitch emails
- Template press releases
- Radio Media Tour/ Satellite Media Tour

Section 2: Talking Points

Below you will find primary messages that can be applied to any market at risk of spring flooding. They should be supported by local anecdotes, a sample of which can be found in the section below.

YOUR RISK: Spring flooding is unpredictable, which can put many properties, inside or outside of high-risk flood areas, at risk.

- FEMA warns that the [insert area, e.g., Ohio River Valley, Great Lakes, Mississippi River] is at high risk of spring flooding due to increased precipitation—from both snow and spring rain.
- Last year, homes and businesses in the [insert area] experienced [insert local anecdote].
- It doesn't have to be a devastating flood to be expensive.
 - Just an inch of water in an average-size home can cause more than \$25,000 in damage.

WHAT YOU CAN DO: Purchase flood insurance to protect the life you've built.

- Having flood insurance is one of the most important steps property owners and renters
 can take to protect the life they've built.
 - Insured residents are able to recover faster and more fully from a flood than their uninsured neighbors.
- Flood insurance is a small price to pay for peace of mind.
 - In 2017, the average flood insurance claim payment in the U.S. was more than \$90,000.







Outreach Overview

- Radio Media Tour (August 20, 2019)
 - Objective: Secure a radio media tour with stations in Wisconsin targeting news, talk, and adult formats, using the anniversary of the 2018 Wisconsin flash flood as a reminder to urge property owners to get flood insurance.
 - Spokesperson: James Sink, Regional Flood Insurance Liaison, FEMA Region 5
- Earned Media Outreach (August 20-23, 2019)
 - Objective: To secure media coverage in La Crosse and Madison that educates consumers on the importance of flood insurance on the one year anniversary of the 2018 Wisconsin flash flood event.
 - Spokesperson: James Sink, Regional Flood Insurance Liaison, FEMA Region 5





Outreach Results

- Radio Media Tour
 - 8 interviews conducted and 72,650 total listeners
- Earned Media Outreach
 - 16+ total stories and an audience reach of 830,000+*



^{*} Audience reach includes about 100,000 live broadcast viewership and more than 730,000 print and online unique visitors per month. Data acquired through Cision and TV Eyes.

Outreach Results

RMT Highlights

- Airings on statewide network in Wisconsin.
- Airing on #1 news talk information station in La Crosse.
- 72,650 listeners, 79 stations aired an interview, and 8 interviews conducted

Earned Outreach Highlights

- 16+ stories total
 - 9 on-air TV segments (including interviews with James Sink and field story about our survivor, Marty Severson)
 - 5 stories on TV and radio news websites
 - 1 print story (not including non-online publications)
 - 1 on-air radio spot

Wisconsin ("Mid-West") Survivor Stories





Outreach Resources

- Map Changes
 - Keep Community Members Up To Date
 - https://agents.floodsmart.gov/servicing/map-change-keep-clients-up-to-date
 - Map Change Toolkit
 - https://agents.floodsmart.gov/servi cing/map-change-resource-library

- Marketing Campaigns
 - https://agents.floodsmart.gov/ marketing/participate-incampaigns
- Outreach Resource Library
 - https://agents.floodsmart.gov/ marketing/resource-library

Outreach Resources

- Flood Insurance Whiteboard Explainer Videos
 - https://www.fema.gov/media-library/multimedia/collections/630
- Order Free Materials
 - https://www.fema.gov/media-library/assets/documents/250
- Contact Paul for Referral to Me for...
 - Conference Support, Speaking Requests, or other Outreach Projects
 - PSAs or Radio Scripts

- "Mid-West" Survivor Stories
 - Survivor Story: Marty Severson (90 sec)
 - https://www.youtube.com/watch?v=uBWo MLBKoqs
 - Survivor Story: Marty Severson (30 sec)
 - https://www.youtube.com/watch?v=dyeGH 4HMZ10
 - Survivor Story: Marty Severson (15 sec)
 - https://www.youtube.com/watch?v=gYGVv WnoJdo
 - Survivor Story: Robert and Redgy Nelson
 - https://www.youtube.com/watch?v=ZGsgtg VIZgo

Closing the Insurance Gap



Help others understand the risk they face for all disasters, and take action to protect the life they've built through insurance.



Provide others with options to mitigate their home to bring down the cost of hazard- specific insurance.



Share the importance of flood insurance through your social networks and marketing channels.



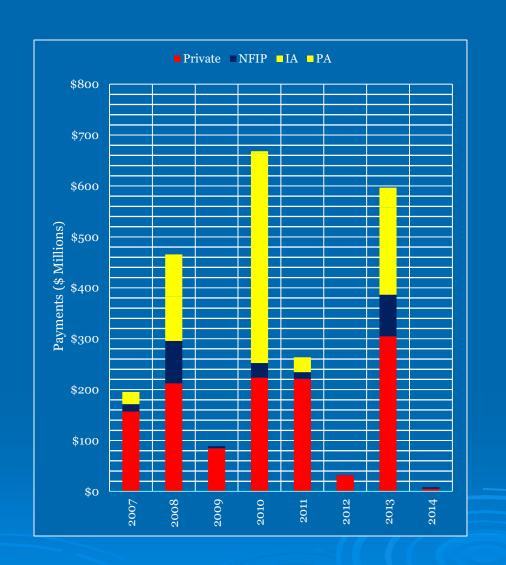
Together, we can double the amount of flood coverage nationwide by 2022.

Resiliency requires all levels of government and the private sector

Evolution of Flood Damage Claims

In Illinois....
92% of flood
damages now
occur outside
of the
floodplain!
Wow!

Sewer backup vs
Flood insurance

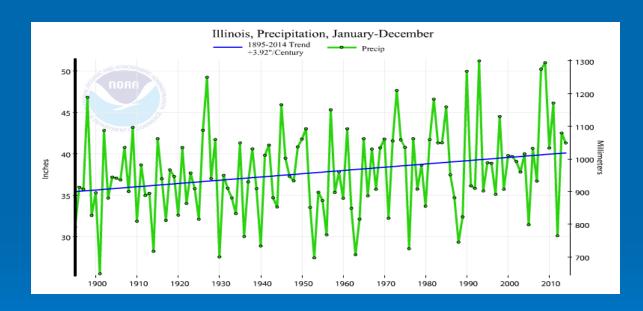


NFIP losses are pocket change!

Climate Change is Happening in Illinois.

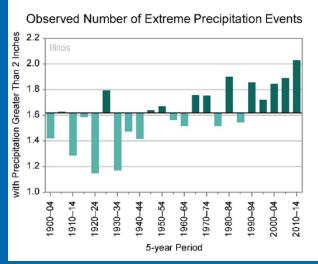
The Time For Doubt Is Over!

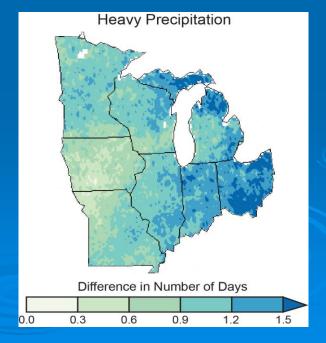
Higher temp= more evaporation= heavier rains!



Despite better floodplain mapping, strong regulations, and proactive flood mitigation programs, flood damages due to climate change continues to increase in Illinois."

University of Illinois. State Climatologist.





A great View! Look at all that GREEN in Grafton!

