Insurance, Climate Change & Flood Resilience in New York City

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The Current Problem

NYC PROPERTIES AT RISK:

UNINSURED (60%)

INSURED (40%)
The Increasing Risk

CLIMATE CHANGE
Exacerbates flood exposure

ECONOMIC DEVELOPMENT
Increases building on the coast

These two forces work to increase flood risk
About the Project

CLIENT:
New York City Mayor’s Office of Long-Term Planning and Sustainability

Examine
Flood Insurance Market

Understand
Market Penetration

Engage
Insurance Industry

Increase
Resilience to Flooding
The Methodology

- 2 Sub-Teams
- Literature Review
- Interviews
- Data Analysis

✔ Government Officials
✔ Insurance & Reinsurance Representatives
✔ Climate Change Experts
✔ Academics
The Flood Insurance Market

Insurance Providers

NFIP

PRIVATE INSURANCE

RESIDENTIAL

MIDDLE MARKET

LARGE COMMERCIAL/INDUSTRIAL
Largest number of uninsured properties
NFIP dominates this market segment
MIDDLE MARKET

Limited data for this market
Limited NFIP coverage for this market
Most number of insured properties
Private insurance dominates this market
THE EMERGING PICTURE

Climate change → Economic development

Local government

Federal government

Flood Insurance Market

Uninsured

Insurance industry

Insured
Next Steps

Analysis of flood insurance market

January 2012

April 2012

May 2012

Present findings to client

Our findings will help develop policies for flood resilience in NYC

Recommendations:

• Improve public education about flood risk
• Improve communication within NYC agencies
• Conduct a more comprehensive market analysis
QUESTIONS?

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