Higher Flood Insurance Premiums Signal the Need to Take Action on Sea Level Rise

by Robert Diffenderfer

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In recent weeks, news reports have highlighted the spike in flood insurance premiums that some homeowners are experiencing now that federal agencies have updated the methodology and maps that determine rates for the National Flood Insurance Program. It's understandable that stories like these—with homeowners describing premiums that soared from a few hundred dollars to several thousand—would attract significant attention.

I would argue, however, that the rise in premiums is just a symptom. Changes in the cost and availability of flood insurance are a response to what is actually happening on the ground in our coastal communities in Florida and throughout the nation. Sea levels are rising and flooding risks have increased.

The Federal Emergency Management Agency (FEMA) conducted this overhaul of flood insurance methodology and rates to take that reality into account. The updates in Florida show more areas at risk of inundation. The new system also aims to tie insurance rates more closely to an individual property's actual flood risk, by looking at such variables as the home's distance from a body of water and the height of the first floor.

While higher costs for flood insurance are jarring, they are just one example of the massive changes our policymakers and citizens will need to navigate because of sea level rise. Fortunately, Florida has already taken significant action to make our coastal communities more resilient. Earlier this year, the legislature approved, and the governor signed into law, comprehensive legislation to ensure a coordinated approach to Florida's coastal and inland resiliency. That bill and the 2021-2022 budget are part of the largest investment in the state's history—over $640 million—to support planning efforts so that state and local communities are prepared to deal with the impacts of sea level rise, intensified storms and flooding.

Even with this substantial commitment at the state level, there remains a giant planning task ahead for local, county and regional leaders. Communities that are at greatest risk, such as Miami Beach, are already investing significantly to reduce the impact of sea level rise. For other jurisdictions, now is the time to assess the risk to your communities and begin strategizing on solutions. Consider the issue of infrastructure, as one example. Where will local roads need to be elevated above the mean high water mark in order to protect underground utilities from failure? How can we ensure that evacuation routes from coastal communities are not inundated during storms? Where can the building of dikes be an effective solution to prevent flooding?

Another piece of the planning puzzle for local and regional leaders relates to land use and economic development. We are already starting to see the risk of flooding being factored into the price of real estate and the decisions made by homebuyers and investors. In some vulnerable areas, properties within a block of the beach are becoming less desirable as people seek to invest their money in higher ground. As sea levels continue to rise, how will coastal town economies be impacted?

The threat of sea level rise also raises profound issues about equity and fairness for all citizens. Policymakers will have to grapple with difficult choices. For owners of waterfront properties who choose to stay despite the risk of inundation, what is the local community's responsibility to continue providing emergency and other services? Should all taxpayers share the cost burden of repairing roads and other infrastructure, and restoring beaches in those vulnerable flood zones?

Like the proverbial "canary in the coal mine," the increase in flood insurance premiums has sounded a warning and focused our collective attention on this issue. Now is the time for policymakers at all levels of government, as well as the citizens they serve, to move ahead with creative and actionable strategies to meet the challenge of sea level rise.

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