

FEMA Region 2 NY and NJ Coastal Restudy Newsletter

WINTER 2022 UPDATE



WHAT IS THE NY & NJ COASTAL RESTUDY?

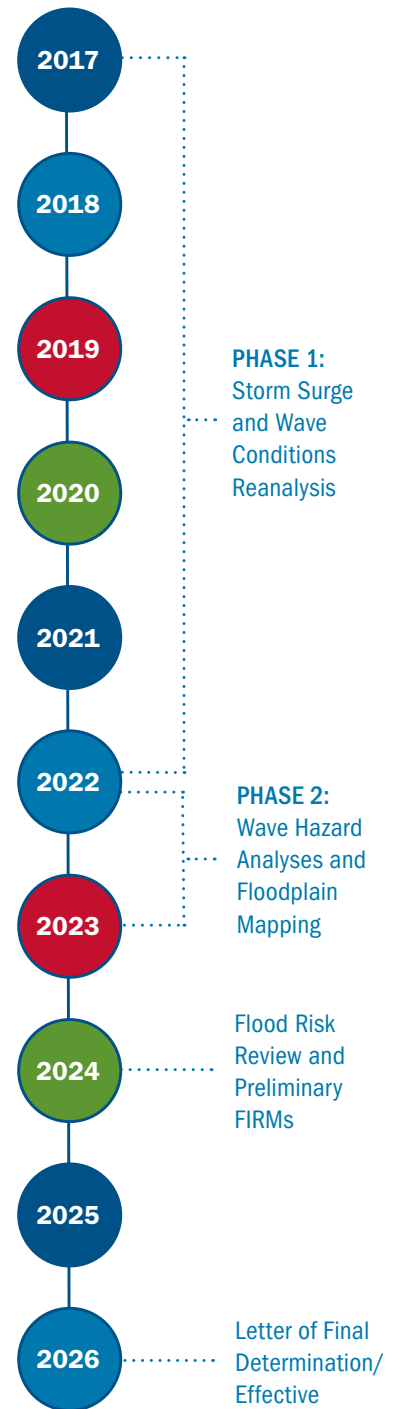
The NY and NJ Coastal Restudy will reexamine the flood hazards for coastal New York City, Westchester and New Jersey. New storm surge and wave data will be used to update flood maps for many coastal communities. The restudy is FEMA's response to New York City's 2015 appeal of its 2013-2014 preliminary Flood Insurance Study and Flood Insurance Rate Maps (FIRMs).



Compass reconnoiters sandy beach and large remnant dunes out on Breezy Point in Queens Borough in New York City. Photo: Adam Clinch

WHERE ARE WE IN THE RESTUDY PROCESS?

In summer 2021, the study team completed field reconnaissance, or site visits, in New York City. The New Jersey coastal county field reconnaissance was completed in October and November 2020. The safety of our NY field team members remained the top priority. Strict COVID-19 protocols were followed. During site visits, the field team documented changes along the coastline. These included the health and location of dunes and vegetation, as well as details of any man-made coastal flood structures at these locations. The Field Team also took notes on buildings and any new construction. We will use this information for the wave hazard analysis in Phase 2.



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The study team aims to complete the storm surge analysis, or Phase 1 of the restudy (which includes the main report and all subsections related to IDS 1, 2 and 3), by summer 2022. The analysis is using new ways of modeling to more accurately show the surge for what are known as transitional storms, such as Hurricane Sandy. Transitional storms can occur when a tropical cyclone, such as a hurricane, interacts with extratropical weather systems and the features of the tropical storm change. Traditional modeling approaches are usually not effective in simulating the storm surge for transitional storms because they can result in simulations with surge levels that are lower than historical records show. The meteorological features of transitioning cyclones require unique approaches and techniques.

The study team is collaborating with the Coastal Advisory Panel (CAP) to inform stakeholders about the new modeling. The CAP is made up of subject matter experts and stakeholders. It provides an independent review of the study methods and modeling and makes sure local knowledge and feedback are included. The CAP held four meetings between April and October 2021 to review the new modeling approaches.

FLOOD MAPS AND RISK RATING 2.0: EQUITY IN ACTION

When complete, the flood maps created through the [Coastal Restudy](#) process will provide communities with critical data for floodplain management, mitigation, and flood insurance. Communities should know how the updated flood maps and data will now be used to inform flood insurance rating under Risk Rating 2.0: Equity in Action (RR 2.0).

WHY FEMA IS UNDERTAKING RISK RATING 2.0: EQUITY IN ACTION

The National Flood Insurance Program (NFIP) rating methodology, unchanged in more than 50 years, has largely been based on relatively static measurements. These included a property's (1) location within a high-risk flood hazard area and (2) the elevation of the property's lowest floor relative to the Base Flood Elevation (BFE). In addition, the program's modelling incorporated only flood risk presented by proximity to water, in both Riverine and Coastal areas.

Under the old pricing system, every policyholder would have seen rate increases now and into the future. Further, since the cost to rebuild made no difference on premiums, policyholders with lower-value homes have been paying more than they should and policyholders with higher-value homes have been paying less than they should. With Risk Rating 2.0: Equity in Action, FEMA now has the capability and tools to address these rating disparities. Under the new rating methodology, about 23%—or more than 1 million policyholders—including owners of lower-value homes, will see a decrease in their premium at the time of policy renewal.

WHAT ISN'T CHANGING

The effective flood maps will still be used by lenders to determine if a building is in a high-risk flood area (Special Flood Hazard Area) and if the purchase of flood insurance is mandatory under federal law. Lenders can still require flood insurance even if it is not federally mandated. The appeals process for FIRMs will also remain the same. FEMA's flood map data will continue to inform floodplain management requirements. Existing statutory limits—capping annual rate increases at 18 percent—will not change without an act of Congress. Policyholders will still be able to transfer their discount to a new owner when their property changes ownership. Elevation Certificates will continue to be used for floodplain management compliance purposes but will be optional for rating purposes under the new rating methodology.



Stakeholders plan for future flood risk. Photo: FEMA



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WHAT IS NEW

Risk Rating 2.0: Equity in Action replaces the 50-year methodology—which relied on flood zone, BFE, foundation type, and structural elevation—with more variables to reflect each building’s individual flood risk. These variables include: flood frequency, multiple flood types—river overflow, storm surge, coastal erosion and heavy rainfall—and distance to a water source along with property characteristics such as elevation and the cost to rebuild. In addition, FEMA’s flood map data is incorporated with private sector and other federal agencies’ data sets, catastrophe models, and evolving actuarial science. By tying a property’s unique flood risk to its premium, Risk Rating 2.0: Equity in Action establishes an important step in communicating flood risk. Under the new methodology, FEMA has also changed how it evaluates prior NFIP claims. Prior claims will be factored into rating for all policies, not just those within the SFHA and not just policies that have sustained severe repetitive losses. Policyholders with no prior losses will not see their premiums increase upon renewal due to a first claim. After a policyholder’s first claim, policyholders with two or more prior losses will only see their rates reflect claims over a 20-year period. It is important to keep in mind that this does not change the Severe Repetitive Loss requirements.

FEMA is also expanding policy discounts to properties outside of high-risk flood areas. When property owners take steps to mitigate their property’s risk in any flood zone, policyholders may pay a reduced premium. Mitigation efforts, such as elevating a building or installing proper flood openings in a crawlspace, will reduce flood damage and may decrease the cost of flood insurance.

HOW CHANGES IN FLOOD MAPS WILL AFFECT FLOOD INSURANCE

As mentioned earlier, communities and lenders will continue to use flood maps to help determine floodplain management and mandatory purchase requirements, respectively. For grandfathered or newly mapped procedure-rated policies effective before October 1, 2021, their rates will gradually increase until they reach their full-risk rate (annual increases are no more than the statutory rate cap set by Congress). Because Risk Rating 2.0: Equity in Action does not use BFEs or flood zones for rating, grandfathered rating is no longer an option for new policies. However, properties newly identified to be high-risk (e.g., Zone X to Zone A) will receive a newly mapped discount the first year and then be on a similar glidepath to full-risk rate. More information about map changes and flood insurance can be found in this [FEMA brochure](#).

FOR MORE INFORMATION

Here are some additional resources about Risk Rating 2.0: Equity in Action. Note that some of these resources predate the implementation of Risk Rating 2.0: Equity in Action and therefore make references to a “current methodology” which is now the legacy system for rating. In these documents, many references to what this change will do, are in fact, things that are happening now since Phase 1 of Risk Rating 2.0: Equity in Action went into effect October 1, 2021.

- [Risk Rating 2.0 Home Page](#)
- [Risk Rating 2.0 Fact Sheet](#)
- [Risk Rating 2.0 Guidance Documents](#)
- [Risk Rating 2.0 Quick Start Guide for Rating](#)
- [Risk Rating 2.0 Resetting Prior Claims](#)

Please submit any questions on Risk Rating 2.0: Equity in Action to FEMA-RiskRating2-Action@fema.dhs.gov.

WHO MAY I CONTACT FOR MORE INFORMATION?

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