



**RESPONDING TO COASTAL THREATS AND HAZARDS**

**Insured Value of Property  
in Coastal Hazard Areas**



The size of the population in coastal high hazard areas is a good indicator of a potential risk to human health. Additionally, the insured value of property in coastal hazard areas is also an indicator of risk to property. Homeowners insure their property for many reasons including the threat of damage from hurricanes and coastal storms. Recent hurricane events demonstrate that insured losses can be significant and create a tremendous burden for homeowners, private insurers, and local, state, and federal governments. As insured value of property in coastal hazard areas rises, the state is faced with increasing responsibility for the fiscal impacts caused by harsh weather. For example, Florida has numerous mobile homes in the coastal areas, all of which are extremely susceptible to the effects of hurricane force winds. Mobile homes are just one example of vulnerable properties whose density and construction need to be controlled in high hazard areas. Historically, definitions of what constitutes the coastal high hazard area have varied. The Florida Administrative Code (see 9J-5.003(19)) currently defines the coastal high hazard area as the evacuation zone for a category 1 hurricane as established in the regional hurricane evacuation study applicable to the local government.

There are two readily available sources of information on insured coastal properties: the National Flood Insurance Program and the Florida Hurricane Catastrophe Fund.

The Federal Emergency Management Act’s Federal Insurance Administration administers the National Flood Insurance Program (NFIP). The NFIP makes flood insurance available to residents of communities that adopt and enforce floodplain management ordinances which represent sound land use practices. One of the goals of the NFIP is to reduce the buildup in hazardous areas, thereby reducing the risk to life and property. A flood policy is needed because homeowners’ policies do not cover flooding. For flood insurance to be made available in a community, the community agrees to require permits for development in flood hazard areas and to ensure that proper materials and methods are used in new construction.

Hurricane Andrew cost an estimated \$30 billion dollars in insured and uninsured losses (DCA, 1995). Since then, many insurers have been unwilling or unable to provide insurance to Florida residents and commercial residential owners. Florida Statute 215.555 (1993 Special Session) established the Florida Hurricane Catastrophe Fund (FHCF) to provide additional residential insurance capacity to protect insurer solvency and to reduce catastrophic exposure. The FHCF helps to make insurance available to residential property owners by sharing the risk and providing reimbursement to insurers for a portion of their potential hurricane and windstorm-related losses. The FHCF is different from the NFIP in that it does not directly insure anyone for a specific type of loss. The FHCF acts as a reinsurer by paying the insurance company’s “claim” if the company’s losses exceed a set retention. According to Florida Statute 215.555, the FHCF will “reimburse the insurer for 45 percent, 75 percent, or 90 percent of its losses from each covered event in excess of the insurer’s retention, plus 5 percent of the reimbursed losses to cover loss adjustment expenses.”

This indicator reflects the insured value of property in coastal high hazard areas. Future data collection will show any increase in the amount of insurance purchased and, indirectly, the amount of insurance risk in the coastal zone.

**Data Characteristics**

**SOURCE**

Current information on the NFIP may be obtained from Charles Speights, Disaster Recovery Administrator for the State of Florida, Department Community Affairs, 2555 Shumard Oak Blvd., Tallahassee, Florida 32399, or at (850) 413-9960, or 413-9945. Current information on the Florida Hurricane Catastrophe Fund may be obtained from Joan Lazar, Assistant Chief, Florida State Board of Administration-Florida Hurricane Catastrophe Fund, 1801 Hermitage Blvd., Tallahassee, Florida 32308, or at (850) 413-1340.

## ACQUISITION

Hard copies of the NFIP data are available at no cost. Hard copies of the FHCF data are available for 15 cents per page.

## COLLECTION

Data from both sources is available annually. The FHCF is reported by law once a year. Data is available for 1995 and 1996 from the NFIP; however, due to time constraints only 1996 is presented here.

## TECHNICAL

**Data Accessibility:** Data are manually collected and are accessible.

## Data Limitations

The data is not all inclusive. For example, commercial exposure under FHCF only includes residential commercial, such as condominiums and apartment buildings.

## Data Analysis

An analysis of the data from the National Flood Insurance Program (NFIP) is not possible since only one year of data was available. The following table presents the number of policies and the amount of insurance coverage for each coastal county. Future data availability will allow for an analysis of any trends associated with flood insurance in coastal counties.

### National Flood Insurance Program 1996, by Coastal County

County	Number of Policies	Coverage	County	Number of Policies	Coverage
Bay	17,046	1,614,682,000	Levy	999	65,081,400
Brevard	44,349	4,818,785,000	Manatee	31,603	3,327,516,300
Broward	381,718	41,599,382,700	Martin	14,210	1,898,832,100
Charlotte	27,915	2,885,146,500	Monroe	34,003	4,095,647,500
Citrus	5,541	452,919,400	Nassau	5,311	675,312,500
Collier	62,726	6,960,081,700	Okaloosa	12,740	1,326,133,600
Dade	285,833	30,807,296,200	Palm Beach	128,385	16,163,745
Dixie	512	25,669,900	Pasco	26,484	2,181,382,600
Duval	15,855	2,117,942,600	Pinellas	117,818	11,361,397,600
Escambia	10,289	1,167,136,400	Santa Rosa	4,209	620,909,400
Flagler	4,129	478,087,200	Sarasota	47,030	5,055,381,500
Franklin	2,218	283,658,400	St. Johns	19,172	2,353,336,600
Gulf	1,031	100,183,700	St. Lucie	17,317	1,498,450,700
Hernando	2,530	231,362,700	Taylor	406	26,166,200
Hillsborough	37,973	4,577,972,200	Volusia	33,115	3,196,951,200
Indian River	19,221	2,304,356,700	Wakulla	921	74,393,200
Jefferson	31	2,158,500	Walton	6,371	696,545,900
Lee	93,104	9,882,087,100	<b>TOTAL</b>	1,512,115	\$148,778,510,945

The following table presents 1996 coastal county data from the FHCF. The 1995 totals for coastal counties are also included. Residential and commercial residential showed increases in the amount of insured value over the two years. Mobile home coverage showed a two percent decrease. Continued data collection will be needed before further analysis can be made.

**Florida Hurricane Catastrophe Fund**  
**1996 Coastal County Exposure**  
(in dollars, with percent change and totals from 1995)

<i>Coastal County</i>	<i>Residential</i>	<i>Commercial Residential</i>	<i>Mobile Home</i>	<i>Total Exposure</i>
<b>Bay</b>	5,851,257,075	761,995,185	245,393,228	6,858,645,488
<b>Brevard</b>	22,974,712,119	2,088,660,332	1,035,512,358	26,098,884,809
<b>Broward</b>	70,365,308,362	10,073,152,067	731,182,707	81,169,643,136
<b>Charlotte</b>	8,656,012,859	641,627,212	575,387,489	9,873,027,560
<b>Citrus</b>	5,326,275,036	186,341,331	461,010,641	5,973,627,008
<b>Collier</b>	14,982,204,117	3,779,144,850	474,876,302	19,236,225,269
<b>Dade</b>	73,273,969,102	9,009,519,114	252,780,672	82,536,268,888
<b>Dixie</b>	183,138,622	6,609,313	53,949,962	243,697,897
<b>Duval</b>	29,946,053,855	2,077,511,618	457,209,387	32,480,774,860
<b>Escambia</b>	10,928,548,577	724,231,788	178,982,590	11,831,762,955
<b>Flagler</b>	2,805,628,020	157,374,866	73,042,772	3,036,045,658
<b>Franklin</b>	516,002,660	42,580,038	23,059,899	581,642,597
<b>Gulf</b>	450,204,594	11,741,548	30,261,303	492,207,445
<b>Hernando</b>	6,212,612,614	124,916,462	571,457,216	6,908,986,292
<b>Hillsborough</b>	38,812,484,656	2,472,937,245	1,094,798,521	42,380,220,422
<b>Indian River</b>	6,741,343,977	1,114,605,032	333,067,663	8,189,016,672
<b>Jefferson</b>	277,216,852	12,106,577	41,487,131	330,810,560
<b>Lee</b>	23,435,510,774	3,299,603,555	1,955,645,415	28,690,759,744
<b>Levy</b>	662,279,458	31,042,414	152,361,864	845,683,736
<b>Manatee</b>	9,727,034,765	1,342,806,581	1,065,928,958	12,135,770,304
<b>Martin</b>	8,280,026,679	1,253,610,365	378,948,449	9,912,585,493
<b>Monroe</b>	4,468,761,543	346,399,380	317,316,455	5,132,477,378
<b>Nassau</b>	2,050,163,732	208,555,340	180,069,388	2,438,788,460
<b>Okaloosa</b>	7,908,801,188	1,175,393,735	94,553,762	9,178,748,685
<b>Palm Beach</b>	70,724,597,847	8,900,259,062	553,847,275	80,178,704,184
<b>Pasco</b>	13,474,466,036	567,719,223	1,495,308,024	15,537,493,283
<b>Pinellas</b>	42,319,163,807	5,514,848,412	1,650,722,616	49,484,734,835
<b>Santa Rosa</b>	17,521,594,958	708,075,183	195,266,377	18,424,936,518
<b>Sarasota</b>	6,579,765,163	750,708,932	186,650,891	7,517,124,986
<b>St. Johns</b>	5,082,367,200	249,746,151	132,223,695	5,464,337,046
<b>St. Lucie</b>	19,590,140,003	2,594,484,534	1,114,410,906	23,299,035,443
<b>Taylor</b>	415,034,037	8,492,700	55,123,164	478,649,901
<b>Volusia</b>	20,079,071,576	2,218,061,765	914,099,075	23,211,232,416
<b>Wakulla</b>	513,077,102	10,153,420	82,181,203	605,411,725
<b>Walton</b>	1,148,869,069	118,318,432	78,033,027	1,345,220,528
<b>Total 1996</b>	552,283,698,034	62,583,333,762	17,236,150,385	632,103,182,181
<b>Total 1995</b>	521,035,230,700	55,405,925,918	17,708,537,823	594,149,694,441
<b>Percent Change</b>	+5.9%	+12.9%	-2.6%	+6.3%

**References**

Department of Community Affairs (DCA). 1995. "National Hurricane Program, State of Florida." October 1, 1994-September 30, 1995.