

Delta GHAD Community and EPIC Brokers Announce Groundbreaking Partnership on Community-Based Parametric Flood Insurance

[Isleton, CA] – The Delta Region Geologic Hazard Abatement District and EPIC Brokers are proud to announce a strategic partnership to purchase a first-of-its-kind community-based parametric flood insurance policy. This innovative insurance product will provide financial resilience for the community, complementing the physical resilience offered by levees.

This partnership follows Commissioner Lara’s recent announcement celebrating the two-year grant awarded by the California Department of Water Resources (DWR) to support the development of this pioneering community-based flood insurance initiative. The initiative is a direct result of the recommendations provided by the California Climate Insurance Working Group in their 2021 report, "Protecting Communities, Preserving Nature, and Building Resiliency." The report highlighted the need for innovative insurance approaches and identified Geological Hazard Abatement Districts (GHAD) as potential leaders in this effort.

"We are thrilled to collaborate with EPIC Brokers to bring this groundbreaking insurance solution to our community," said Iva Walton, Delta Region GHAD President. "This partnership marks a significant milestone in our efforts to enhance the financial resilience of our community, particularly in the face of increasing flood risks."

Alice Hill, Chair of the California Climate Insurance Working Group and Senior Fellow at the Council on Foreign Relations, praised the initiative, stating, "Recovering from climate-worsened disasters requires innovation, including innovative insurance products. This report identifies promising paths forward where property owners, insurance companies, communities, and insurance regulators can find common ground. It shows the power of tools like parametric policies and community-level coverage to protect residents and incentivize proactive risk reduction. Pilots like Isleton's are crucial for developing robust, adaptive insurance strategies that match the accelerating pace of climate calamities."

Carolyn Kousky, author of *Understanding Disaster Insurance* and vice-chair of the California Climate Insurance Working Group, noted that innovation was important as risks grow. She added, "flood risks are increasing around the country as the planet warms. Unfortunately, there are holes in our financial safety net and new approaches are needed to help secure resilience communities in the face of this change. It is exciting to see innovations like this new program in Isleton."

EPIC Brokers has been working with a cross-industry consortium to develop a parametric product that serves the needs of the Delta GHAD. The partnership includes an award-winning Geotechnical firm - ENGEIO Inc, a leading Reinsurer - Munich Reinsurance America Inc. ("Munich Re US"), Industry Thought Leader and former FEMA Regional Engineer Kathleen Schaefer, an IoT sensors company FloodFlash, and an insurance program administrator MiniCo.

"We're delighted to have contributed to this important partnership," Uri Eliahu, ENEGO Inc. "By combining our four decades of expertise in Geologic Hazard Abatement Districts with innovative insurance solutions, we plan to support the Delta GHAD and many other communities by bringing truly innovative solutions for the challenges of climate change and flood risks."

The consortium has worked to develop a framework, termed Resilient Insurance for Equitable Recovery (RISER), which aims to help communities become financially resilient after a flood disaster by closing the

insurance protection gap. The current pilot addresses the first layer of the RISER framework, designed to fill existing disaster recovery funding gaps, including cleaning, structural repairs, mold abatement, and reducing the cash flow challenges associated with indemnity flood insurance policies.

"In collaboration with some of the brightest minds in their respective fields... we've chosen a different path to solve an age-old problem with flood risk," said Mark Niebuhr, Managing Principal, EPIC Brokers. "Key to the success of our community-based approach is ensuring an efficient means for adjustment at time of loss and immediate financial support to the community when it's most critical. From hardship through recovery...we stand ready to assist those communities in greatest need."

"Community-based insurance solutions highlight the transformative power of preparedness in action and enable entire communities to build resilience in the face of a changing risk landscape," said Raghuvver Vinukollu, Head of Climate Insights and Advisory, Munich Re US. "By pooling risks and promoting risk mitigation and preparedness, communities can work toward ending the cycle of vulnerability to create a more stable and prosperous future for all. As people and communities face the increasingly devastating impacts of climate change, the need for community resilience insurance will grow."

The partnership between Delta GHAD and EPIC Brokers demonstrates a commitment to innovative solutions that address the complex challenges of flood risk management. By combining physical and financial resilience, this community-based insurance product will serve as a model for other communities.

Media Contact: Kathleen Schaefer, kkschaefer@ucdavis.edu, 510-292-9075

Note to editor:

- For more information on the announcement by Commissioner Lara, please visit <https://www.insurance.ca.gov/0400-news/0100-press-releases/release051-2024.cfm>
- For more information about the Delta Region GHAD community, please visit <https://www.ucdavis.edu/climate/news/flood-risk-rising-can-community-based-insurance-fill-gap>
- For more information about EPIC Brokers, please visit epicbrokers.com
- To learn more about the community-based parametric flood insurance initiative, please contact Kathleen Schaefer.
- For more information about the California Climate Insurance Working Group and their report, "Protecting Communities, Preserving Nature, and Building Resiliency," please visit <https://www.insurance.ca.gov/01-consumers/180-climate-change/>.