

THE NATIONAL FLOOD INSURANCE PROGRAM: WHAT'S NEW?

PREPARED FOR THE SOUTH FLORIDA REGIONAL
PLANNING COUNCIL BY MONROE COUNTY
COMMISSIONER HEATHER CARRUTHERS
FEBRUARY 2019





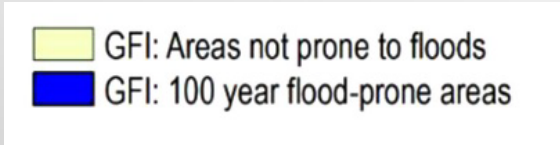
WHY NATIONAL FLOOD INSURANCE?





FLOOD RISK IS EVERYWHERE

GEOMORPHIC FLOOD INDEX MAP



SOURCE: Dataset of 100-year flood susceptibility maps for the continental U.S. derived with a geomorphic method by Caterina Samela & Salvatore Manfreda (Università degli Studi della Basilicata, Potenza 85100, Italy) and Tara J. Troy (Lehigh University, Bethlehem, PA 18015, USA); published in ScienceDirect by Elsevier Inc., 2017

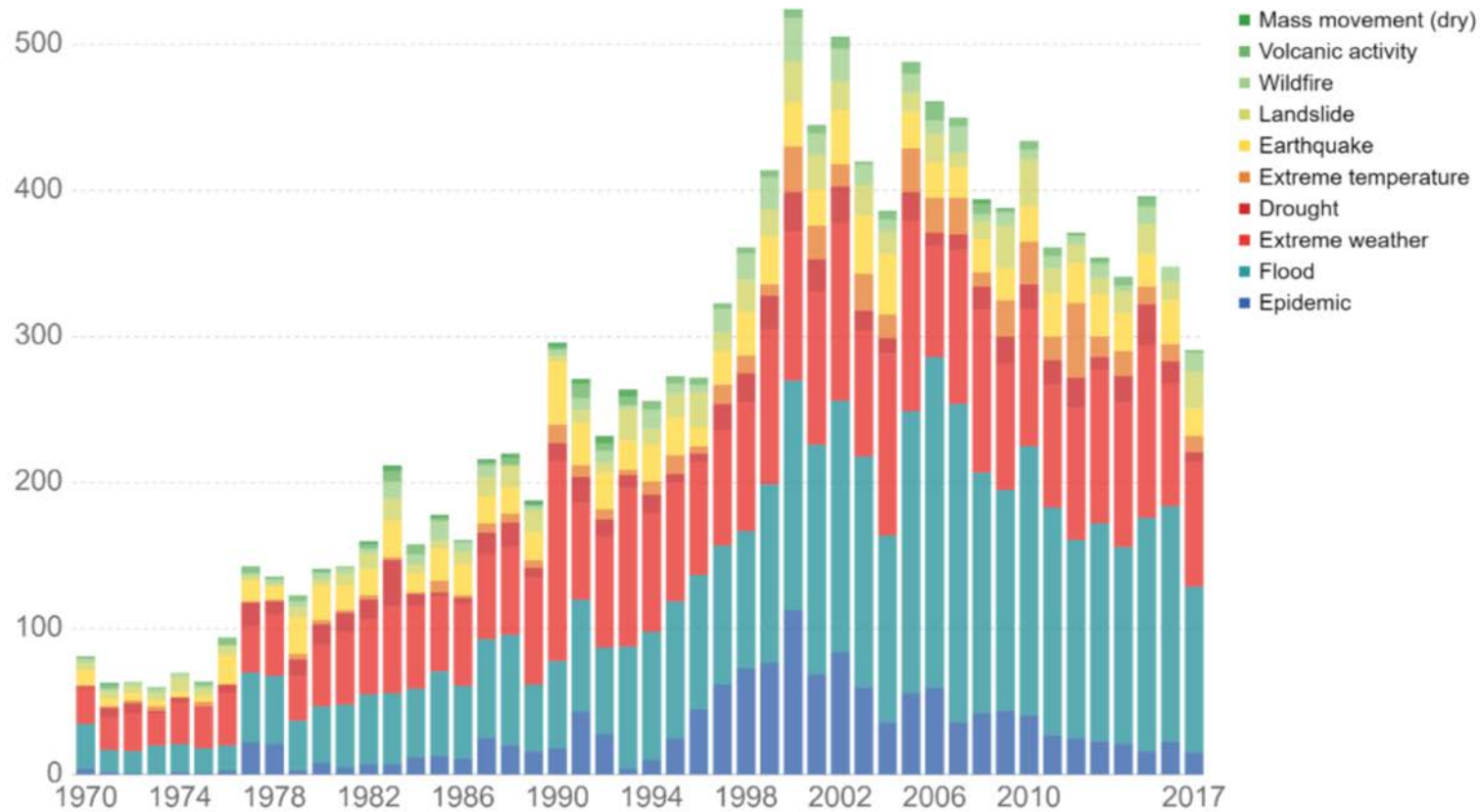


Our World
in Data

FLOODS ARE A GLOBAL PROBLEM

Global reported natural disasters by type

The annual reported number of natural disasters, categorised by type. This includes both weather and non-weather related disasters.



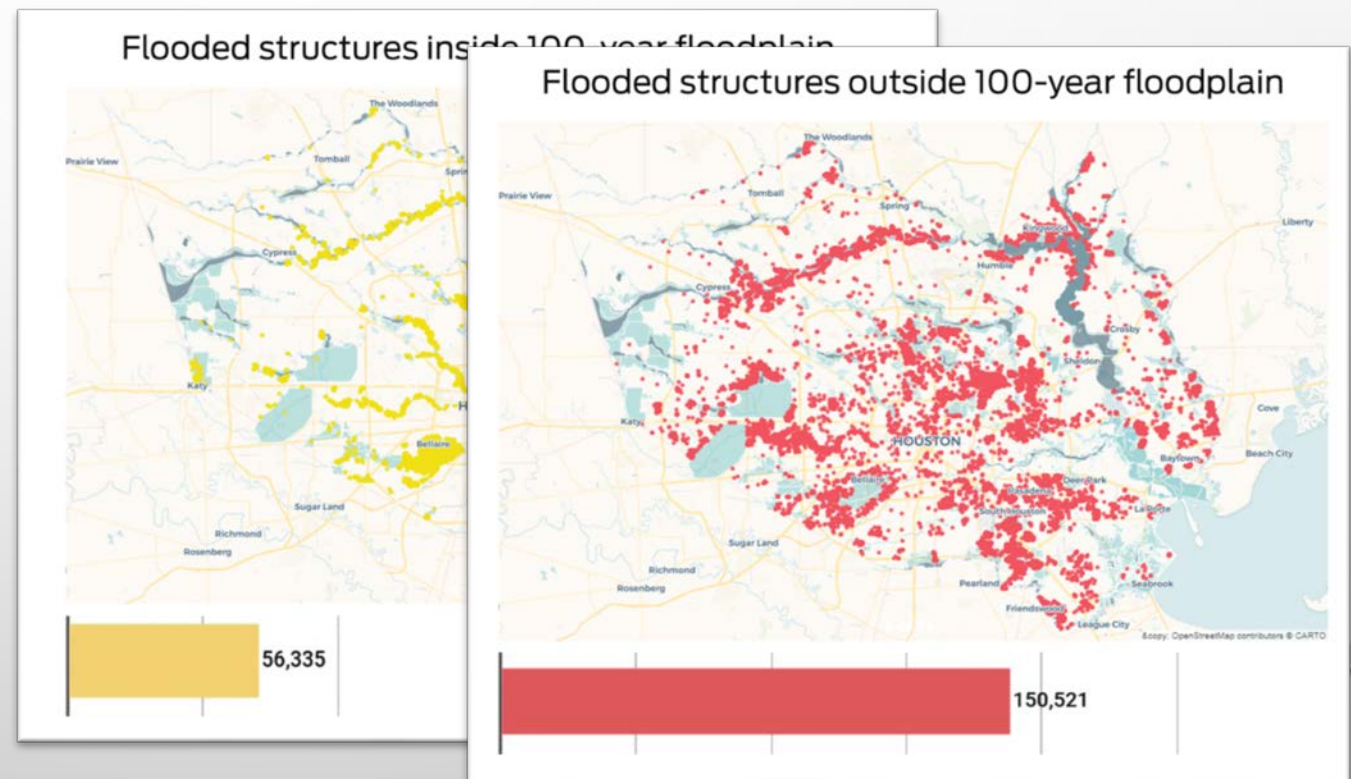
Source: EMDAT (2017): OFDA/CRED International Disaster Database, Université catholique de Louvain – Brussels – Belgium
OurWorldInData.org/natural-disasters • CC BY-SA



EXPAND THE POOL

Floods and flood damage occur outside of the floodplain.

Hurricane Harvey, 2017





EXPAND THE POOL



Even within the floodplain,
most properties are not
insured for flood.

< 20%

An AP analysis found fewer than one in five
properties in high-risk flood zones had coverage.



WHY DO WE NEED NFIP?

Protect coastal economic engine

Protect homeowner assets

Protect property values

Protect the economy

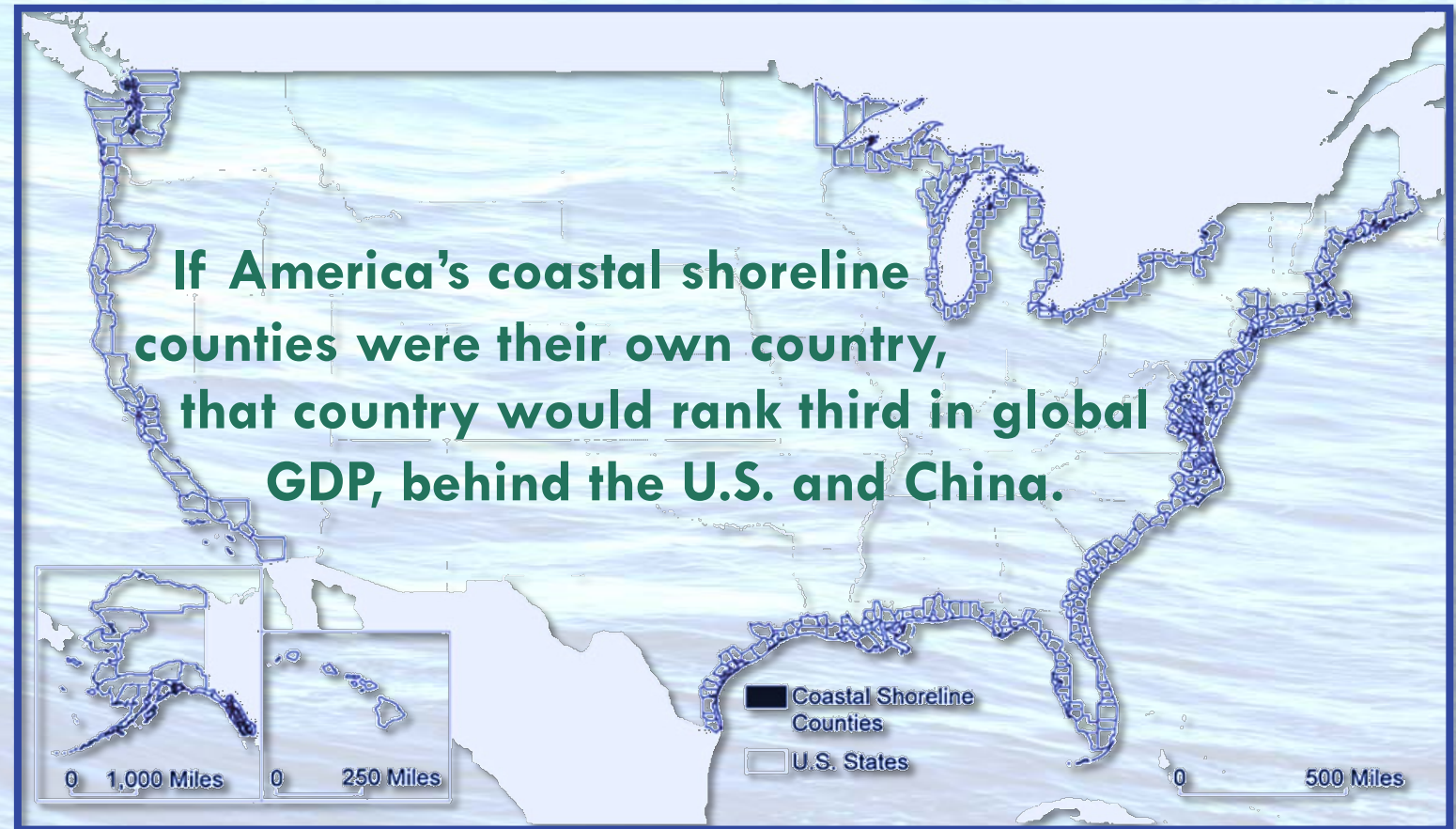




COASTAL ECONOMIES DRIVE THE NATION

- Home to **39%** of Americans
- Generate **46%** of national **GDP** (\$6.6T)
- Generate **51M jobs**
- Generate **56%** of our nation's **energy**
- Home to all ocean **ports**
- Home to commercial and recreational **fishing** industries

SOURCE: <http://stateofthecoast.noaa.gov>





PROTECT THE ECONOMY

Unavailable and unaffordable flood insurance

- Has the greatest impact on the most vulnerable
- Will cause economic collapse



LATEST NFIP LEGISLATIVE ACTION

Reauthorized until May 31, 2019



IN THE MEANTIME, WHAT IS FEMA DOING? DRAWING NEW FLOOD MAPS



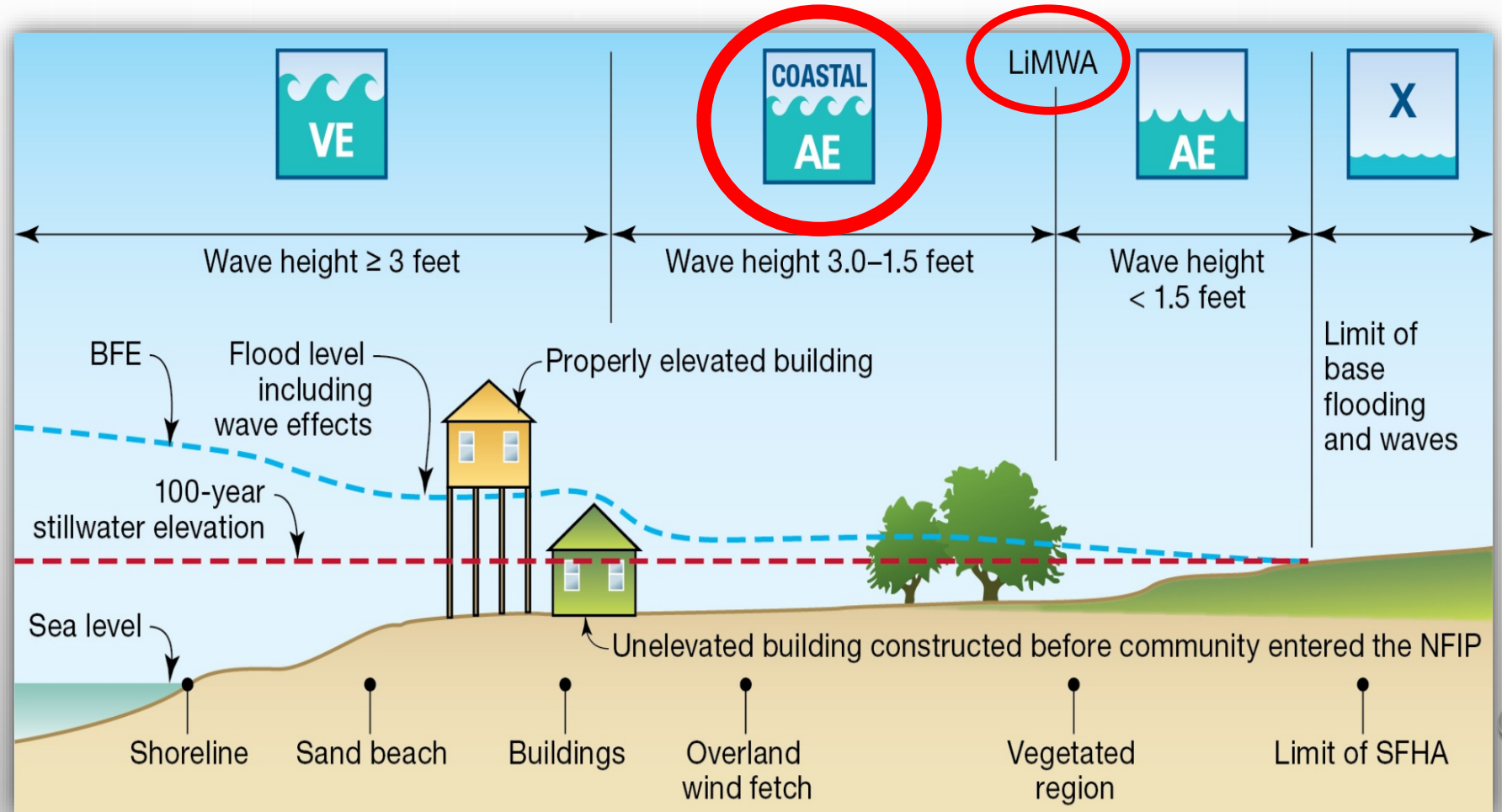
- Beginning with coastal counties
- Drafts for the Keys due Spring 2019
- Changes likely to increase risk
- May create a new “Coastal Zone A”
- County analyzing data and model to prepare for possible appeal



WHAT'S NEW?

Coastal A Zone

Limit Of Moderate Wave Action (LiMWA)





WHAT WILL IT MEAN? THAT DEPENDS...



Get a **Preferred Risk Policy** anyway!



WHAT WILL IT MEAN? THAT DEPENDS...

CURRENT MAP



NEW MAP



= **CHANGE**

*Get a **Preferred Risk Policy** within 12 months of the map change.*



WHAT WILL IT MEAN? THAT DEPENDS...

CURRENT MAP



NEW MAP



CHANGE

*Get a policy **before** the map change.*



WHAT WILL IT MEAN? THAT DEPENDS...

CURRENT MAP



NEW MAP



CHANGE

Get re-rated after the map change.



WHAT WILL IT MEAN? THAT DEPENDS...

CURRENT MAP



NEW MAP



= CHANGE

*Go through a **conversion** to a PRP, receive a refund on the premium difference and get contents coverage.*



WHAT WILL IT MEAN?



Limit of Moderate
Wave Action (LiMWA)



=



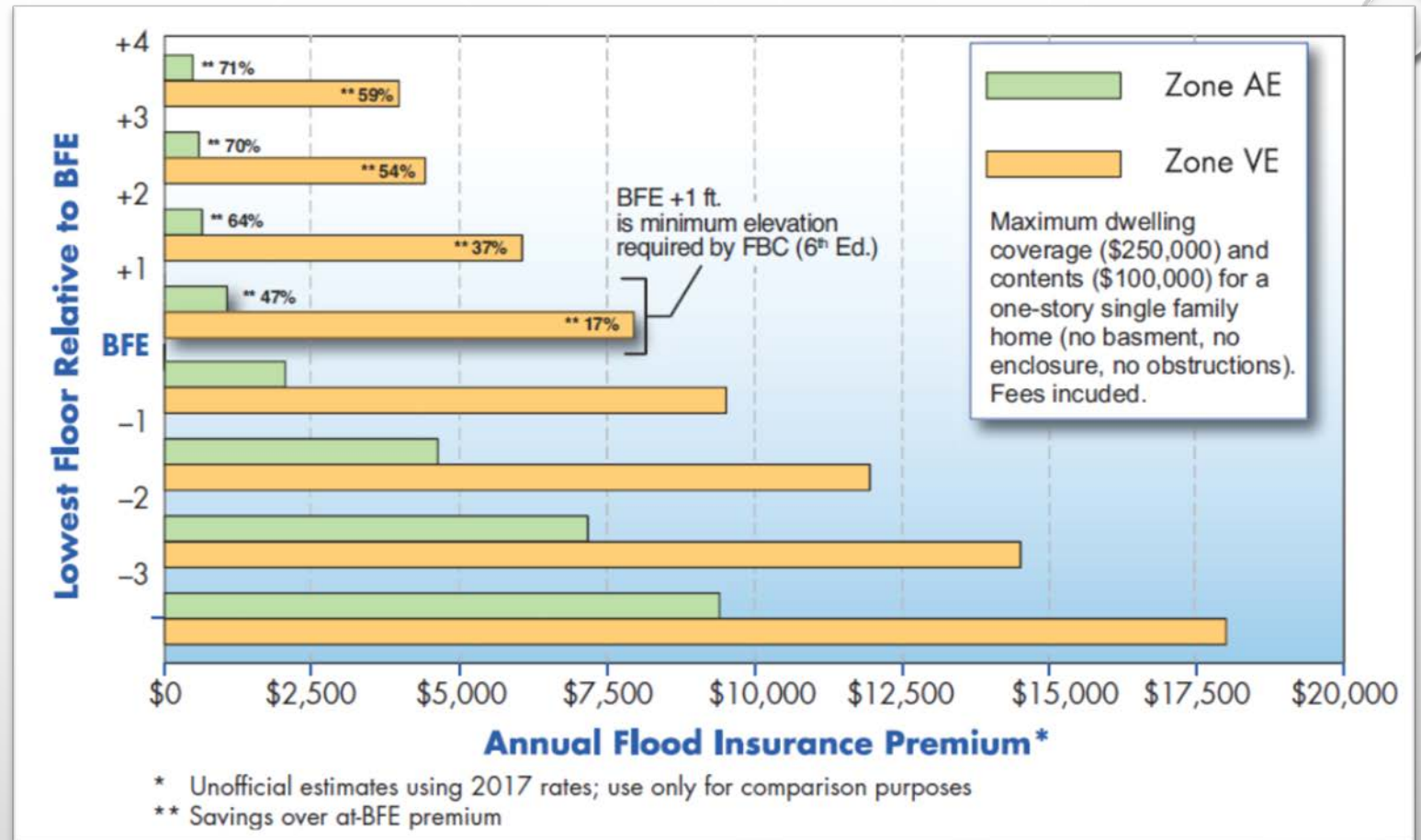
*BUT your risk is greater.
Make sure you are fully insured.*



ELEVATING FOR FREEBOARD

“A factor of safety usually expressed in feet above a flood level for purposes of floodplain management.”

- NFIP construction standards requires new construction and substantial improvements to be above base flood elevation (BFE)
- AE flood zones – lowest floor elevation (LFE)
- Coastal high hazard (VE) flood zones – lowest horizontal structural member (LHSM) aka bottom of the beam
- The more freeboard the greater the premium savings



To mandate, or not to mandate? That is the question.

SUGGESTED CHANGES TO NFIP





IMPROVE DATA COLLECTION AND ACCURACY

Support funding the use of the latest LIDAR technology which significantly reduces the amount of error in data collection.

Ensure greater

Increase collection of

EXPAND THE POOL

Insurance works by spreading risk.

- Strengthen enforcement
- Expand use of
- Prohibit cherry insurers

IMPROVE FINANCIAL MANAGEMENT

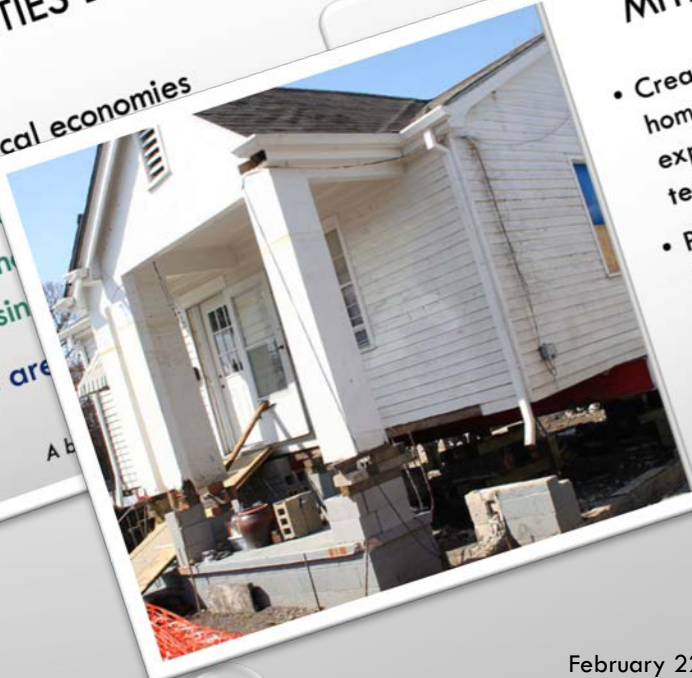
Reduce administrative costs by cutting payments to WYO firms.

- They bear no risk.
- They consume a third of premium
- Invest reserves as other insurance companies do.

RATE PROPERTIES BY VULNERABILITIES, NOT USE

Businesses power local economies

Higher premiums on properties = higher affordable housing economy



MITIGATE RISK

- Create programs to help homeowners pay for expensive mitigation techniques like elevation
- Provide mitigation credits for homeowners who flood-proof in other proven ways
- Increase funding to retire repetitive loss properties



MAINTAIN ACCESS TO AFFORDABLE FLOOD INSURANCE

- Use good data to establish ***accurate*** rates
- Create a ***sustainable*** glide path to full risk rates
- Ensure private insurers take up a ***range of risk***
- Provide for ***continuous coverage***



HOPE FOR REFORM?

- House Financial Services Committee - new leadership
- Re-introduce Sustainable, Affordable, Fair and Efficient NFIP Act?
- Re-introduce State Flood Mitigation Revolving Fund Act?





SAFE NFIP

- Sustainable, Affordable, Fair and Efficient NFIP Act of 2017
- Bi-partisan Senate support
 - Longer term reauthorization
 - Improved affordability
 - Improved accessibility
 - Improved fiscal management
 - Improved mitigation options
- **Must be re-introduced**





AND IN THE HOUSE . . . H.R. 7037

- State Flood Mitigation Revolving Fund Act

- Creates low-interest loan program
- FEMA provides seed money
- States further fund the program
- May be accessed by homeowners, businesses, non-profits and local governments
- May be used for elevation, flood-proofing, building relocation or rmoval, environmental restoration, property acquisition, protective easements

- Like PACE, loan rides with the property

- **Must be re-introduced**



This Act may be cited as the "State Flood Mitigation Revolving Fund Act of 2018".

SEC. 2. STATE REVOLVING LOAN FUNDS FOR FLOOD MITIGATION.

NFIP Reauthorization

Chapter I of the National Flood Insurance Act of 1968 ([42 U.S.C. 4011](#) et seq.) is amended by adding at the end the following:

"SEC. 1326. STATE REVOLVING LOAN FUNDS FOR FLOOD MITIGATION.



WHAT CAN YOU DO?

- **Get/maintain flood insurance.**
- **Stay informed.**
- **Talk to your legislators.**
- **Talk to your colleagues.**
- **Support SAFE NFIP-type reforms.**



QUESTIONS?

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