Welcome to

Key Fundamentals of Flood Insurance in the NFIP!

A Before and After approach for Housing Counselors

Presented by: H2O PARTNERS

Before the Flood
Presenter – Melanie Graham

After the Flood
Presenter — Erin Capps

Things to consider!

- All buildings are in a Flood zone
- Your client may be required to purchase Flood Insurance
- Homeowner policies do not cover flooding
- Floods are caused by many sources

Here’s our agenda

Question 1- What is a Flood

Question 2- Who has Flood Risk

Question 3- How is Flood Risk Identified

Question 4- Who Can Should and Must buy Flood Insurance

Question 5- How do property owners buy Flood Insurance

What is the NFIP?

What is a flood ?

- NFIP definition of “flood”

What is a flood?

NFIP Definition of Flood

- General and Temporary Condition
- Partial or complete inundation, such as:
  - Overflow of inland or tidal waters
  - Unusual or rapid accumulation or runoff of surface waters from any source

A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (one of which is your property) from:

a. Overflow of inland or tidal waters,
b. Unusual and rapid accumulation or runoff of surface waters from any source,
c. Mudflow.

What is a flood?

Mudflow

- A river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water
- Not Mudflows:
  - Landslide
  - Slope failure
  - Saturated soil mass

Flood-related erosion

- Collapse or subsidence of land along the shore of a lake or similar body of water
- Caused by waves or currents of water exceeding cyclical levels
- Results in flooding

Who has flood risk ?

- All Property Owners
- All Zones

SFHAs and Non-SFHAs

Special Flood Hazard Areas (SFHAs)

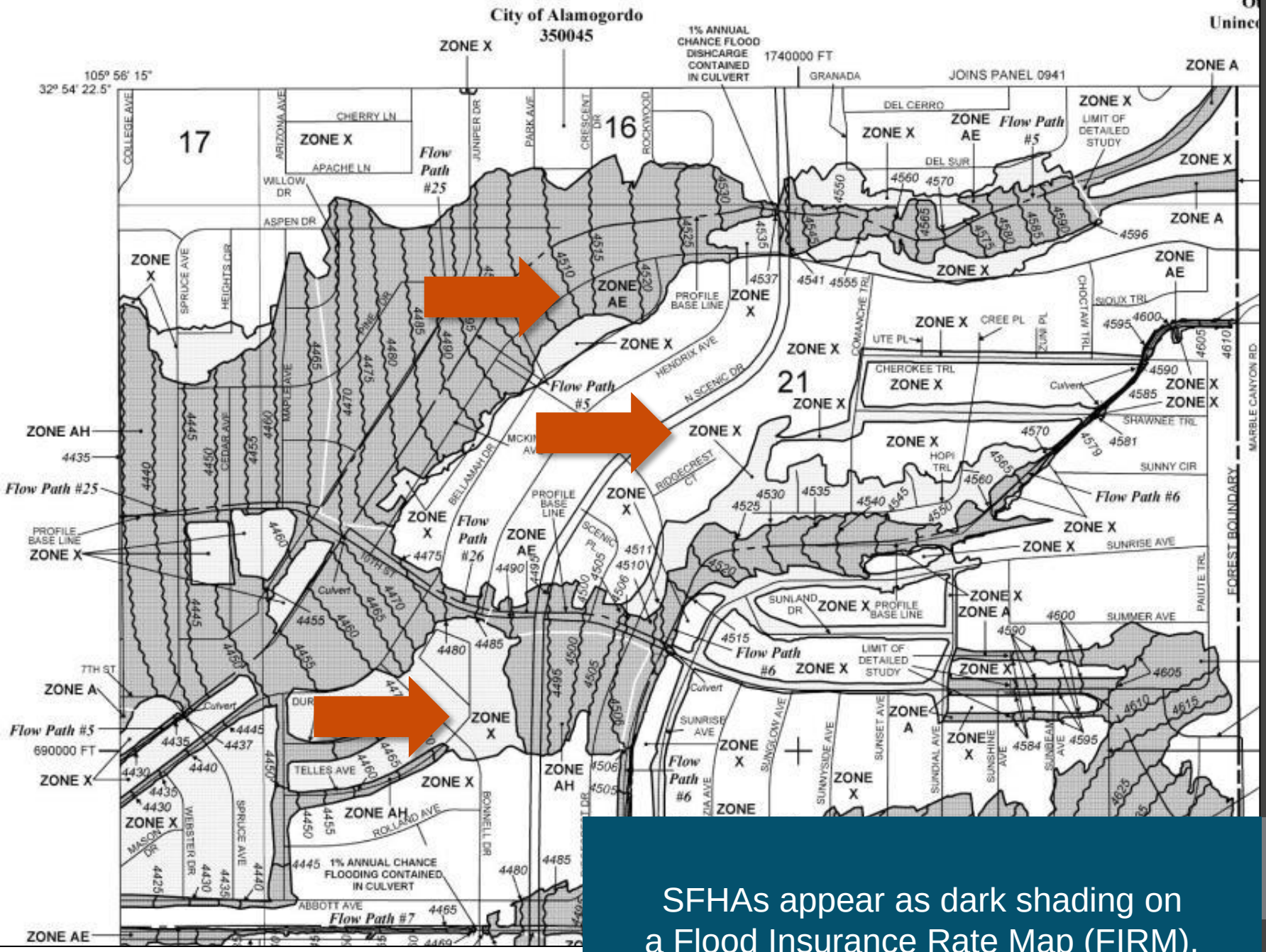
High Risk Zones

- AE (replaces A1-A30)
- A, AH, AO, A99, AR
- VE (replaces V1-V30), V, VO

Non-Special Flood Hazard Areas (non-SFHAs)

Low to Moderate Risk Zones

- B, C, X
- D (undetermined)



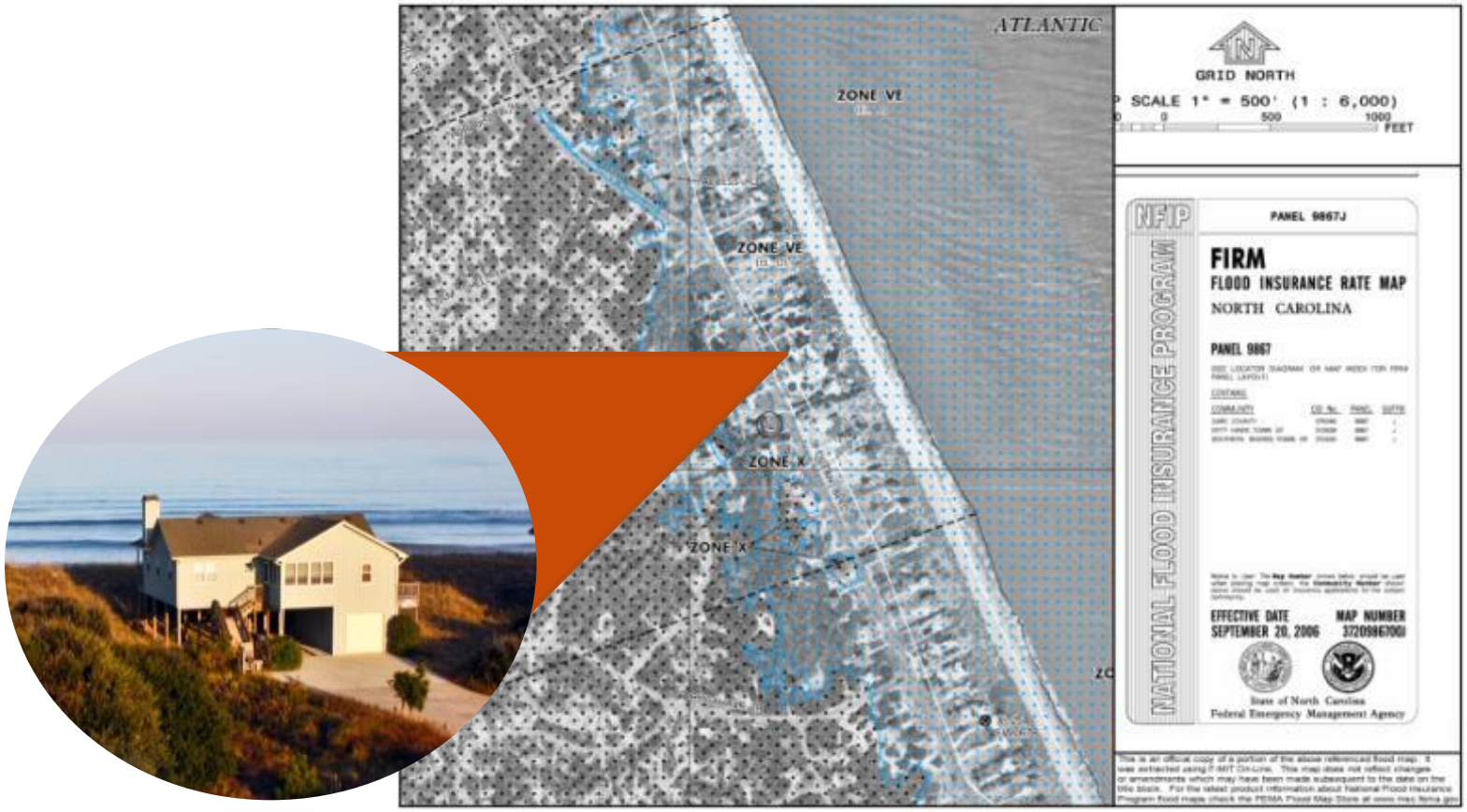
SFHAs appear as dark shading on a Flood Insurance Rate Map (FIRM).

ZONE AE
ZONE X
ZONE AH
(EL 740)
ZONE AH
(EL 739)
ZONE AH
(EL 740)
ZONE X
ZONE AE
DA0603
DA0602
DA0699
DA0698
Maricopa County
Unincorporated Areas
040037
PROFILE BASE LINE
Bender
719
720
721
722
723
724
727
729
730
731
734
735
739
740
745
746
747

How do you identify flood risk

- Flood Insurance Rate Maps
- Low Moderate and High Risk

Determining the Flood Zone



FEMA Map Service Center

Locating flood maps: www.msc.fema.gov

Who Must Buy Flood Insurance ?

A or V Zones

What is a designated loan

A loan secured by a **building or mobile** home that is located or to be located in a "**Special Flood Hazard Area**" in which flood insurance is available under the Act.

Please note: Emphasis on a "building or mobile home" as collateral

How do property owners buy flood insurance ?

- Write Your Own Company
- NFIP Direct Servicing Agent
- Licensed Property and Casualty Agent

Participating Communities

Community Status Book Report

- http://www.fema.gov/national-flood-insurance-program/national-flood-insurance-program-community-status-book

Federal Emergency Management Agency
Community Status Book Report
VIRGINIA
Communities Participating in the National Flood Program

CID	Community Name	County	Init FHBM Identified	Init FIRM Identified	Curr Eff Map Date	Reg-Emer Date	Tribal
510169#	ABINGDON, TOWN OF	WASHINGTON COUNTY	06/14/74	03/16/88	09/29/10	03/16/88	No
510001#	ACCOMACK COUNTY *	ACCOMACK COUNTY	12/13/74	06/01/84	03/16/09	06/01/84	No
510006#	ALBEMARLE COUNTY *	ALBEMARLE COUNTY	08/25/78	12/16/80	02/04/05	12/16/80	No
510260#	ALBERTA, TOWN OF	BRUNSWICK COUNTY	02/25/77	07/07/09	07/07/09	06/30/05	No
	Community annexed property in Brunswick County, Virginia. Therefore, map for Brunswick County, Virginia, 510236 0075B, dated 2/6/1991 was also adopted and applicable to this community as well as their FHBM dated 2/25/1977.						
515519#	ALEXANDRIA, CITY OF	ALEXANDRIA CITY		08/22/69	06/16/11	05/08/70	No
510009#	ALLEGHANY COUNTY*	ALLEGHANY COUNTY	07/18/75	07/16/87	12/17/10	07/16/87	No
510029#	ALTAVISTA, TOWN OF	CAMPBELL COUNTY	06/07/74	08/01/78	08/28/08	08/01/78	No
510314#	AMELIA COUNTY*	AMELIA COUNTY	07/25/75	09/01/87	04/16/09(M)	09/01/87	No
510010#	AMHERST COUNTY *	AMHERST COUNTY	11/22/74	07/17/78	09/19/07	07/17/78	No
510193#	AMHERST, TOWN OF	AMHERST COUNTY	01/31/75	11/02/77	09/19/07	11/02/77	No
510319#	APPALACHIA, TOWN OF	WISE COUNTY	05/10/74	09/17/80	02/18/11	09/17/80	No

How much flood insurance coverage is available?

	Emergency Program	Regular Program
Residential (1-4 family)		
Building	$35,000	$250,000
Contents	$10,000	$100,000
Other Residential		
Building	$100,000	$500,000
Contents	$ 10,000	$100,000
Non-Residential		
Building	$100,000	$500,000
Contents	$100,000	$500,000

Coverage D: Increased Cost of Compliance

Coverage D: Compliance & Eligibility

SFIP pays for complying with state or local floodplain management law or ordinance

- Compliance activities include:
  - Elevation, Relocation, Demolition, Floodproofing
- Eligibility requires:
  - Substantial damage
    - 50% of market value, or
    - Lower local standard
  - Repetitive loss
    - 2 flood losses in 10 years
    - 25% of market value

ICC
Limit of Liability
$30,000

See Part III. Property Covered - Section D of SFIP for complete details on eligibility and coverage

...

SECTION 2

After the Flood

Mitigation Eligibility and Activities

Types of Funding Sources

- Hazard Mitigation Assistance (HMA)
  - Pre-Disaster Mitigation (PDM)
  - Flood Mitigation Assistance (FMA)
  - Hazard Mitigation Grant Program (HMGP)

Who Can Apply for Funding

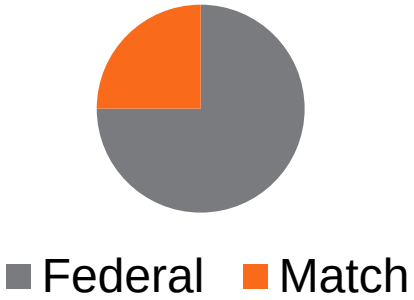
Eligible Applicants Depend on the Type of Funding

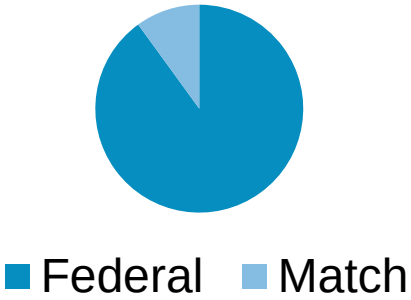
HMA Funding by Entity and Program

Entity	HMGP	PDM	FMA
State Agencies	+	+	+
Federally-recognized Tribes	+	+	+
Local Governments/Communities	+	+	+
Private Nonprofit Organizations (PNPs)	+		

Cost Sharing

Program	Federal / Non Federal Share
HMGP	75/25
PDM	75/25
PDM – If subrecipient is small and impoverished community or tribal government	90/10
FMA – insured properties and planning grants	75/25
FMA – repetitive loss property	90/10
FMA – severe repetitive loss property	100/0





Repetitive Loss v. Severe Repetitive Loss

- Repetitive Loss
  - NFIP Coverage
  - Flood Damage
    - 2 Incidents, Cost of Repair ≥ 25% of the Market Value for Each Event
    - ***AND*** During Second Incident, Insurance Contract Included ICC Coverage

- Severe Repetitive Loss
  - NFIP Coverage
  - Flood Damage
    - 4 or More Claims (building & contents), Each Claim > $5,000 and Total > $20,000
    - ***OR*** 2 Claims (building only) and Total > Market Value

Meeting the Non-Federal Share

1. Cash
2. Third-Party In-Kind Services
3. Materials
4. State Grants
5. Federal Funds (in limited cases)
6. Increased Cost of Compliance (ICC)
   1. Up to $30,000
   2. Claim Must be Made within Timeline Allowed by the NFIP
   3. Only for Activities Eligible for ICC:
      1. Elevation
      2. Floodproofing
      3. Relocation
      4. Demolition

Requirements for Eligibility

- Hazard Mitigation Planning

Type of Eligible Projects

Eligible Projects	HMGP	PDM	FMA
Property Acquisition and Structure Demolition	+	+	+
Property Acquisition and Structure Relocation	+	+	+
Structure Elevation	+	+	+
Mitigation Reconstruction	+	+	+
Dry Floodproofing of Historic Residential Structures	+	+	+
Dry Floodproofing of Non-residential Structures	+	+	+
Generators	+	+	
Localized Flood Risk Reduction Projects	+	+	+
Non-localized Flood Risk Reduction Projects	+	+	
Structural Retrofitting of Existing Buildings	+	+	+
Non-structural Retrofitting of Existing Buildings and Facilities	+	+	+
Safe Room Construction	+	+	
Wind Retrofit for One- and Two-Family Residences	+	+	
Infrastructure Retrofit	+	+	+
Soil Stabilization	+	+	+
Wildfire Mitigation	+	+	
Post-Disaster Code Enforcement	+		

Examples of Ineligible Activities

1. Acquisition Projects not Compatible with Open Space or Properties with Encumbrances
2. Non-Localized Flood Risk Reduction Projects Specific to FMA
3. Flood control Project to Repair/Replace Dams for Maintenance
4. Preparedness Actions, e.g. sandbags for flooding
5. Beach Nourishment/Re-Nourishment Projects
6. Projects for the Purpose of Water Quality Infrastructure
7. Landscaping / Ornamentation / Irrigation Systems

Any NFIP Requirements for HMA Funding

- NFIP Participation is Required for FMA Funding for Project and Planning Applications
- Flood Insurance must be Maintained for the Life of the structure for FMA Funding
- If a Community Participates in the NFIP ***AND*** the Project is in the SFHA, NFIP Participation is Required for HMGP and PDM Funding

NATIONAL FLOOD INSURANCE PROGRAM

Yes! HMA Eligibility is Related to the NFIP

Successful HMA/NFIP Projects

- Baldwin County, AL
  - Scarcliff family home flooded five times
  - Maintained flood insurance until mortgage was paid off
  - After reinstating the policy, worked with AEMA and FEMA to complete an HMGP project to elevate the home
  - Utilized ICC funds to cover the non-federal share

Successful HMA/NFIP Projects

- Sandy Hook Bay, NJ
  - Homeowners required to elevate home to obtain permits to add a second floor for $22,000
  - Decided to elevate above the requirement from 60 inches to 77 inches
  - Installed flood vents and elevated utilities
  - Home survived Hurricane Irene and Sandy (flood waters drained out through the vent)
  - Would have maintained significant damage if they did not increase above the minimum

H$_2$O PARTNERS

Any views or opinions presented in this webinar are solely those of the speakers. They do not represent the Federal Emergency Management Agency (FEMA), The National Flood Insurance Program (NFIP), any Federal Entity for Lending Regulation or Government Sponsored Enterprise (GSE). Always consult your regulatory entity for definitive guidance.