

CHAPTER 1

THE NATIONAL FLOOD INSURANCE PROGRAM (NFIP)



Goals and Objectives

The NFIP was created by Congress in 1968, offering non structural approaches to reduce flood damage.

Goals and Objectives

(continued)

The program's purpose is to make flood insurance available to property owners in flood-prone communities.

Goals and Objectives

(continued)

The NFIP requires local governments to adopt and enforce floodplain regulations before flood insurance can be obtained in their community

The local regulations must meet or exceed the minimum NFIP requirements

HOW THE NFIP WORKS

Emergency Program of the NFIP

Community applies for participation in the NFIP either as a result of interest in eligibility for flood insurance.

FEMA authorizes the sale of flood insurance up to the Emergency Program limits.

There is no official FHBM or FIRM.

Regular Program of the NFIP

Community applies for participation in the NFIP either as a result of interest in eligibility for flood insurance or a SFHA has been officially identified and the community has been notified.

FEMA authorizes the sale of additional flood insurance in the community up to the Regular Program limits.

FLOOD INSURANCE COVERAGES

	EMERGENCY PROGRAM	REGULAR PROGRAM
BUILDING COVERAGE		
Single-family Dwelling	\$ 35,000	\$250,000
Other Residential	\$100,000	\$250,000
Non-res. Small Business	\$100,000	\$500,000
CONTENTS COVERAGE (per unit)		
Residential	\$ 10,000	\$100,000
Non-residential	\$100,000	\$500,000

NFIP DEFINITIONS

A-ZONE-Is an area which would be flooded by the Base Flood, and is the same as a Special Flood Hazard Area (SFHA) or 100 year floodplain.

BASE FLOOD-Is referred to as the 100 year flood and is a measure of flood magnitude based on probability. It has a 1% chance of occurring in any given year.

BASE FLOOD ELEVATION (BFE)-The height of floodwater reached during the Base Flood. The elevation of the water surface is referenced to the National Geodetic Vertical Datum (NGVD) of 1929.

NFIP DEFINITIONS

(continued)

DEVELOPMENT-For purposes of the NFIP, development means any man-made change to improved or unimproved real estate, including, but not limited to, buildings or other structures, filling, mining, dredging, grading, paving, excavation or drilling operations, or storage of equipment/materials.

FLOODING-a general and temporary condition of partial or complete inundation of normally dry land areas caused by: (1) The overflow of waters, or (2) The unusual and rapid accumulation of run-off of surface waters from any source.

NFIP DEFINITIONS

(continued)

FLOODPLAIN MANAGEMENT-Means the operation of an overall program of corrective and preventive measures for reducing flood damage, including but not limited to emergency preparedness plans, flood control works and floodplain management regulations.

FLOODWAY-The river channel plus any adjacent floodplain areas which are needed to carry the waters of the Base Flood without substantial increases in the Flood height. NFIP regulation limit this increase to a maximum of one foot, also known as a surcharge.

NFIP DEFINITIONS

(continued)

LOWEST ADJACENT GRADE-The lowest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.

LOWEST FLOOR ELEVATION-The elevation of the lowest enclosed area (including basement). An unfinished or flood resistant enclosure, usable solely for parking of vehicles, building access or storage in an area other than a basement area, which is not considered a building's lowest floor, provided that such enclosure is not built so as to render the structure in violation of the applicable non-elevation design requirements of 60.3 of the NFIP regulations.

NFIP DEFINITIONS

(continued)

STRUCTURE-For floodplain management purposes, a structure is described as a walled and roofed building or manufactured home, including an above ground gas or liquid storage tank.

SUBSTANTIAL DAMAGE-Any damage sustained by a structure whereby the cost of restoring the structure to its original condition would be equal or exceed 50 percent of the market value of the structure before the damage occurred.

NFIP DEFINITIONS

(continued)

SUBSTANTIAL IMPROVEMENT-Any reconstruction, rehabilitation, addition or improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the “start of construction” of repair work performed. The term does not, however, include either:

- (1) Any project for improvement of a structure to correct existing violations of state or local health, sanitary or safety codes which have been identified by the local enforcement official and which are the minimum necessary to assure safe living conditions, or
- (2) Any alteration of a “historic structure”, provided that the alteration will not preclude the structure’s continued designation as a “historic structure”.

COMMUNITY RESPONSIBILITY

The responsibility communities have when participating in the NFIP is to regulate development in the floodplain. If floodplain development is not regulated, the availability of flood insurance will be jeopardized.

To meet this responsibility, cities and counties must adopt and enforce a floodplain ordinance that meets the requirements of the NFIP. The minimum standards the local government must adopt depends on the amount of data FEMA has supplied the community, the more detailed the data, the more stringent the regulations required. Data for communities is in one of the four following categories;

COMMUNITY RESPONSIBILITY

(continued)

- a) Study completed and no SFHA's identified and or no map printed.
- b) Floodplain map printed (FIRM or FHBM), study not completed, BFE's not determined.
- c) FIRM printed, study completed, BFE's established, floodway not designated.
- d) FIRM printed, study completed BFE's established, floodway established.

COMMUNITY RESPONSIBILITY

(continued)

BIENNIAL REPORTS-Communities participating in the NFIP agree to return a Biennial Report on floodplain activities to FEMA. Every two years FEMA sends a form to the community floodplain administrators requesting information concerning any changes to the community's flood hazard area.

- (a) Development activities.
- (b) Verification of the number of floodplain residents and structures.
- (c) Correct any errors or omissions.
- (d) Should be completed and returned within 30 days.

COMMUNITY RESPONSIBILITY

(continued)

COMMUNITY ASSISTANCE VISIT (CAV)-FEMA and the OWRB conduct Community Assistance Visits (CAV's) in participating communities to evaluate progress and efforts to comply with the regulations of the NFIP. The primary purpose of CAV's is to identify and help communities solve floodplain management problems.

A CAV is the foundation of FEMA's Community Compliance Program which outlines procedures for enforcement.

A CAV is a complete tour of the floodplains and inspection of floodplain development permits.

Any shortcomings or non-compliance are identified and corrective action is required by the community.

INCREASED COST OF COMPLIANCE (ICC) COVERAGE

On June 1, 1997 the NFIP modified the Standard Flood Insurance Policy to include ICC to help reduce the financial burden to elevate, flood proof, demolish or relocate flood damaged homes and bring them into compliance with the Community's Floodplain Management Ordinance.

ICC coverage provides for the payment of a claim of up to \$30,000.00 when a structure has been determined substantially damaged or cumulatively substantially damaged by the community.

ICC payments will be made whether or not there is a Presidential Declaration. Except those covered under the Group Flood Insurance Policy or the Condominium Unit Owner Policy. Buildings located in emergency NFIP Communities are excluded from ICC coverage.

NFIP REFORM ACT

(REIGLE ACT)

One of the major changes occurred in the Spring of 1994 with the NFIRA sometimes referred to as the Reigle Act. The act strengthened the mandatory purchase requirement allowing lenders to escrow a flood insurance policy if needed and to lengthen the waiting period from 5 days to 30. It also created the FEMA flood hazard determination form.

NFIP REFORM ACT

(REIGLE ACT)

MAJOR COMPONENTS OF THE ACT

- Signed into law by President Clinton on 9/23/94
- Codified the Community Rating System
- Created a Mitigation Assistance Program
- Created mitigation insurance
- Task force and studies
- 30 day waiting period increased from 5 days.
- Escrow
- Force placement of flood insurance
- Increased flood insurance limits (\$185,000 to \$250,000)

QUICK QUIZ

CHAPTER 1

1. When did Congress create the NFIP and why?
2. What is the amount of insurance coverage allowed under the Emergency and the Regular Phase of the NFIP?
3. What is the definition of Floodway?
4. What is the definition of Substantial Damage?
5. What is the communities responsibility when participating in the NFIP?

QUICK QUIZ

CHAPTER 1

6. What are some of the key points of a CAV?
7. What is ICC, when was it established and what is its purpose?
8. When was the Reform Act signed into law and also known as?
9. What are the major components of the Reform Act?
10. Who is the coordinating state agency for the NFIP?