THE VALUE OF NFIP FLOODPLAIN MANAGEMENT STANDARDS

- Structures built to meet or exceed NFIP minimum floodplain management standards
- Incur at a minimum 65% less flood damage on average
- Saving the nation $2.4 billion in avoided flood losses each year & $100 billion over the last 40 years
Is this success?
Make Your Voice Heard: Comment on NFIP Minimum Regulations

- Open Public Comment Period through January 27th on the NFIP's minimum floodplain management standards. They have not been substantially revised since they were implemented in 1976.
  - How would you change the NFIP’s minimum floodplain management standards that communities should adopt to result in safer, stronger, and more resilient communities?
  - How would you change the NFIP’s minimum standards to better promote the protection threatened and endangered species, and their habitats?
- Click here to view and comment on the request for information, Docket ID: FEMA-2021-2024.
Overview of Risk Rating 2.0—Equity in Action

- Reflects an individual property’s risk
- Reflects more types of flood risk in rates
- Uses the latest actuarial practices to set risk-based rates
- Provides rates that are easier to understand for agents and policyholders, and
- Reduces complexity for agents to generate a flood insurance quote

Individuals will no longer pay more than their share in flood insurance premiums based on the value of their homes.

Roughly 2/3 of policyholders with older pre-FIRM homes will see a premium decrease.
Premiums are Property Specific, Individualized Flood Risk

- Replacement Cost
- First Floor Height
- # of floors
- # of prior claims
- Distance to flooding source (geospatial information)
- Construction Type (Frame, Masonry, other)
- Square Footage
Risk Rating 2.0 Methodology Communicates Full-Risk Premiums

All policies will show the full-risk premium.

- **New business policies:**
  - Policies will be at their full risk premiums, showing any applicable mitigation or **Community Rating System** discounts.
  - May qualify for **Newly Mapped** discount, **Pre-FIRM** discount, or other statutory discounts.

- **Renewals:**
  - Policies will be on a glidepath to their full risk rate.
  - Most rates will not increase more than 18% per year.

**Example: Renewal with Risk Rating 2.0**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Premium</td>
<td>$1,100</td>
</tr>
<tr>
<td>Contents Premium</td>
<td>$490</td>
</tr>
<tr>
<td>Increased Cost of Compliance (ICC) Premium</td>
<td>$10</td>
</tr>
<tr>
<td>Mitigation Discount</td>
<td>($100)</td>
</tr>
<tr>
<td>Community Rating System (CRS) Discount</td>
<td>($300)</td>
</tr>
<tr>
<td><strong>Full-Risk Premium</strong></td>
<td><strong>$1,200</strong></td>
</tr>
<tr>
<td>Statutory Discounts</td>
<td></td>
</tr>
<tr>
<td>Annual Increase Cap</td>
<td>($200)</td>
</tr>
<tr>
<td>Pre-FIRM Discount</td>
<td>($200)</td>
</tr>
<tr>
<td>Newly Mapped Discount</td>
<td>$0</td>
</tr>
<tr>
<td>Other Statutory Discounts</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Adjusted Premium</strong></td>
<td><strong>$800</strong></td>
</tr>
<tr>
<td>Reserve Fund Assessment</td>
<td>$144</td>
</tr>
<tr>
<td>Premium [HFIAA] Surcharge</td>
<td>$25</td>
</tr>
<tr>
<td>Federal Policy Fee</td>
<td>$47</td>
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<tr>
<td>Probation Surcharge</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Annual Payment</strong></td>
<td><strong>$1,016</strong></td>
</tr>
</tbody>
</table>
What is the Community Rating System (CRS)?

- Voluntary program of the NFIP
- Communities undertake floodplain management activities that exceed the minimum floodplain management requirements of the NFIP.
- 19 creditable activities, organized in four categories:
  - Public Information
  - Mapping and Regulations
  - Flood Damage Reduction
  - Warning and Response
- New prerequisites:
  - Class 8: One foot of freeboard for new residential construction
  - Class 9: Plan for managing construction certificates, including Elevation Certificates
### Oklahoma CRS Communities: October 2021

<table>
<thead>
<tr>
<th>Community Name</th>
<th>Current Class</th>
<th>% Discount for SFHA*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tulsa, City of</td>
<td>2</td>
<td>40</td>
</tr>
<tr>
<td>Ponca City, City of</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>Del City, City of</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Edmond, City of</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Lawton, City of</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Bartlesville, City of</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>Broken Arrow, City of</td>
<td>7</td>
<td>15</td>
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<tr>
<td>Norman, City of</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>Sand Springs, City of</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>Stillwater, City of</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>Enid, City of</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>Oklahoma City, City of</td>
<td>9</td>
<td>5</td>
</tr>
</tbody>
</table>

*With Risk Rating 2.0, Equity in Action, the CRS discounts that apply inside the Special Flood Hazard Area (SFHA) today will now apply community-wide.

In April 2022 the City of Tulsa will officially earn a class 1 rating, which will give NFIP policy holders a 45% discount!
Tulsa’s Higher Standards

City's top designation for flood-mitigation efforts boosts flood insurance discounts for Tulsans | Politics | tulsaworld.com

Adaptations to Mingo Creek, seen here as it runs under Interstate 244, are among the flood-mitigation projects the city of Tulsa has made.

Photo: Presentation by Paul D. Zachary, PE, CFM
Exciting News for FEMA Mitigation Funding

- **August 2021:** $3.46 billion through FEMA’s Hazard Mitigation Grant Program for COVID-19 major disaster declarations.
- **September 2021:** $1.16 billion for FEMA’s annual, nationally competitive grants Building Resilient Infrastructure and Communities (BRIC) and Flood Mitigation Assistance (FMA), both open right now.
- **November 2021:** $6.8 billion of the $1.2 trillion infrastructure bill for FEMA mitigation.
**Dam Safety**
For the next five years, $733 million is awarded to FEMA in dam safety grants to states and territories to enhance dam safety and rehabilitate or remove aging dams.

**Cyber Security**
The Act provides $1 billion over the next four years in a whole-of-nation effort to combat cyber threats and enhance cybersecurity grant programs.
Building Resilient Infrastructure and Communities (BRIC)
The Infrastructure Act provides $1 billion over five years, which is in addition to the funding FEMA provides.

Incentivizes public infrastructure projects, mitigating risk to one or more lifelines, incorporating nature-based solutions, partnerships, benefiting disadvantaged communities, adopting and enforcing the latest building codes, and more.

Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act: Revolving Loans

The Infrastructure Act provides $500 million to the STORM Act.
Flood Mitigation Assistance (FMA) Cost Share
The Infrastructure Act provides $3.5 billion in Flood Mitigation Assistance grants over five years

**Not SRL or RL**
- FEMA 75%
- Non-Federal 25%

**Repetitive Loss (RL)**
- FEMA 90%
- Non-Federal 10%

**Severe Repetitive Loss (SRL)**
- FEMA 100%
- 0% Non-Federal

Individual Property Flood Mitigation - Not SRL or RL, Project Scoping, Community Flood Mitigation (Localized Flood Control), Flood Mitigation Plans, Technical Assistance

Individual Property Flood Mitigation – Repetitive Loss (RL)

Individual Property Flood Mitigation – Severe Repetitive Loss (SRL)
Research already proves that disasters disproportionately affect those who are already socio-economically marginalized in a community, subjecting them to even greater depths of poverty.

Executive Order 13985 was signed on 1/20/21: Advancing Racial Equity and Support for Underserved Communities Through the Federal Government.
Climate Change Executive Orders

- **EO 13990**: Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis
- **EO 14008**: Tackling the Climate Crisis at Home and Abroad
  - Reinstates [EO 13690](#) Federal Flood Risk Management Standard (FFRMS)
FEMA’s Initial Initiatives

- Climate Adaptation Enterprise Steering Group
- Stakeholder engagement process for the agency’s 2022-2026 Strategic Plan
Thank you. Any questions?

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