AFTER THE BOOM: HOW THE NATIONAL FLOOD INSURANCE PROGRAM CAN SAVE YOUR JURISDICTION MONEY

Texas Recovery Office
Hazard Mitigation – Floodplain Management and Insurance

Introduction

- Texas leads the nation in flood deaths every year
- In the last 10 years, Texas has had 9 flood-related federally declared disasters

NATIONAL FLOOD INSURANCE PROGRAM

- NFIP aims to reduce the impact of flooding on private and public structures as well as their contents
- Provides insurance to residential and commercial property owners and renters
- Encourages communities to adopt and enforce floodplain management regulations
- Policies are written by numerous insurance agencies but rates and coverage are the same for all agents
- NFIP policies help mitigate the effects of flood on new structures as well as on those undergoing substantial improvements

Introduction

- Aim is to reduce the socio-economic impacts of flood related disasters on citizens and on the nation as a whole

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<th>Footprint (X10^9 ft²)</th>
<th>Cost to Assess</th>
<th>Cost to Prevent (Property)</th>
<th>Potential Loss (Property)</th>
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NFIP Insurance Gap

- NFIP Coverage in Texas is low
- Most communities throughout the state have at least some coverage.
- The highest rates of coverage are along the Gulf Coast but there are still several areas that have room for growth, e.g., the City of Houston.

- Green areas on this map still represent a higher IA claim count than NFIP claim count.
- Areas in red are the ones that have the largest differences and could benefit from increased coverage.
- In areas such as Harris County, a majority of claims came from OUTSIDE the Special Flood Hazard Area, from lower risk zones.
- We are targeting additional efforts to promote flood insurance in all areas regardless of flood zone. Anywhere it can rain, it can flood.

INDIVIDUAL ASSISTANCE PROGRAM

- Paid out over $1.65 Billion after Hurricane Harvey
- Average IA Payout: $4000 - $6000

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NATIONAL FLOOD INSURANCE PROGRAM

- Paid out over $8.92 Billion after Hurricane Harvey
- Average NFIP Payout: $83,999

Individual Assistance can kick-start recovery, but it can’t make people whole. Insurance is the first line of defense in disaster recovery.
Group Flood Insurance Policy (GFIPs)

1. ACCEPT ASSISTANCE
   - 3 year, discounted policy. Starts as early as 60 days after date of Presidential disaster declaration.
   - Available to both homeowners and renters.
   - Provides up to $33,000 in coverage per year.
   - For more coverage policies can be cancelled and upgraded to an individual standard flood insurance policy.

2. MAINTAIN COVERAGE
   - Homeowners: Flood insurance coverage must be maintained for the address of the flood damaged property. The flood insurance requirement is transferred to any new owner of the address and continues for as long as the address exists.
   - 60-day notice of policy expiration.
   - Final notice of termination of coverage.
   - Applicant is responsible for purchasing insurance on their own
   - Failure to maintain flood insurance will affect applicant eligibility for future disaster assistance.

Harvey GFIP’s will begin to expire last quarter of 2020
GFIP’s not only in place for Harvey
Analyzing data for outreach to targeted areas and sectors e.g. Realtors and Insurance Agents
We need your help to continue this message!
   - Continual messaging
   - Educate public so they do not let their coverage lapse
   - Spread the message to insurance agents to offer coverage to clients

Using Geospatial Data to Inform Floodplain Management

Data can facilitate further discussion and understanding with floodplain administrators and other community officials about needs and opportunities that have become clearer after the impact of Hurricane Harvey.

- Disaster declarations
- Social Vulnerability
- Impervious Surfaces
- Impervious Surfaces + IA claims
- Harvey Claim Count be Affected Flood Zone
- Repetitive and Severe Repetitive Loss Claims
Harvey Claim Count by Effective Flood Zone

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<tr>
<th>Flood Zone Description</th>
<th>Claim Count</th>
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<td>hazard area</td>
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<td>Inside SFHA, 1% annual chance flood</td>
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<tr>
<td>hazard - A area</td>
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<tr>
<td>Inside SFHA, 1% annual chance flood</td>
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<td>not in Harvey declared area)</td>
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Visualization does not include PII
Community Assistance Contacts

SCOPE
- Fall 2018 – Summer 2019
- State representatives invited to meetings
- Over 300 jurisdictions contacted
- Face to face visits with 36 jurisdictions
- Still available upon request

AREAS OF FOCUS
- AW-501s, process to remove mitigated properties from the RL/SRL list
- Substantial Damages
- Personnel and map changes
- Training availability (273)
- NFIP Outreach Opportunities (Agent presentations at HOAs and Realtors' Associations)
- Written Resources

Substantial Damage
- Substantial Damage determinations have an impact on:
  - Available funding opportunities for homeowners
  - How much community is mitigating risk to the maximum extent possible
- Property owners with NFIP coverage and damage >50% of Actual Cash Value, could have been eligible for additional Increased Cost of Compliance funds of up to $30,000.
- A proper SD process will have protocol established during a steady state period dictating:
  - How SD inspections will be done
  - Method and timeframe of sending determination letters
  - Appeals process
  - Grants and Rep Loss plans to financially support mitigation
  - List of structures in the SFHA and pre-FIRM / post-FIRM status to inspect for damages or substantial improvements

Community Assistance Visits
- Transitioning away from and building off CACs
- TRO staff is beginning to assist Region 6 and TWDB, conducting routine CAVs for Harvey impacted areas over the next few years
- Leveraging Community Assistance Visits as an opportunity to work with NFIP participating communities to improve upon aspects of their program, e.g. SD.

The CAV begins with a scheduled visit to a NFIP community for the purpose of conducting a comprehensive assessment of the community’s floodplain management program and of its knowledge and understanding of the floodplain management requirements of the NFIP.

The purpose of the CAV is also to provide assistance to the community in remediating identified program deficiencies and violations.
**Areas of Focus**

- Floodplain Management Regulations
- Map Availability and Accuracy
- Development Review + Permitting Process
- Substantial Damage Process
- NFIP Community Information Review and Verification (Contacts + Statistics)
- Other (Community Rating System, Future development, Post-disaster plans)

**Review Material**

- Ordinance
- FIRMs (Map Service Center / NFHL)
- Community Information System (CIS)
- CAV Collector
- SD Data / EA + NFIP Data Analysis
- Field Survey
- Aerial Imagery (Google)
- CAC Outputs
- Permit Reviews
- Community Meeting

**PROCESS**

1. **Pre-CAV Coordination**
   - Collector tool
   - SD analysis
   - Pre-review data, aerial imagery, ordinance, permits, etc.

2. **Pre-CAV Analysis**
   - CAV kickoff meeting
   - Further review of program / records
   - Drive through floodplain
   - Update CIS to reflect an open CAV for tracking at Region and National levels

3. **Community Visit** (Official Open)
   - Review CAV findings
   - CAV Field Report from collector tool
   - After Action Meeting
   - Input all necessary data into a CAV tracker and CIS.

4. **Post-CAV Visit**
   - CAV follow up letter to include all finding/violations and requested corrections (with pictures, addresses, timelines).

5. **CAV Report Issued**
   - Follow up, update chronology and file documents

6. **Compliance Monitoring**
   - Provide Close out Letter to CEO, FPA, and State Partners
   - Update all databases (Close CAV in CIS)

7. **Letter of Good Standing**

- CAVs are typically open for at least 6 months with regular progress and check ins about identified issues. If a CAV is approaching a year of being open, discuss handing CAV over to R6.

- Tier 1 communities should be CAV’d every 5 years.

- Tier assigned 25 of 68 Harvey Declared Tier 1 communities.

- Total of 177 Tier 1 Communities in Texas.

- All non-Tier 1 communities in Texas are Tier 2 and CAV’d as needed (e.g. CRS entry/post-disaster).
Pre-CAV Data Review

Data Included:
- Jurisdictional Boundaries
- FIRMs
- NFIP Policies (Minus Rated/Pre-FIRM vs. Post-FIRM)
- NFIP Claims
- Repetitive Loss / Severe Repetitive Loss
- Data Collector Layer for field surveying

Pre-CAV Collector Set Up

Field Survey

Look for:
- New construction or substantial improvements
- Structures with noncompliant enclosed areas
- Structures below BFE
- Encroachment in floodway
- Inadequate drainage
**Kickoff Meeting(s) + Program Review**

- Kickoff Meeting
- Floodplain Management Regulations Review
- Map Availability and Accuracy
- Floodplain Tour Observations
- Floodplain Management Opportunities
- Summarize the CAV
- Next Steps
- Close out

*CAC Output Teaser

*Available Opportunities (Funding / Programs)

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**Post-CAV Data Compilation**

- Recorded findings to send community
- Enables standardizing / integrating with Region 6 + State (TWDB) | QA-QC Review

**Next Steps**

- Follow-up meeting(s) with FPA
- Official follow-up letter
- Corrective Action Plan
- CAV Close-Out

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**Community Rating System (CRS)**

- Voluntary incentive program
- Recognizes and encourages communities who are executing and enforcing higher standards
- Discounted rates for activities that meet the 3 goals of CRS:
  - Reduce flood damage to insurable property
  - Support and strengthen the insurance aspects of the NFIP
  - Encourage a comprehensive approach to floodplain management

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The CRS recognizes 18 creditable activities, organized under 4 categories:
- Public Information
- Mapping and Regulations
- Flood Damage Reduction
- Flood Preparedness

Applications and management of a community’s involvement in the program are managed through the Insurance Services Office (ISO) and assigned CRS Specialist. Inform your FEMA Region rep of interest.
Stay in the know

- Look out for messages from us in the upcoming months about scheduling Community Assistance Visits and NFIP Outreach
- September is National Preparedness Month

Thank You

Resources

- FEMA.gov Community Assistance Visit Definition: https://www.fema.gov/community-assistance
**Definitions**

- **Repetitive Loss:** Any insurable building for which two or more claims of more than $1,000 were paid by the National Flood Insurance Program (NFIP) within any rolling ten-year period, since 1978. A RL property may or may not be currently insured by the NFIP.

- **Severe Repetitive Loss:** A single family property (consisting of 1 to 4 residences) that is covered under flood insurance by the NFIP and has incurred flood-related damage for which 4 or more separate claim payments have been paid under flood insurance coverage, with the amount of each claim payment exceeding $5,000 and with cumulative amount of such claim payments exceeding $20,000; or for which at least 2 separate claim payments have been made with the cumulative amount of such claims exceeding the reported value of the property.

- **Minus Rated:** Minus rated properties are those that have the lowest floor one foot or more below the base flood elevation.

- **Substantial Damage:** The term “substantial damage” applies to a structure in a Special Flood Hazard Area – or floodplain – for which the total cost of repairs to 50 percent or more of the structure’s market value (Actual Cash Value) before the disaster occurred, regardless of the cause of damage.

- **Substantial Improvement:** Any reconstruction, rehabilitation, addition or other improvement to a structure, the total cost of which equals or exceeds 50 percent of the market value (Actual Cash Value) of the structure before the start of construction of the improvement.