

WHO PAYS? FLOOD INSURANCE, EMERGENCY MANAGEMENT AND YOU

Angela Pitalo

The National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973 established guidelines for the National Flood Insurance Program (NFIP), which are carried out by local insurance agencies and govern which properties are eligible for flood insurance, which properties are required to have flood insurance, and how much coverage properties can have. According to legislation, the NFIP was created because floods, as unforeseen disasters, create economic and personal hardship; previous methods for flood damage prevention were insufficient; and preventing losses from flood damage should be a responsibility shared by individuals, communities and the nation. More than 70 percent of natural disasters in the United States are floods (coastal, fluvial, or estuarine) (Lavigne 1994). The Federal Emergency Management Agency (FEMA) has ranked the 1993 Midwest Floods (\$1.14 billion) and the 1997 Red River Valley Floods (\$740 million) as two of the top ten natural disasters based on relief costs. Another six of those ten were hurricanes, the damages of which may be flood-related (See charts below).

The NFIP is not a blanket national policy, and communities must apply for participation and document flood events to justify their request. The policy also encourages studying floods to better predict flood damage risks and to more efficiently and effectively appraise land use and development. The NFIP encourages communities to assess land use with respect to flood risk and adjust land use to minimize flood loss risk or restrict development to guide construction away from flood-prone areas. In conjunction with the NFIP, the Community Rating System (CRS) gives communities opportunities to earn insurance premium discounts. Activities categorized as Public Information, Mapping and Regulation, Flood Damage Reduction or Flood Preparedness earn communities a rating from 10 to 1, for a maximum 45 percent discount.



FEMA offers an online tutorial (www.fema.gov/media/thm/firm) for homeowners and insurance agents on how to read flood insurance maps. Front: Hazard Area Designation. Back: Floodplain Boundaries. Maps are provided for the NFIP by the Federal Insurance and Mitigation Administration's Hazard Mapping Division.

Development of high flood-risk land is increasing, and although the NFIP sets regulations for floodplain development (for example, building structures on pilings to increase elevation), communities do not enforce those regulations and continue to allow people and property to be subject to flood damage loss (Holway and Burby 1993). Flood insurance compensates property owners for losses or damages due to floods and related hazards (specifically considered in the National Flood Insurance Act are mudslides), and the property owners are allowed to redevelop the same land under the same risk. The National Flood Insurance Act states that communities should enforce land development restrictions to avoid flood hazards; however, in the same section (Section 2), it lists its goal to increase insurance coverage for property under flood risk. Part of the National Flood Insurance Act, at the discretion of the FEMA director, allocates funds to emergency agencies. Subchapter III, Coordination of Flood Insurance with Land-Management Programs in Flood-Prone Areas, allows \$1.5 million per fiscal year to aid development planning, but aid is restricted to no more than \$150,000 per state or \$50,000 per community, and each state or community may only receive one planning grant every five years.

Arguably, the best way to ensure property will not suffer flood damage is to avoid building on a floodplain; however, if any part of the property is on the floodplain, flood insurance is a must. Mortgage and insurance companies should closely follow the guidelines set by the National Flood Insurance Program, no matter how small the portion of property located on the floodplain. If the guidelines are not followed and homeowners are not required to obtain flood insurance, then the uninsured homeowner is left high and dry...well, maybe not so dry.



Clear Fork Road, WV, July 14, 2001 -- This house was torn apart by the flooding of the nearby Clear Fork Creek. Photo by Leif Skoogfors/ FEMA News Photo



Mullens, WV, July 17, 2001 -- Homeowner Viola Hatcher, along with her uncle Charlie Sizemore, cleans debris from her house on Guyandotte Street. Mrs. Hatcher lost most of her belongings as 9-foot high floodwaters swept through the town. Photo by Leif Skoogfors/ FEMA News Photo



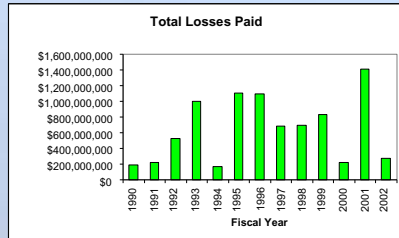
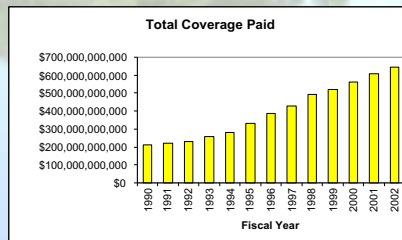
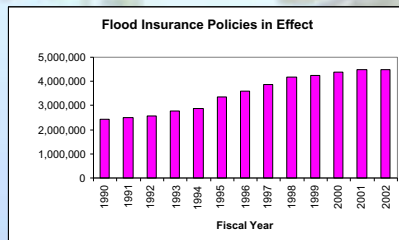
Decatur County, TN, May 20, 2003 -- A waterline caused by the flooding of the Tennessee River is clearly visible in the pro shop of a local golf course. Photo by Mark Wolfe/FEMA News Photo



Decatur County, TN, May 20, 2003 -- The interior of a home was affected by the flooding of the Tennessee River. Photo by Mark Wolfe/FEMA News Photo

FEMA Says:

"Your homeowners insurance does not cover flood damage. Don't wait until a flood is coming to purchase your policy. It normally takes 30 days after purchase for a flood insurance policy to go into effect."



The Federal Emergency Management Agency's top ten natural disasters, based on relief costs, include Hurricane Andrew (1992), the Midwest Flood (the Mississippi River Flood) (1993), Hurricane Fran (1996), the Red River Valley Flood (1997), Hurricane Georges (1998), Hurricane Floyd (1999), and Tropical Storm Allison (2001).

Data collected from www.fema.gov/nfip (March 23, 2004).



Corrine, WV, August 2, 2001-- Bernard Johnson describes the rushing water that destroyed his home to FEMA Public Information Officer Dick Devin. Photo by Dave Saville/FEMA News Photo



Corrine, WV, August 2, 2001-- West Virginia Governor Bob Wise, accompanied by Federal Coordinating Officer Carlos Mitchell, gives keys to the first mobile home recipient Bernard Johnson. Johnson's previous home was destroyed by flooding. Photo by Dave Saville/FEMA News Photo



Corrine, WV, August 2, 2001. Bernard Johnson stands in the living room of his new mobile home. The mobile homes are part of FEMA's Manufactured Housing Program, which provides temporary housing to flood victims whose homes were destroyed. Photo by Dave Saville/FEMA News Photo

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- All photos from <http://www.photolibrary.fema.gov/photolibrary/index.jsp>
- Background Photo from FEMA News Photos