

# FEMA – New Maps and Program Changes



Real Estate Bar Association May 2014

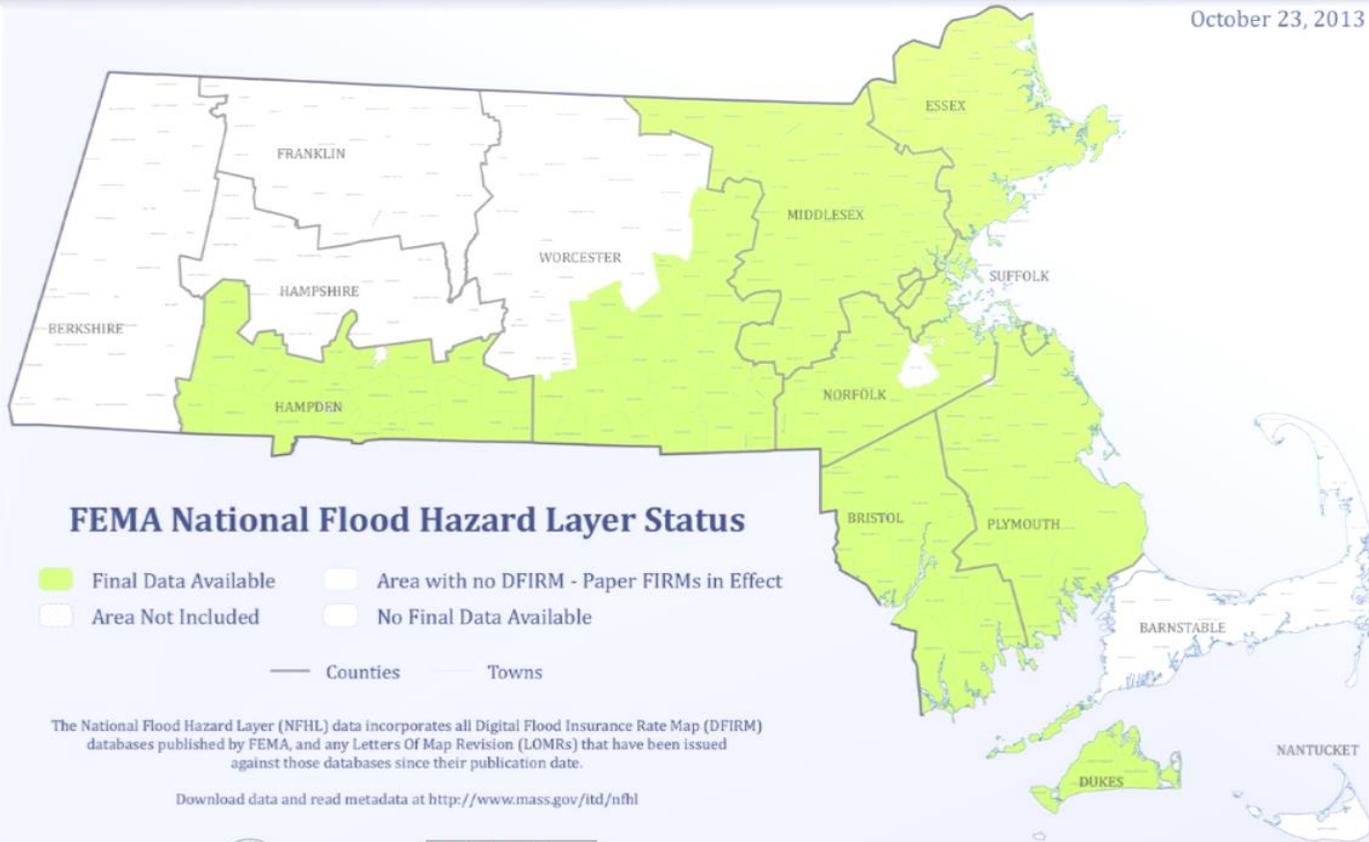
Ingeborg E. Hegemann

# Status of FEMA Program

- **FEMA Budget: Is it sustainable?**
  - Insurance premiums unable to cover costs
  - Homeowners at risk
- **In 2009, FEMA began Risk Mapping, Assessment, and Planning (Risk MAP)**
- **Interactive FEMA Map Progress:**  
<http://riskmapprogress.msc.fema.gov/>

# FEMA Mapping Status

October 23, 2013



## FEMA National Flood Hazard Layer Status

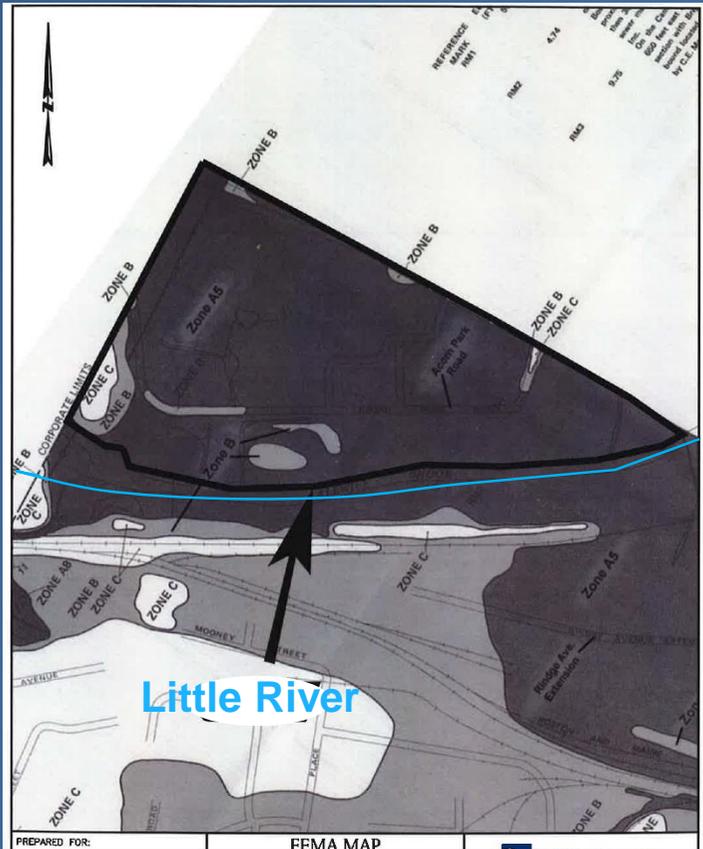
- Final Data Available
  - Area with no DFIRM - Paper FIRMs in Effect
  - Area Not Included
  - No Final Data Available
- Counties    — Towns

The National Flood Hazard Layer (NFHL) data incorporates all Digital Flood Insurance Rate Map (DFIRM) databases published by FEMA, and any Letters Of Map Revision (LOMRs) that have been issued against those databases since their publication date.

Download data and read metadata at <http://www.mass.gov/itd/nhl>



# Comparison of Flood Insurance Rate Maps



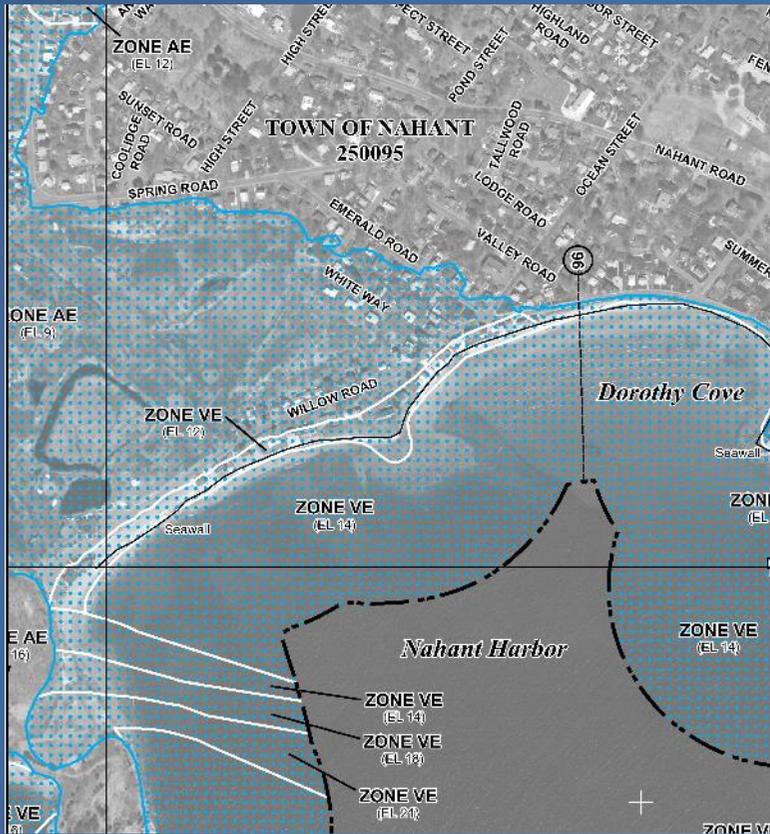
Paper 1982



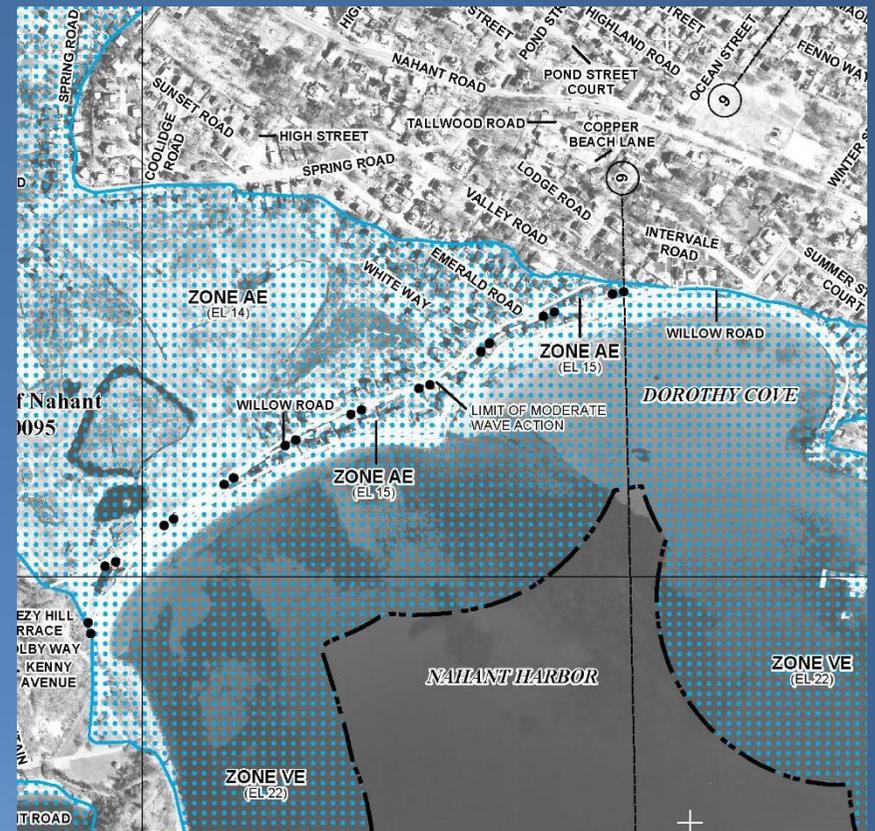
Digital 2010

# Limit of Moderate Wave Action

<http://www.fema.gov/media-library/assets/videos/82399>



Flood Insurance Rate Map July 2012



Flood Insurance Rate Map PRELIMINARY Revised June 2013

# Flood Insurance Reform Act of 2012

- **Biggert-Waters Flood Insurance Reform Act (BW-12)**
- **Requires the Federal Emergency Management Agency (FEMA), and other agencies, to change the way the National Flood Insurance Program (NFIP) program:**
  - raise rates to reflect true flood risk,
  - make the program more financially stable,
  - and change how Flood Insurance Rate Map (FIRM) updates impact policyholders.

# Flood Insurance Reform Act of 2012

- Changes resulted in premium rate increases for some policyholders.
- **CHANGE 1: Higher Premiums for Buildings Below the Base Flood Elevation**
  - Congress instructed FEMA to stop giving premium discounts to properties that are below the BFE, even if they were up to code when built.

# Flood Insurance Reform Act of 2012

## ■ CHANGE 2:

### Pre-FIRM and Grandfathered Rates Phased-Out

- In the past, many structures were allowed to keep their original flood-risk rating, even when conditions and improved understanding had changed.



USGS

## Subsidies end for

- Newly purchased property
- Property where NFIP coverage was deliberately allowed to lapse
- Properties receiving an offer of mitigation assistance following a major disaster, or in connection with a repetitive loss property



## 2013: MA Response to Changes

- **Congressman Keating, a member of the House Homeland Security Committee, requested an independent review of the maps**
  - **FEMA utilized the Direct Integration Method (DIM), a Pacific Coast wave model, for Massachusetts as opposed to one based on the Atlantic Coast.**
- **Town of Rockport successfully appealed accuracy of FEMA maps**
- **Plymouth mapping put on hold**

# 2014: Homeowner Flood Insurance Affordability Act

- Massachusetts Delegation helped lead effort in protecting home and business owners from unaffordable flood insurance rate hikes
- The Act will delay the implementation of the new maps until FEMA completes an affordability study; also includes a provision that would compensate homeowners when they successfully appeal their placement into a flood zone.

# 2014: Reform of Biggert-Waters

- Unintended consequences?
- Update as of March 21, 2014
  - Senate passes HB 3370 on 72:22 vote
  - Obama signs Homeowner Flood Insurance Affordability Act in March 2014

# Flooding Facts



- GAO recommends that congress consider eliminating subsidized rates, charge full-risk rates to all policyholders, and appropriate funds for premium assistance to eligible policyholders to address affordability issues. – GAO 14-127

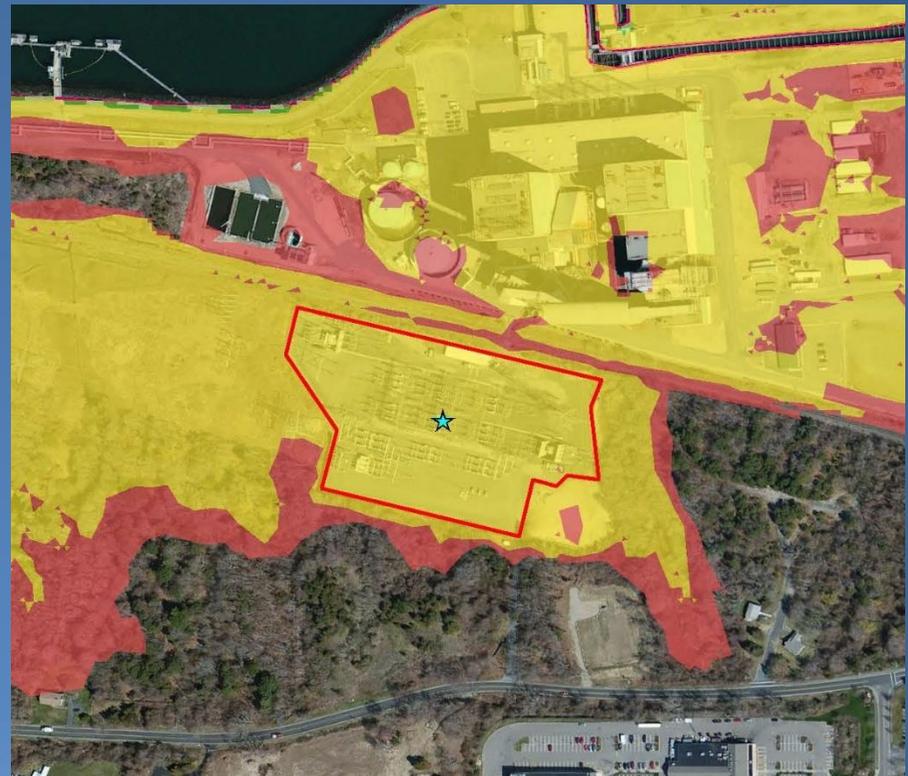
# Repetitive Loss

- **HEADLINE:** Houses wrecked repeatedly by sea rebuilt with taxes!!
  - Beth Daley Boston Globe 3/9/2014
- Multiple damage claims for coastal homes raise flood insurance questions
- 534 properties in New England alone that are considered Severe Repetitive Loss properties — owners paid for four significant flood claims, two within one decade.
- Nationally, according to FEMA, there are about 12,000 such properties.
- Over the years, such properties have accounted for 689 losses. The total in claims: \$21.3 million.

# Flooding & Changing Weather

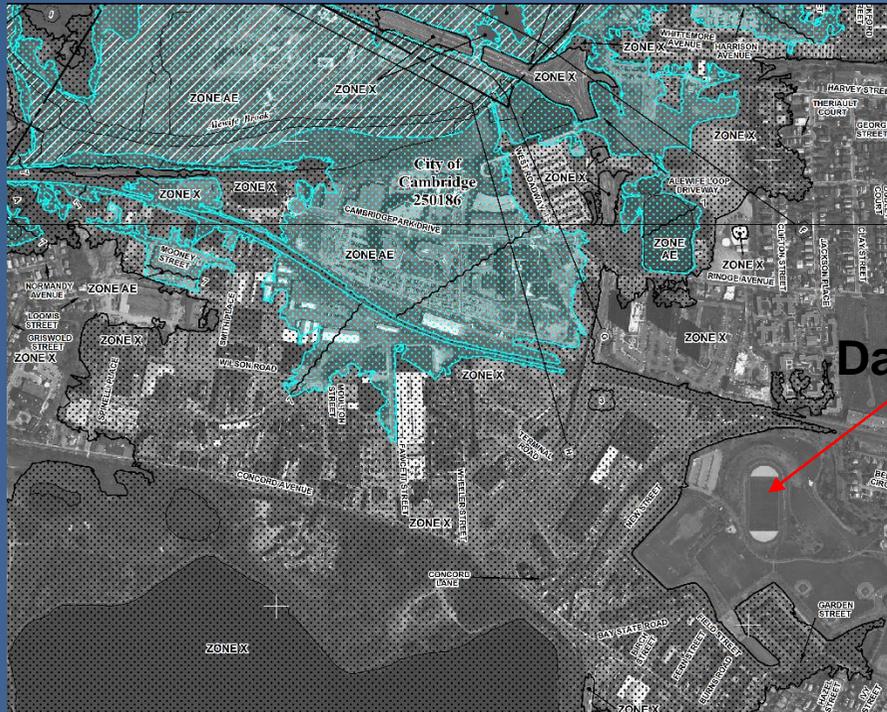


FEMA 100 Year Floodplain

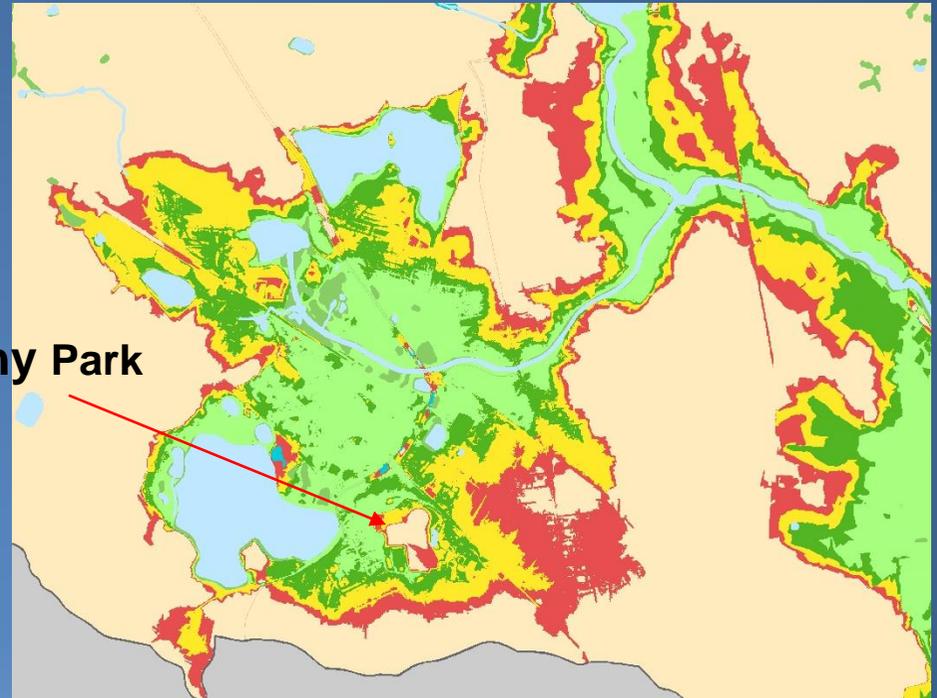


Cat 3 (yellow) & Cat 4 Hurricane Surge Inundation Zones

# Flooding & Changing Weather



Danehy Park



Light Green: Category 1

Dark Green: Category 2

Yellow: Category 3 Hurricane

Red: Category 4 Hurricane

# Hurricanes

1	74-95 mph 64-82 kt 119-153 km/h
2	96-110 mph 83-95 kt 154-177 km/h
3 (major)	111-129 mph 96-112 kt 178-208 km/h
4 (major)	130-156 mph 113-136 kt 209-251 km/h

Visual Simulation of  
Hurricane Intensity Scale:  
<http://www.nhc.noaa.gov/aboutsshws.php>

## Mystic River Watershed Hurricane Surge Inundation Zones

