Commissioner's Monthly Column

Overview of FEMA's Flood Insurance Rate Mapping Process

May 2014

Concerns regarding the correlation between FEMA flood maps and flood insurance rates as well as concerns over how flood maps will impact current real estate values and future growth in the housing sector have the attention of property owners, realtors and planners in our state. Some of these concerns were addressed with the recent passage of the Homeowner Flood Insurance Affordability Act which removed or revised many of the mandates of the Biggert-Waters Flood Insurance Reform and Modernization Act of 2012.

The Act did not nullify the role of updated flood insurance rate maps on flood insurance premiums. Policyholders will experience rate increases when properties are outside the flood protection system or when homes and businesses are determined to be below base flood elevation. The only exception under the Homeowner Flood Insurance Affordability Act is the grandfathered properties allowance for homes that complied with previous flood maps and after remapping are determined to be at greater risk of flooding. Flood insurance rates for such homes will not be increased for existing policyholders at this time. When a home with a grandfathered policy is sold, the new homeowner will no longer be subject to an immediate rate hike to actuarial levels; instead increases will be phased in over many years. For homes that are not grandfathered, if the updated maps result in an increase in risk premium, that increase will be phased in over a five-year period at a rate of up to 18 percent per year.

In its mapping process, FEMA conducts a large-scale series of studies to re-examine flood hazards in the coastal and river communities. A study does not always result in an updated map, but can also result in technical assistance, training, or the development of non-regulatory flood risk products to communicate risk.

According to FEMA, there are currently 36 projects in some stage of a study in Louisiana. Some of these are watersheds, some are parish-wide updates, and some affect smaller areas. The process for developing and updating flood maps is called Risk Mapping and usually takes from three to five years. One of the resulting products is new Flood Insurance Rate Maps (FIRMs), as well as Digital Flood Insurance Rate Maps (DFIRMs) reflecting up-to-date coastal flood hazard information. These maps contribute to the establishment of flood risk zones and the calculation of flood insurance premiums.

There have been concerns over the implementation of new flood elevation maps. For example, recently FEMA announced a two-year delay in implementing 2013 Flood Insurance Rate Maps in Jefferson Parish. According to FEMA this will allow the incorporation of recently available data that more accurately reflects the actual ground elevation within the levee system. In January the Army Corp of Engineers released new

ground elevation data that is critical to the production of accurate Flood Insurance Rate Maps. The delay will also give FEMA time to consider property owners' earlier extensive comments on 2013 proposed maps that relied on 2001 elevation data.

FEMA's mapping process is also something Congress is keeping a close eye on. Earlier this month the U.S. Senate Homeland Security and Government Affairs Subcommittee on Emergency Management held an oversight hearing on FEMA's mapping process. The concern over accuracy of mapping in the coastal areas and the consideration of locally built flood control systems in rural areas was discussed.

FEMA is currently conducting a new pilot program that will allow for recognition of non-accredited levees that were not considered in previous flood maps. Of the 25 Levee Analysis and Mapping Procedures (LAMP) pilot projects FEMA is conducting across the country, five of those projects are in coastal Louisiana parishes - Plaquemines, Lafourche, Terrebonne, St. Tammany and St. Charles. FEMA has said the pilot program locations were selected based on areas with higher population and property values.

Results from the LAMP pilot program may be the basis for new procedures that allow a more precise level of modeling by analyzing the level of protection each levee reach can provide, allowing for better accuracy in reflecting the actual flood hazard areas for communities with levees.

You can search online at FEMA's Map Service Center (www.msc.fema.gov) and find resources related to FEMA mapping. I encourage you and your community to become involved in the study process when FEMA goes to your locality.The more communities and homeowners know about this process, the better we can work together to make sure we build safely and resiliently and are adequately prepared for flooding and other natural disasters.