

UPDATE ON DOUGLAS COUNTY'S FLOOD INSURANCE PROGRAM

Pat Parson, CFM

Douglas County administers the Floodplain program for all unincorporated areas in Douglas County. Administration of the program includes identifying if a property is within the identified 100-year floodplain, requiring an Elevation Certificate for any new construction within the floodplain, helping surveyors, engineers, realtors, appraisers, lenders, and the general public with questions regarding the floodplain, maintaining sets of FEMA Flood Insurance Rate Maps, managing floodplain records including Elevation Certificates and letters of Map Change, and maintaining the Douglas County Floodplain Website located at:

www.co.douglas.or.us/planning/floodplain.

The current National Flood Insurance Rate Maps (FIRMs) and new Flood Insurance Study (FIS) for Douglas County became effective in January 2010, replacing original mapping from 1978. These maps and the accompanying floodplain study are based upon datum NAVD 88, which is global positioning data. The datum NGVD 29 data used in the previous FIRMs dates back to 1929. The new datum is more accurate, and Douglas County continued National Flood Insurance Program eligibility by adopting the new FIS and new FIRM maps.

The Planning Department implements the National Flood Insurance Program (NFIP) which makes federally-backed flood insurance available for all eligible buildings, whether they are in a floodplain or not. Standard property insurance does not cover flood damage, but flood insurance is available separately for properties in Douglas County. How important is floodplain insurance? Statistics show there is a 26% chance of experiencing a flood during the life of a 30-year mortgage. Insurance should be purchased before flood situations occur since there is a 30-day waiting period before coverage goes into effect. If Douglas County were not a program participant, federally backed loans would not be available in the area. Douglas County has been a participant for 34 years, and has managed the program successfully enough to reduce flood insurance premiums by 10% for county residents. The County takes its role in floodplain management very seriously.

If you have a proposed building site that appears to be in the floodplain, you will need to hire the services of an Oregon licensed surveyor or engineer to complete an Elevation Certificate for the building site before the Planning Department can issue a worksheet for your project. The Elevation Certificate will determine if the building site is in or out of the floodplain. If the site is within the floodplain, the Elevation Certificate will also determine how high the building will need to be elevated or flood-proofed. Elevation Certificates are also important when people purchase flood insurance; the certificate contains information that helps determine the premium amount. Be aware that Elevation Certificates are site-specific, so any new structure in the floodplain will require a current certificate even if one has already been completed for a building next to the proposed new structure.

Building in the floodplain (also called the Special Flood Hazard Area) is carefully regulated: a residence must have the floor elevated at least one foot above the floodplain level, and the foundation requires permanent venting within one foot of the ground. Even though nonresidential structures may be constructed with the lowest floor below the floodplain level, it is to the owner's benefit to elevate the floor for safety and insurance reasons.

The floodplain program is important in protecting lives and reducing damage and costs due to flooding. Douglas County experienced a severe flood in 1964 (which was our most recent 100-year

regional flood) which caused almost \$26,000,000 in damages. Similar, but less widespread, flooding in 1996 caused \$2,000,000 in damages. If we look at inflation factors, the 1964 flood would have cost over \$131,000,000 in 1996, and approximately \$180,000,000 today in 2012.

The FEMA website has much information regarding flood information, flood insurance, and flood mapping. The site also has links discussing flood preparedness and what to do during a flood. Visit FEMA on-line for more information:

The National Flood Insurance Program:

<http://www.fema.gov/national-flood-insurance-program>

FEMA Ready:

<http://www.ready.gov/floods>

FEMA Map Service Center:

<http://www.fema.gov/national-flood-insurance-program/map-service-center>

NFIP maps and Elevation Certificates are available for viewing at the Planning Department located in Room 106 of the Justice Building, Douglas County Courthouse, in Roseburg. Office hours are Monday through Friday, 8:00 a.m. to 5:00 p.m. The NFIP maps are also available for viewing and copying at the Douglas County Library in Roseburg. The Library hours: Tuesday 12:00 noon to 7:00 p.m., Wednesday 11:00 a.m. to 6:00 p.m., Thursday 11:00 a.m. to 5:00 p.m., and Saturday 10:00 a.m. to 2:00 p.m.; the Library is closed Sunday, Monday, and Friday..

If you have any questions regarding the 100-year floodplain in Douglas County, please contact Patrick Parson with the Planning Department at (541) 440-4289.

What in the World Is Repetitive Loss ?

Pat Parson, CFM

Repetitive Loss is a term that has been receiving some publicity recently in Douglas County. This article will try to clear up some of the mystery surrounding the topic.

A Repetitive Loss property is 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 ten-year period since 1978. A Repetitive Loss property may or may not be currently insured by the NFIP. Currently there are over 122,000 Repetitive Loss properties nationwide. There are 4 Repetitive Loss structures in Douglas County.

The NFIP is concerned with Repetitive Loss structures because they create a strain on the National Flood Insurance Fund. Since 1978 the NFIP has paid almost 3.5 billion dollars in claims for Repetitive Loss properties. Not only do RL properties increase the NFIP's annual losses and the need for borrowing funds from Congress, but they also drain funds needed to prepare for catastrophic events.

The NFIP is continually faced with the task of paying claims while trying to keep the price of flood insurance at an affordable level. An estimated \$200 million per year is paid in flood insurance claim payments. Mitigating these repeatedly flooded properties will reduce overall costs to the NFIP, the communities in which they are located, and the individual homeowners. Ultimately, mitigating repeatedly flooded properties benefits everyone.

The Planning and Building Departments are working on mitigation measures with the owners of the four different Repetitive Loss structures in Douglas County. When a Repetitive Loss structure has been retrofitted to meet Federal Emergency Management Agency (FEMA) regulations, documentation is submitted to the NFIP, and the property status is changed to “mitigated”. Although the record is not removed from the Repetitive Loss list, the property is no longer considered a Repetitive Loss property.

Each year the County sends an outreach letter to property owners within a Repetitive Loss area. The letter discusses information regarding steps that can be taken to prepare for a flood, methods of protecting buildings from flooding, and the availability of flood insurance. This outreach project is one of the requirements that helps Douglas County maintain its good standing in the floodplain program.



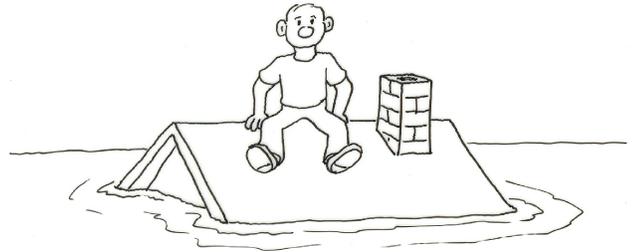
THE BIGGERT-WATERS FLOODPLAIN ACT OF 2012

Pat Parson, CFM

On July 6, 2012, the Biggert-Waters Flood Insurance Reform and Modernization Act of 2012 was signed into federal law, extending the authority of the National Flood Insurance Program (NFIP) for 5 years until September 30, 2017. The House passed the bill 373-52, and the Senate passed it 74-19. The bill contains many reforms and changes, and several of them are already generating questions as to intent, interpretation, implementation, and financial impact on flood insurance policy holders.

Some of the changes will include removal of subsidized insurance rates from several classes of structures, allowing rates to increase by 25% per year until actuarial rates are achieved. (Actuarial rates are risks and premiums that have been calculated for insurance purposes.) Some of those affected classes include:

- Any residential property that is not the primary residence of an individual.
- Any severe repetitive loss property (a severe repetitive loss property is one with four or more claim payments of over \$5,000 or two claims that exceed the value of the property).
- Any property that has incurred flood related damages that cumulatively exceed the fair market value of the property.
- Any business property.
- Any new policy or lapsed policy, or any policy for a newly purchased property.
- Any property that incurs substantial damage or has experienced substantial improvement exceeding 30% of the fair market value of the property.
- Any policy where the owner has refused a FEMA mitigation offer under the Hazard Mitigation Grant Program (HMGP) or for a repetitive loss property or severe repetitive loss property.



Major concerns among some groups relate to future affordability of flood insurance policies, and whether rate increases may result in people dropping flood insurance. Some of the requirements in the act are to increase the limit for annual rate increases within any risk classification of structures from 10% to 20%, and for the NFIP administrator to develop a plan to repay the debt incurred from Hurricane Katrina. These requirements could potentially impact current insurance rates.

Insurance groups welcomed the law, claiming it will provide long-term protection for both consumers and taxpayers. In recent years, the NFIP has been maintained through a series of short-term extensions, with lapses to the program occurring on numerous occasions. During those lapses, no new flood insurance policies can be written, which causes delays or cancellations for real estate sales in which flood protection for the property is required. Had Congress not acted, the program would have ended again at the end of July.

It is still too early to know how Douglas County citizens will be impacted by the bill. It will take time for FEMA to interpret the provisions, revise rules, and give guidance. If you have or are considering obtaining flood insurance, it might be a good idea to discuss potential financial impacts with your insurance agent.

(Trivia note on the [Biggert-Waters Flood Insurance Reform and Modernization Act of 2012](#): the measure is named for Representatives Judy Biggert, R-Ill., and Maxine Waters, D-Calif., the chair and ranking member of the House Financial Services Subcommittee on Insurance.)