

# The National Flood Insurance Program (NFIP)

Federal program that provides flood insurance to participating communities.

Based on an agreement between local communities and the Federal Government that states if a community will adopt and enforce a floodplain management ordinance to reduce future flood risks to new construction in Special Flood Hazard Areas, the Federal Government will make flood insurance available within the community as a financial protection against flood losses.

# How was the NFIP established and who administers it?

The U.S. Congress established the NFIP on August 1, 1968, with the passage of the National Flood Insurance Act of 1968.

The NFIP was broadened and modified with the passage of the Flood Disaster Protection Act of 1973 and other legislative measures. It was further modified by the National Flood Insurance Reform Act of 1994, signed into law on September 23, 1994.

The NFIP is administered by Federal Emergency Management Agency (FEMA) a component of the Department of Homeland Security (DHS).

# Is NFIP Participation Mandatory?

- ✓ Community participation in the NFIP is voluntary (although some States require NFIP participation as part of their floodplain management program).
- ✓ However, there are ramifications of non-participation:
  - ***Federal flood insurance not available***
  - ***Non-eligibility of post –disaster financial assistance.***
  - ***NFIP participation will be a condition of receiving assistance.***

# NFIP Participation Requirements

Participating communities are required to adopt and enforce a floodplain management ordinance that meets **or exceeds** requirements specified under section 60.3 of the Code of Federal Regulations (CFR).

Continued eligibility is based on maintaining compliance, which is based on enforcement of the provisions of the Floodplain management ordinance. Compliance is monitored by FEMA via an audit process called a Community Assistance Visit (**CAV**).

# How the NFIP Works

There are 3 basic parts to the NFIP

- 1) Regulations
- 2) Insurance
- 3) Mapping

# How the NFIP Works

There are 3 basic parts to the NFIP

- 1) Regulations – presented by Marvin Cross, Marijo Brady, and Mary Guokas

# Regulations

The NFIP underwrites insurance coverage only in those communities that adopt *and* enforce regulations.

These regulations are designed to ensure that new buildings will be protected from the flood levels projected on the flood maps.

Regulations focus on protecting “insurable” buildings.

# Roles and Responsibilities

## The Federal Role:

- Administers the NFIP through Regional offices.
- Provide assistance to State NFIP coordinating agencies.
- Assess community compliance with NFIP criteria.
- Advise local officials responsible for administering floodplain development regulations.
- Answer questions from design professionals and the public.
- Help review and adopt new maps and data.
- Provide information and training on the NFIP

# Roles and Responsibilities

## The State Role:

- Ensuring that communities have the legal authorities necessary to adopt and enforce floodplain management regulations.
- Establish minimum state regulatory requirements consistent with the NFIP.
- Provide technical and specialized assistance to local governments.
- Coordinate activities of various state agencies that affect the NFIP.

# Regulations

- To participate in the NFIP, a community must adopt and enforce Floodplain management regulations that meet or exceed the requirements specified under section 60.3, 44CFR. These requirements are applied as follows:

60.3(a)- Community has no maps or data.

60.3(b)- Community has maps with approximate A zones only.

60.3(c)- Community has a FIRM with BFE's.

60.3(d)- Community has a FIRM with a floodway.

60.3(e)- Community has a FIRM with coastal high hazard area.

- These requirements are cumulative.

# Compliance

“*Compliance*” means holding up your end of the agreement, most notable: enforcing your ordinance.

FEMA has recourse for non-compliance through 3 approaches:

- 1) Reclassification under the Community Rating System (CRS).
- 2) Probation
- 3) Suspension

## Probation

- Represents formal notification that a community’s program is non-compliant.
- Prior to imposing probation, FEMA will a 90-day written notice of deficiencies and violations.
- All policy holders will pay an additional \$50 in premium during the probationary period.
- Probation can remain in effect for up to 1 year, or until the community satisfactorily addresses its violations.

## Suspension

- This means the community is no long in the NFIP.
- Is invoked if a community does not adequately address its deficiencies within the probation period.
- FEMA will provide a community 30 days to show why it should not be suspended.
- A suspended community can re-apply to the NFIP, if deficiencies have been remedied to the “maximum extent possible”.

# Sanctions for Non-Participation

- Flood Insurance will not be available.
- Existing Flood Insurance Policies will not be renewed.
- No federal grants or loans for development within the SFHA.
- No federal disaster assistance
- No Federal mortgage insurance or loan guarantees may be provided in SFHA.

# Knowing your Regulations

## Regulations/Ordinances:

- Must meet or exceed requirements specified under section 44 CFR 60.3.
- Must meet or exceed requirements of the Montana Administrative Rules.

The State Administrative Rules also need to meet or exceed requirements specified under section 44 CFR 60.3.

# The Montana Administrative Rules

The State has established a set of Administrative rules to direct floodplain management within the State

Chapter 15 of the Administrative rules of Montana was adopted on 12/31/1989.

The majority of the Floodplain Management programs within the State are consistent with these rules.

# The Montana Rules vs. NFIP Minimum Requirements

Standard	Montana Administrative Rules	NFIP Minimum Requirements
Freeboard	2 Feet	No freeboard required
Floodway Standards	1/2 foot Surcharge	1 Foot Surcharge
Floodway Uses	Prohibits habitable structures with/in the floodway	Allows structures in Floodway with documentation of zero-rise
Mobile Home Applications	Requires all mobile homes to be elevated to the freeboard protection level.	Will allow for mobile home placed in and existing mobile home park to be elevated to 36" above the adjacent grade.

# Floodplain Management Terminology

## *Freeboard*

- A margin of safety added to the base flood elevation to account for waves, debris, miscalculations, impacts from new development, or lack of data. Often applied as an elevation standard.

# Regulations

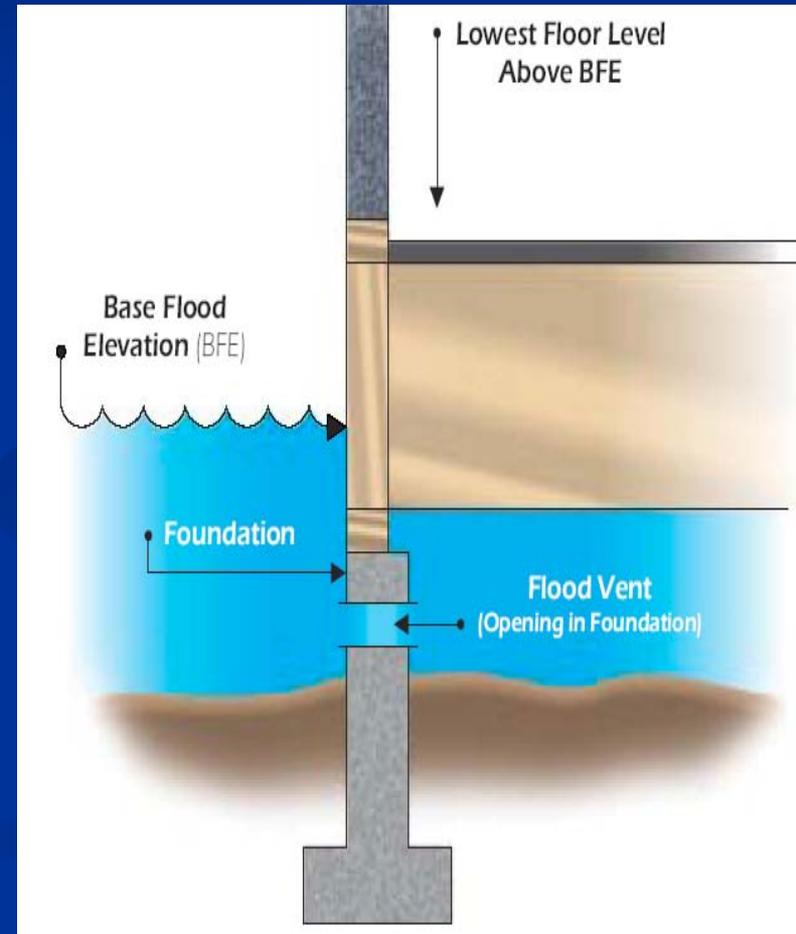
## *Examples of Higher Regulatory Standards*

### ***Freeboard:***

The minimum NFIP requires buildings to be elevated to the BFE.

A freeboard Standard would require a building to be elevated to 1,2, or 3 feet or more above the BFE.

Montana Administrative rules (36.15.702) requires 2 feet of freeboard.



# Regulations

## Examples of Higher Regulatory Standards

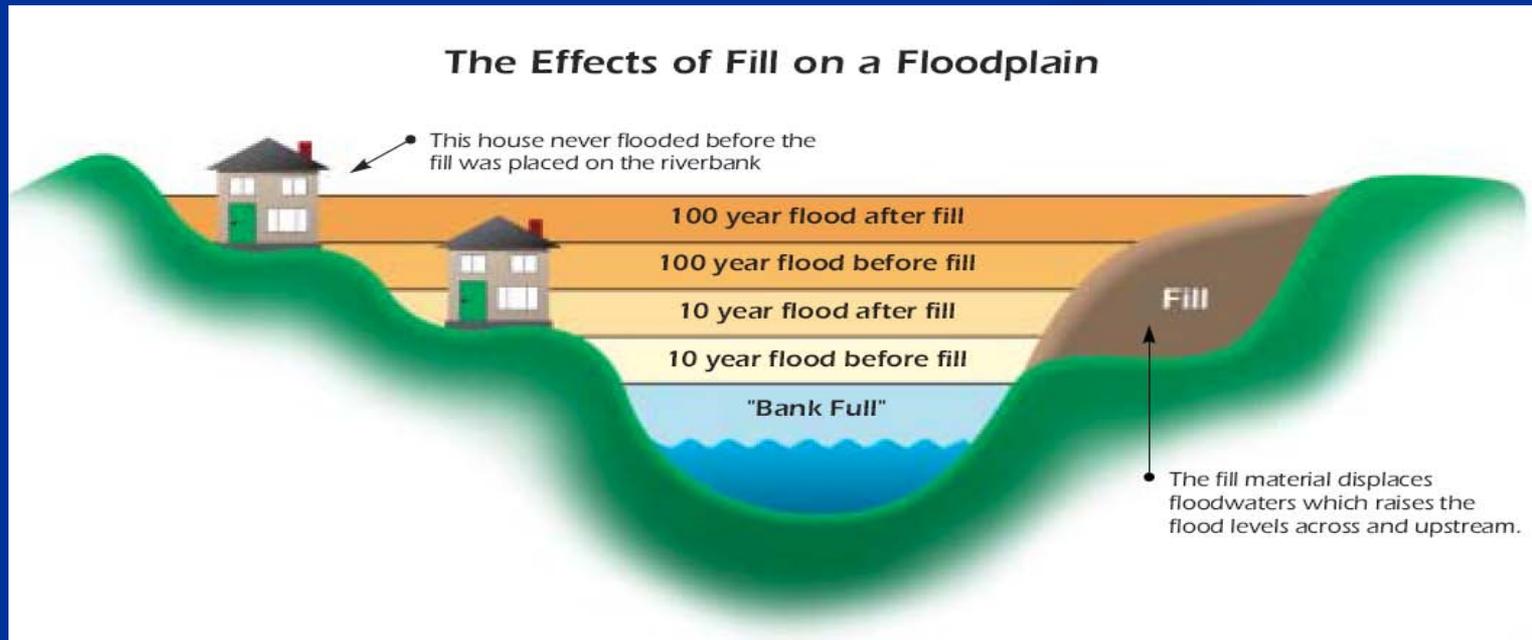
### Compensatory Storage

Can prohibit the use of fill in the floodplain.

or

Require compensation for the lost floodplain storage capacity cause by placement of the fill.

The intent of this provision is to preserve the storage capacity of the floodplain to the state reflected in the mapping.



# Ordinance Content

In general, an ordinance is a local law or statute that includes:

- Rationale and objectives for its creation

- Administrative and enforcement procedures for its implementation

- Specific requirements, regulations, and/or standards to bring about its desired purpose

Local ordinance tied to FEMA maps to ensure consistency

# Regulations

*What are your options?*

A participating community can choose to adopt an ordinance that will meet the minimum requirements,

**or:**

Adopt an ordinance that will exceed these minimum requirements.

# Regulations

*What are the benefits to adopting Higher Regulatory Standards?*

Can provide a higher degree of protection to buildings.

Can compensate for errors in mapping.

Preserve the natural function of the floodplain.

Reduce the cost of Flood Insurance.

Can reduce the cost of flood emergency response and preparedness.

Provide longevity to the mapping.

# Lets have a look at that Ordinance



Is your ordinance compliant?

Let's take a few minutes to fill out the worksheet in front of you. Please use your ordinance for this exercise.