



The Rising Costs of Flood Insurance Premiums

How Dauphin County is Addressing the Impacts and Building more Resilient Communities

Presented By:



Flood Insurance Reform

Biggert-Waters 2012 (BW2012)

- Passed May of 2012
- Eliminated the pre-FIRM Subsidy
- Eliminated Grandfathering
- Move towards actuarial rates (elevation rated) for all policies to be phased in over a time frame.
- Increased funding for hazard mapping



Homeowner Flood Insurance Affordability Act 2014

- Repealed and modified provisions of BW-12 but many BW-12 provisions remained
- Lowered rate increases (no more that 18% annually).
- Increased surcharge for pre-FIRM properties (\$25 for primary residence, \$250 for all others)
- Tasked FEMA to perform an affordability study on flood insurance rates within 5 years.
- Revised grandfathering rules until a new rate structure is put in to place based on recommendations from affordability study.
- Instituted higher deductible options.
- Rates cannot exceed 1% of the Coverage amount

How Can Pennsylvania Communities Address the Impacts?



“At the first sign of a flood, you just push this little button.”

What if the County did nothing...

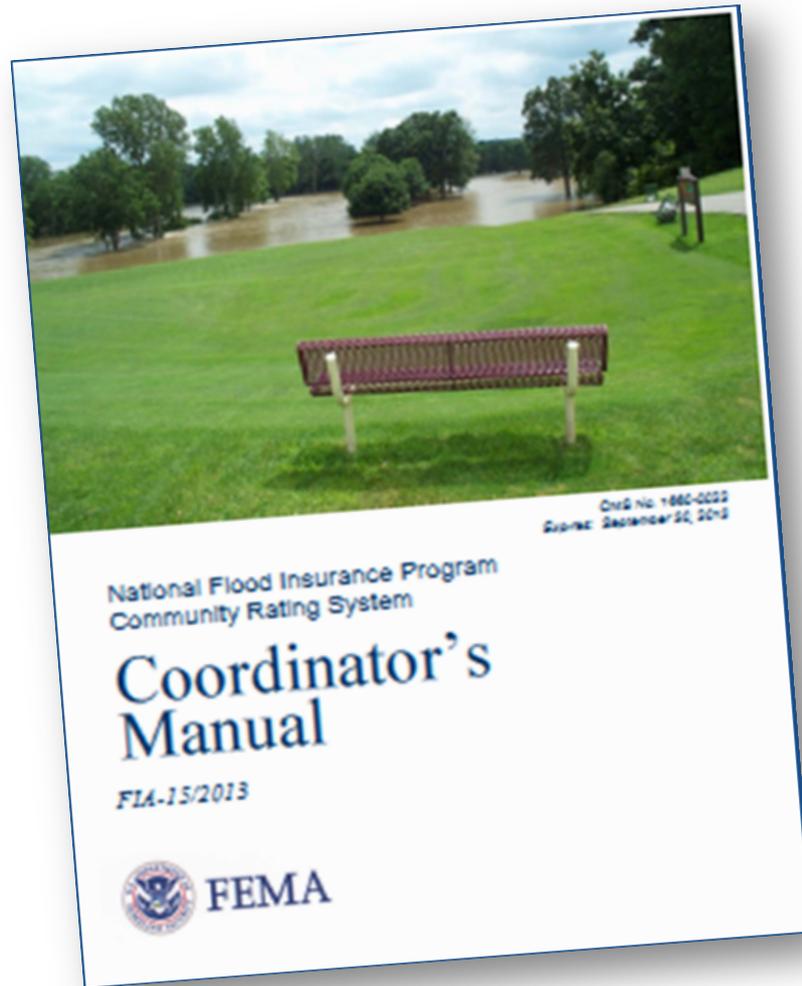
- Continually flooding that results in loss of property and life
- Continually increasing flood insurance premiums for property owners
- Damage to businesses, houses, infrastructure, etc.
- Disinvestment in our municipalities
 - Most in the municipalities that can not afford it!
- Negative impact on the tax base for...
 - Municipality
 - School district
 - County

Focus on Resilience – Comprehensive Floodplain Management Program

- Identify what are the best ways to deal with the flooding problem
 - Plan and regulate growth in floodplain
 - Stronger and more comprehensive Hazard Mitigation Plans
 - More robust property buyout programs
 - Targeted building elevation program
 - Flood control projects
 - Floodplain restoration and green infrastructure

The more resilient a community is to flooding will reduce the impacts of the premiums

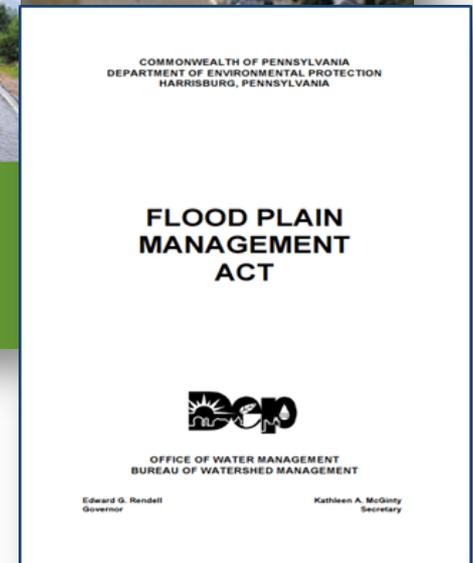
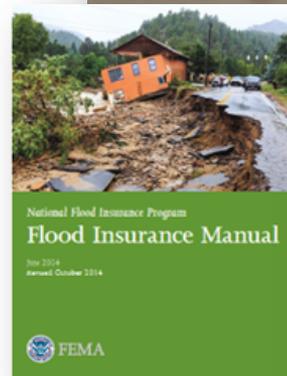
CRS recognizes all of these steps and provides credits



The Community Rating System (CRS)

CRS program Goals

- Reduce flood damages to insurable Property
- Strengthen and support the insurance aspects of the NFIP
- Promote a comprehensive approach to floodplain management



CRS Overview

- Part of the National Flood Insurance Program (NFIP)
 - Administered by FEMA
- Provides for reduced flood insurance premiums where there is better floodplain management.
- Promotes floodplain management practices above and beyond the minimum NFIP requirements.
- Administered by the Insurance Services Office (ISO)
 - ISO/CRS Specialist
- Municipal-controlled program



CRS Features

CRS Class	Credit Points (cT)	Premium Reduction	
		In SFHA	Outside SFHA
1	4,500+	45%	10%
2	4,000-4,499	40%	10%
3	3,500-3,999	35%	10%
4	3,000-3,499	30%	10%
5	2,500-2,999	25%	10%
6	2,000-2,499	20%	10%
7	1,500-1,999	15%	5%
8	1,000-1,499	10%	5%
9	500-999	5%	5%
10	0-499	0	0

Series 300 Public Information	Series 400 Mapping and Regulations	Series 500 Flood Damage Reduction	Series 600 Flood Preparedness
<ul style="list-style-type: none"> Elevation Certificates Map Information Service Outreach Projects Hazard Disclosure Flood Protection Information Flood Protection Assistance Flood Insurance Promotion 	<ul style="list-style-type: none"> Floodplain Mapping Open Space Preservation Higher Regulatory Standards Flood Data Maintenance Stormwater Management 	<ul style="list-style-type: none"> Floodplain Mgt. Planning Acquisition and Relocation Flood Protection Drainage System Maintenance 	<ul style="list-style-type: none"> Flood Warning Program Levee Safety Dam Safety

Dauphin County's Comprehensive Flood Insurance Reduction Program



Dauphin County's Regional CRS Initiative

- Provide technical support to municipalities interested in participation in the CRS program.
- 2 pronged approach
 - Community Outreach and Education
 - Baseline Assessment and CRS application assistance

At the Beginning, Outreach is Important

3 Conferences for Municipal Officials

Meetings with each municipality

- Answer questions and determines if will participate
- Why not?
 - No or few flood-prone properties
 - Elected officials do not want to participate
 - NFIP violations

How did this work – Phase I and II

- Base Line Assessment
 - Technical staff will meet with community's floodplain administrator.
 - Coordinate with State NFIP Coordinating Office to determine NFIP compliance status.
- CRS Impact Analysis Report
 - Findings and Recommendations
 - Areas for improvements
 - On-going requirements
 - Potential benefits
- Interested Municipalities – assist with preparation of CRS application

Benefits of CRS to the Municipalities and Residents

- ✓ Lower the costs of flood insurance premiums (can mitigate some of the impacts from flood insurance reform)
- ✓ These savings stay in the community
- ✓ Insurance savings can offset costs (taxes, rates)
- ✓ Reduce impacts to municipal, county and school district budgets
- ✓ Better organized floodplain management programs
- ✓ Communities can measure themselves against national standards
- ✓ Enhanced communication with residents and property owners
- ✓ Makes floodplain management “programmatically”-incentive to keep implementing

Thank you

Point of Contact

John Mizerak
Harrisburg, PA
(302)-358-1860

john.mizerak@tetratech.com



TETRA TECH

Point of Contact

Michael Musser
Harrisburg, PA
(717)-329-7856

musser10@Comcast.net

