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# Flood Lines

## New Hampshire's Floodplain Management Newsletter

Summer 2013

Volume VI, Issue 3

### Important Information on Flood Insurance Rate Changes

*The following information is based on the rules as understood at the time of the writing of this article. Congress could change the rules at any time or leave them as they stand.*

The purpose of the following information is to give a simple overview of the complex Biggert-Waters Flood Insurance Reform Act of 2012, which was passed by the U.S. Congress on July 6, 2012. Everyone is encouraged to learn more about this Act and how it may affect them by talking to their insurance agent and reviewing the information on FEMA's web site at: <http://www.fema.gov/national-flood-insurance-program/flood-insurance-reform-act-2012>.

### What You Need To Know

- Current flood insurance rates for certain older structures, which currently don't reflect the structure's true flood risk, will be phased out or eliminated starting in 2013.
- Flood risks are changing. New maps may reflect increased risk of flooding. Flood insurance rates for certain structures will increase to reflect these map changes.
- Building or rebuilding a structure's lowest floor higher than the minimum floodplain ordinance requirements lowers your risk and your rates.

### Overview of the National Flood Insurance Program (NFIP)

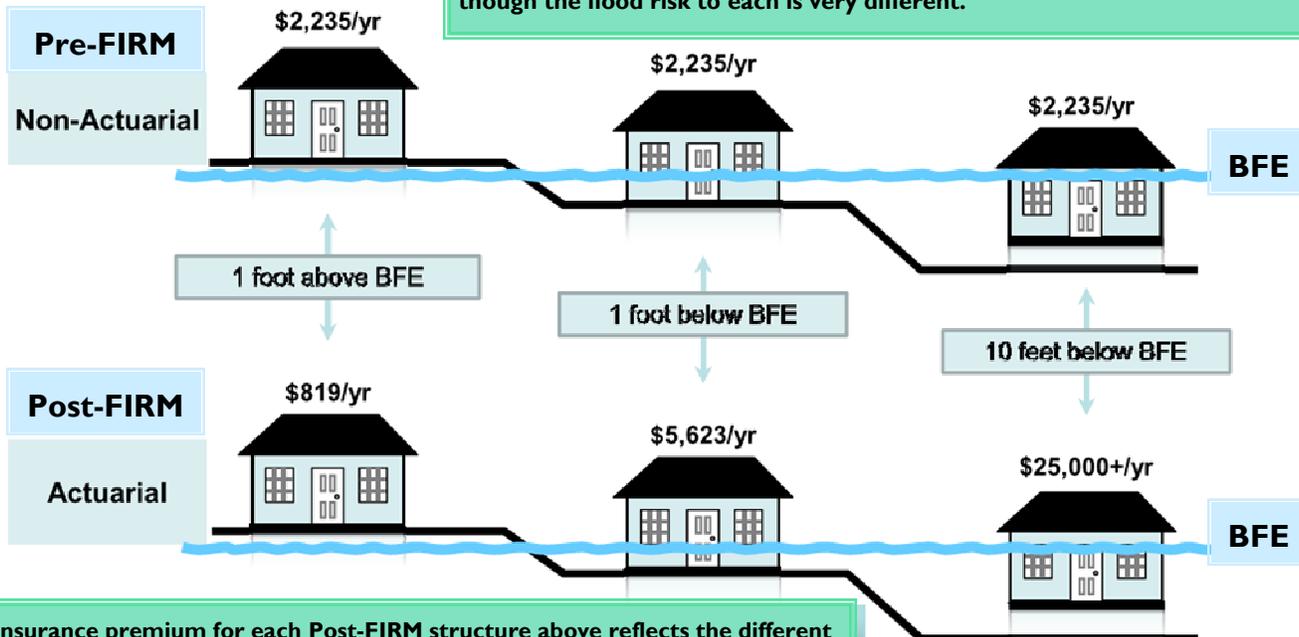
- Congress created the NFIP in 1968.
- Offers flood insurance to cover flood damage, which is not covered under homeowner's insurance.
- Established minimum regulations for developing in a floodplain area to minimize risk of flood damage to structures.
- Identified areas on a map that are subject to the one percent chance flood.
- Property owners of structures built before the NFIP's initial floodplain map (called Pre-FIRM structures) are eligible to obtain flood insurance at lower, subsidized rates that did not reflect the property's true flood risk. See Pre-FIRM examples in the illustration on the next page.
- Property owners of structures built after the NFIP's initial floodplain map (called Post-FIRM structures) are charged rates that reflect the structure's true risk and are based on their compliance with the NFIP minimum floodplain regulations. See Post-FIRM examples in the illustration on the next page.

Important Information on Flood Insurance Rate Changes (continued from pg 1)

# NFIP Rating Examples: The Impact of Loss of Subsidies

## Rate comparisons

Insurance premium is the same for each Pre-FIRM structure below even though the flood risk to each is very different.



Insurance premium for each Post-FIRM structure above reflects the different flood risk for each structure. The higher the risk the higher the premium.

Graphic Source: FEMA

**BFE - Base Flood Elevation - The height the one percent chance flood is expected to rise to.**

### Overview of the Biggert-Waters Flood Insurance Reform Act of 2012 (BW-12)

- Congress passed BW-12 on July 6, 2012.
- Flood risks continue and the costs and consequences of flooding are increasing dramatically. BW-12 makes the NFIP more sustainable and financially sound over the long term.
- Renewed the NFIP for five years. NFIP had experienced several extensions and lapses by Congress over the past few years, which had an impact on existing and future policyholders.
- Eliminates most of the low, non-risk related rates and discounts that are no longer sustainable.
- From now forward, flood insurance rates for most structures in a special flood hazard area will reflect the structure's true flood risk, which is shown as Post-FIRM rates in the illustration above.

**Pre-FIRM:** Structures built prior to a community's first Flood Insurance Rate Map (FIRM) and usually before a community adopts its floodplain regulations.

**Post-FIRM:** Structures built after a community's first FIRM and usually after a community adopts its floodplain regulations.

## Flood Insurance Rate Changes *(continued from pg 2)*

### For those with an **Existing Policy** (purchased on or before July 6, 2012) for a Pre-FIRM structure in a Special Flood Hazard Area

#### **Effective for all policy renewals on or after January 1, 2013:**

- **Non-primary** pre-FIRM residences (a primary residence must be occupied at least 80% of the year) can expect up to 25 percent annual increases until the premium reflects the full-risk rate. A FEMA Elevation Certificate will be needed to determine the full-risk rate.

#### **Effective for all policy renewals beginning October 1, 2013:**

- **Primary** pre-FIRM residences can expect a 16 to 17 percent increase from 2012 to reduce the amount of the policy's subsidy.
- Pre-FIRM structures classified as a **Severe Repetitive Loss Structure** or structures that receive cumulative payments that exceed the fair market value of the structure can expect up to 25 percent annual increases until the premium reflects the full-risk rate. A FEMA Elevation Certificate will be needed to determine the full-risk rate.
- Pre-FIRM **Business Properties** can expect up to 25 percent annual increases until the premium reflects the full-risk rate. A FEMA Elevation Certificate will be needed to determine the full-risk rate. All pre-FIRM non-residential structures will see the same increase until business properties can be identified and separated for future increases.

### For those with **New Policies** (purchased after July 6, 2012) for a Pre-FIRM structure in a Special Flood Hazard Area

#### **Effective beginning October 1, 2013:**

- **All new policies and renewals** on policies purchased **after July 6, 2012** can expect to be rated based on the structure's full-risk rate. A FEMA Elevation Certificate will be needed to determine the full-risk rate. Tentative rates will be available for 1 year while the property owner obtains the Elevation Certificate.
- Pre-FIRM residence or business with a lapsed policy, which was reinstated after October 4, 2012, can expect to be rated based on the structure's full-risk rate. A FEMA Elevation Certificate will be needed to determine the full-risk rate. Tentative rates will be available for 1 year while the property owner obtains the Elevation Certificate.

### Phasing out of Grandfather Rates for Pre-FIRM and Post-FIRM Structures

#### **Effective Late 2014:**

- BW-12 also phases out grandfathered rates and moves to a full-risk rate for most properties when the community adopts a new Flood Insurance Rate Map.
- Property owners of pre-FIRM and post-FIRM structures that are affected by map changes.
- Full risk rates will be phased in over 5 years at a rate of up to 20 percent per year to reach full-risk rates.

#### **What is a structure's full-risk rate?**

Structures are rated for insurance purposes based on the elevation difference between the structure's lowest floor (including basement) and the current map's base flood elevation (BFE).

The higher the structure's lowest floor is above the BFE, the lower the risk and the lower the premium. The lower the structure's lowest floor is below the BFE, the higher the risk and the higher the premium.

#### **FEMA Elevation Certificate Form**

<http://www.fema.gov/library/viewRecord.do?id=1383>

#### **FEMA Community Status Book**

Used to determine the date of a community's initial FIRM date

<http://www.fema.gov/cis/NH.pdf>

## Mapping Update

### Coastal Mapping Project

Communities in the Coastal Mapping Project area were recently sent invitations to attend an open house on August 1, 2013 at the UNH Elliott Alumni Center in Durham to view the Project's work maps. This will be the first opportunity for communities to view the new, proposed maps. Each community has been given a time period in which community officials can come and view the maps and ask questions of the Project staff.

Following this open house, the preliminary maps will be released and a public meeting will be held. Also, staff from the NH Office of Energy and Planning will begin conducting reviews of community's floodplain ordinances this fall to ensure compliance as part of the mapping update process.

### Online LOMC - Now Processes ALL LOMC Applications Online LOMC - Tutorials Now Available

FEMA has successfully launched new capabilities to the Online Letter of Map Change (LOMC). Requestors may now submit both Amendment and Revision applications through Online LOMC. This convenient web tool is now an alternative to the paper MT-EZ, MT-1, and MT-2 forms.

#### There are many benefits to applying for a LOMC online:

- Submit, pay, and upload supporting documentation for all LOMC requests through one single online platform
- Applicants may save information online and finish applying at their convenience
- Clear and intuitive interface makes applying user-friendly
- Frequent applicants can manage multiple LOMC requests online
- Applicants can check their application status in real-time
- More efficient communications with LOMC processing staff

Online LOMC tutorials for Amendments and Revisions are NOW available at: [https://hazards.fema.gov/femportal/wps/portal/usercare\\_training#Online LOMC](https://hazards.fema.gov/femportal/wps/portal/usercare_training#Online LOMC)

Under MIP Training, click on Online LOMC, which is the third bullet from the bottom, and then click on the pdf tutorial of your choice.

For more information about Online LOMC, visit [www.fema.gov/online-lomc](http://www.fema.gov/online-lomc). If you have any questions, please contact [outreach@riskmapcds.com](mailto:outreach@riskmapcds.com).

### Coastal Mapping Project Schedule

#### August 1, 2013

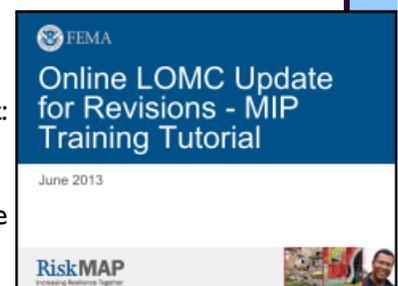
- Work Map Open House

#### Fall 2013

- Preliminary Maps Released
- Public Meeting
- Compliance reviews of community floodplain ordinances

#### Early 2015

- Final Maps Effective





## Upcoming Webinars

Below is a list of upcoming free, online trainings that cover a variety of NFIP-related topics. Many courses are eligible for CEC credits for Certified Floodplain Managers (CFMs). To register for a course, please go to <http://j.mp/starrwebtraining> and click the “Upcoming” tab. Some courses are being offered on multiple days.

### **Elevation Certificates - July 25, August 22, or September 26, 2013 (1 PM - 3:30 PM)**

Training on the proper way to complete FEMA Form 81-31 and best practices for using the Elevation Certificate in the floodplain development review process. 2 CECs for ASFPM Certified Floodplain Managers (CFMs).

### **Elevation Certificates for Zone A Areas - August 15, 2013 (1 PM - 3:30 PM)**

Training on the proper way to complete FEMA Form 81-31 and best practices for using the Elevation Certificate in the floodplain development review process. Special consideration to using the form in A Zone without a BFE. 2 CECs for ASFPM Certified Floodplain Managers (CFMs).

### **Determining a Base Flood Elevation - August 28, 2013 (2 PM - 3 PM)**

Training on methods for determining base flood elevation in AE and A Zones using the FIRM/FIS and other resources, including tips for developing BFEs for A Zones. 1 CEC for ASFPM Certified Floodplain Managers (CFMs).

### **Using DFIRMs and Other Digital Flood Data - August 14, 2013 (12 PM - 1 PM)**

This beginner level session will provide a basic overview of digital flood insurance rate maps (DFIRMs) including how to use the DFIRM database in ArcGIS, using flood hazard data for mitigation and public outreach, and online resources for non-GIS users. The target audience are state and local officials that use DFIRMs for day to day floodplain management duties and/or beginner level GIS staff that support those functions. 1 CEC for ASFPM CFMs

### **Biggert Waters NFIP Reform Act of 2012 - August 21, 2013 (2 PM - 3 PM)**

The Biggert-Waters National Flood Insurance Program Reform Act of 2012 (BW-12) resulted in major changes to the NFIP. This session, presented by FEMA Region X, will provide an overview of the changes and what is being done to implement the legislation. Continuing Education and Professional Development Credits are available.

### **NFIP Basics - July 3 or September 11, 2013 (1 PM—2 PM)**

This session will cover the history of the National Flood Insurance Program (NFIP), basic terminology, governing authority, and provide an overview of the community's role in floodplain management through the National Flood Insurance Program (NFIP). The target audience are state and local officials who need a general understanding of the ins and outs of the program and guidance on where to go for more training and answers. Continuing Education and Professional Development Credits are available.



## Upcoming Webinars

*(continued from page 5)*

### **Floodplain Development Plan Review - September 18, 2013 (1 PM - 2:30 PM)**

This session will highlight eight basic steps to reviewing development inside the Special Flood Hazard Area (SFHA). 1 CEC for ASFPM Certified Floodplain Managers (CFMs).

### **Inspecting Floodplain Development - September 19, 2013 (12 PM - 2:30 PM)**

This session will highlight special considerations for plan reviewers and building inspectors when evaluating and inspecting development inside the Special Flood Hazard Area (SFHA). 2 CECs for ASFPM Certified Floodplain Managers (CFMs).

### **Preparing for Post-Disaster Responsibilities - September 18, 2013 (2 PM - 3 PM)**

Early disaster preparedness is crucial for the efficient and effective administration of any Floodplain Administrator's duties. This one-hour long webinar, presented by the Missouri State Emergency Management Agency, highlights the local floodplain administrator's tasks and offers guidance for a quick and well-organized response.

### **Substantial Damage Estimation - September 25, 2013 (2 PM - 3 PM)**

This session will highlight substantial damage estimation processes. Continuing Education and Professional Development Credits are available.

### **Community Rating System Basics - October 16, 2013 (2 PM - 3 PM)**

This session will highlight FEMA's Community Rating System (CRS) and give a basic overview of it. Continuing Education and Professional Development Credits are available.

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### **NFIP Free Online Webinar**

Another free online webinar is now available for online viewing at any time. This webinar is aimed at insurance agents and lenders as well as anyone interested.

### **FEMA Flood Map Changes ([http://www.h2opartnersusa.com/nfiptraining/mapping\\_changes.html](http://www.h2opartnersusa.com/nfiptraining/mapping_changes.html))**

This course discusses the impact of NFIP Map Changes on rating and eligibility for coverage. As a result of initiatives such as FEMA Map Modernization and FEMA Risk MAP, communities throughout the country have been experiencing flood map changes over the past few years - and there are more still to come! The course is divided into six sections.

- |  |                                      |
|--|--------------------------------------|
| 1. The Process of Flood Mapping          | 4. Implementation Issues for Agents  |
| 2. Resources to Help Understand the Maps | 5. Implementation Issues for Lenders |
| 3. The Benefits of Updated Maps          | 6. Changes to Flood Maps             |

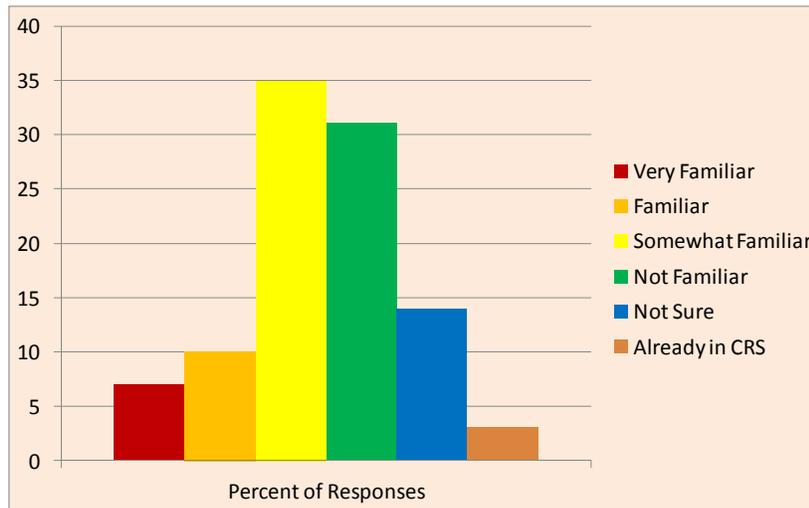
## NFIP Update

### Community Rating System Survey Results

The NH Floodplain Management Program posted a survey on Survey Monkey in late May 2013 and invited NH community officials to respond. The purpose of the survey was to determine NH communities' interest and assistance needs in FEMA's Community Rating System (CRS). CRS is a voluntary incentive program of the National Flood Insurance Program (NFIP) that recognizes and encourages community floodplain management activities that exceed the minimum NFIP requirements. As a result, flood insurance premium rates are discounted to reflect the reduced flood risk resulting from the community actions. Below are the results of that survey. CRS outreach materials are currently being developed and will be distributed to those communities that have expressed interest in the program. If your community is interested in receiving these CRS materials and did not respond to the survey, please email [jennifer.gilbert@nh.gov](mailto:jennifer.gilbert@nh.gov).

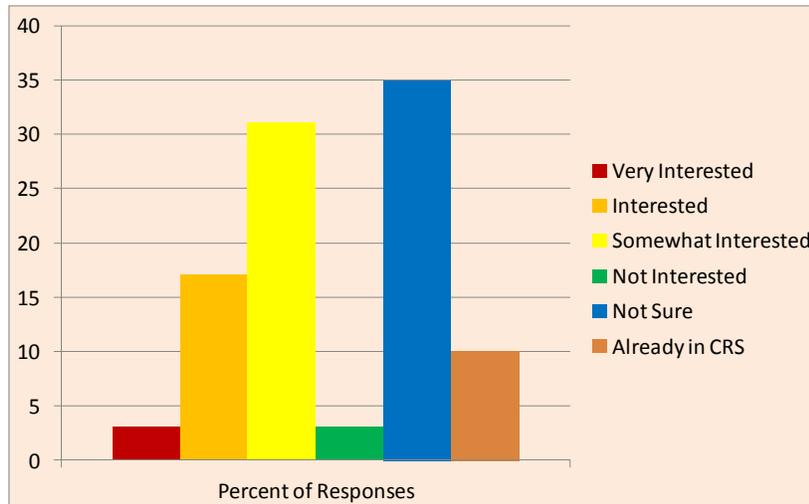
#### Question #1

What is your community's knowledge about the CRS program?



#### Question #2

What is your community's level of interest in joining the CRS program?



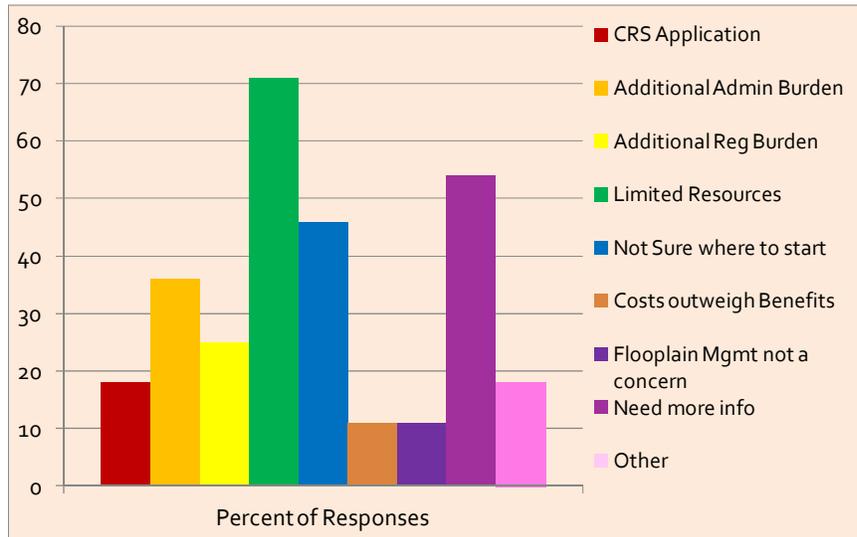
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NFIP Update

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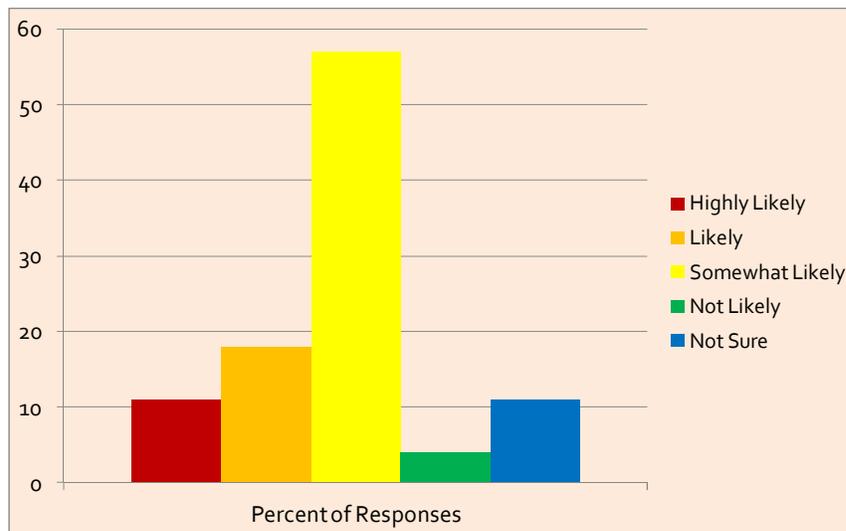
**Question #3**

What do you see are the major roadblocks for your community in joining the CRS? If you are already a CRS community, what are the major roadblocks to moving to the next higher CRS class level (e.g. Class 9 to Class 8)? Please select all that are applicable for your community.



**Question #4**

If a CRS Toolkit was developed that included information and data that was readily available for your community to use and earn CRS points, would this increase your interest in joining the CRS program? If you are already a CRS community, would this increase your community's interest in seeking a higher CRS class level (e.g. Class 9 to Class 8)?



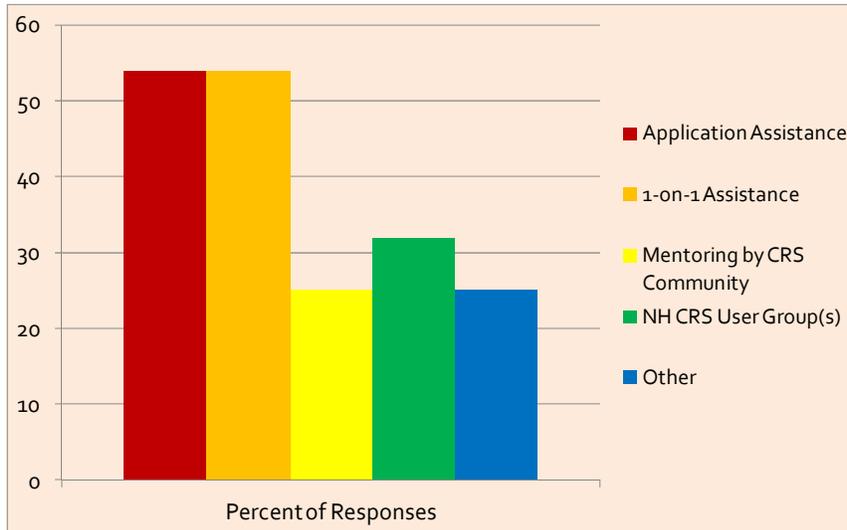
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NFIP Update

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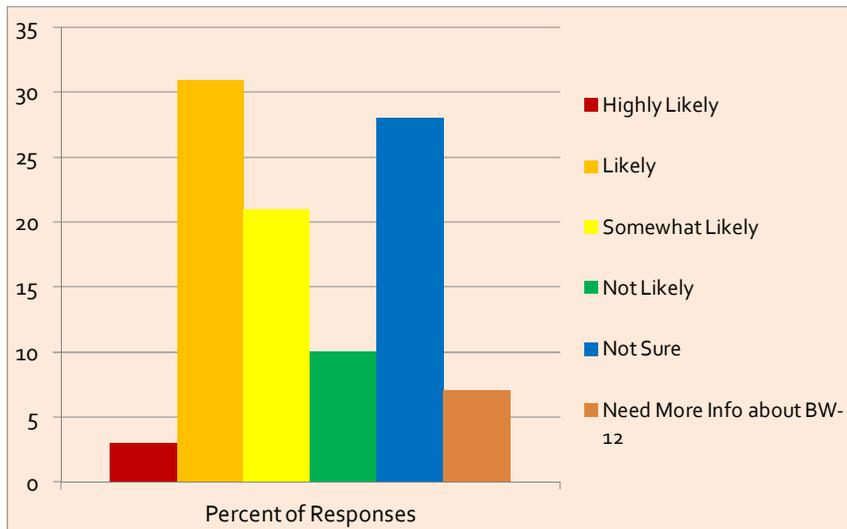
**Question #5**

What other assistance would increase your community's interest in joining the CRS program? If you are already a CRS community, what other assistance would assist in moving to the next higher CRS class level (e.g. Class 9 to Class 8)?



**Question #6**

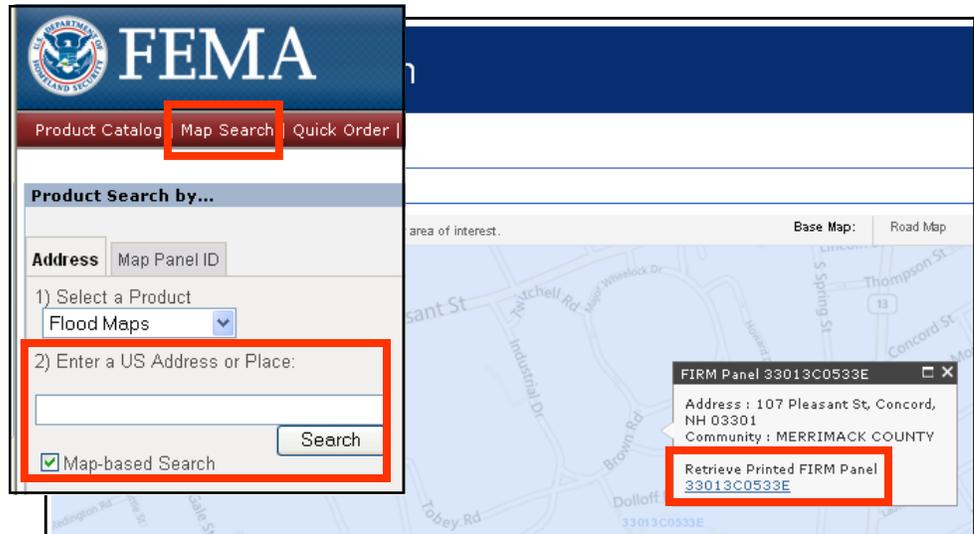
The Biggert-Waters Flood Insurance Reform Act of 2012 (BW-12) calls for the elimination of subsidized and grandfathered rates, which are currently planned to be implemented over the next two years. With the likelihood of flood insurance rates increasing significantly for a portion of flood insurance policy holders, would your community's interest in joining the Community Rating System (CRS) increase due to the percent discount provided through CRS? If you are already a CRS community, would this increase your community's interest in seeking a higher CRS class level (e.g. Class 9 to Class 8)?



## FEMA's Map Service Center - New Features

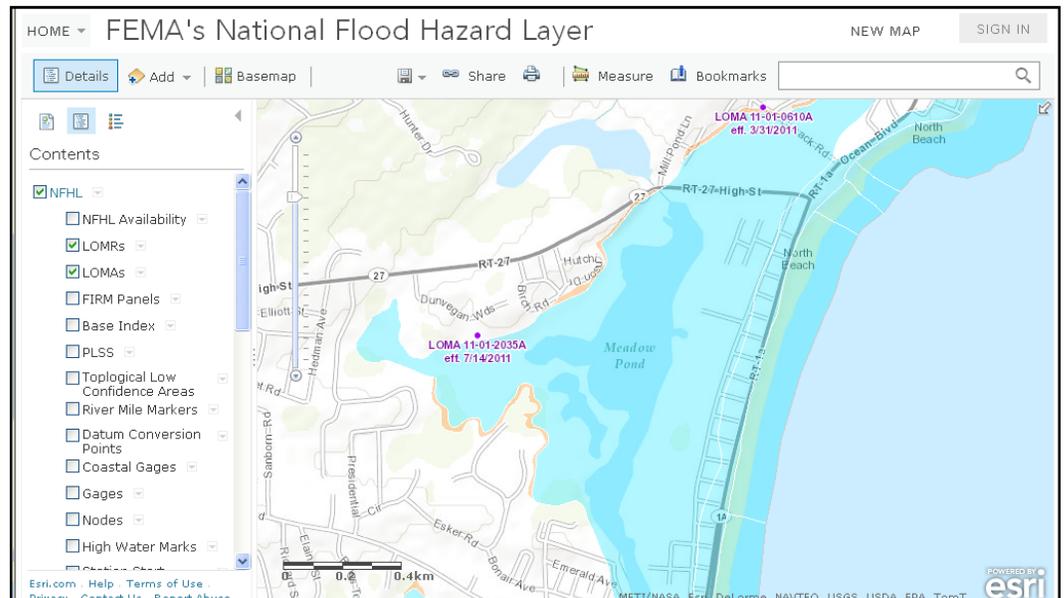
FEMA recently deployed new Geographic Information Systems (GIS) services for the FEMA Map Service Center, which include new features and more user friendly mapping tools. Below is a summary of these updates.

- Easier use of the Address or Map Product Search when searching for the map panel for a specific property. Uses Bing™ map.



<https://msc.fema.gov>

- Updated National Flood Hazard Layer for viewing in Google Earth and FEMA's new GeoPlatform (see links below).



- Using the National Flood Hazard Layer in Google Earth <https://hazards.fema.gov/femaportal/wps/portal/NFHLWMSkmzdownload>
- FEMA's National Flood Hazard Layer <https://fema.maps.arcgis.com>

### NH Floodplain Management Program Contact Information

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