



SPRING 1996

FLOODPLAIN MANAGEMENT

N E W S L E T T E R

96-338 JUN 19 1996

Federal Disaster Assistance *versus* Federal Flood Insurance

(Michigan Flood News-Winter 1995-96)

When you think about buying a flood insurance policy, do you have these kinds of reactions?

Disaster assistance will be available if my home or business is flooded. I don't need to buy flood insurance! Before most forms of federal disaster assistance are offered, the President must declare a major disaster.

FEDERAL EMERGENCY MANAGEMENT AGENCY'S (FEMA) Individual and Family Grant Program (for Personal Property) and Temporary Housing Program (for Home Repair and Rental Assistance) are available **only** if the President declares a major disaster and makes that assistance available. More than 90 percent of all

disasters are **not** Presidentially declared. The most typical form of federal disaster assistance is a loan that must be paid back with interest. The average Individual and Family Grant payment is less than \$2,500. To qualify for Home Repair Assistance, your home must have relatively minor damage that can be repaired quickly. You cannot qualify for Rental Assistance unless your home has been destroyed or significantly damaged.

It's too expensive! The average duration of a Small Business Administration (SBA) disaster home loan is **18.5 years**. The average SBA disaster home loan payment for the average duration is **\$140 a month**. Depending

on where you live, you can buy a NATIONAL FLOOD INSURANCE PROGRAM (NFIP) flood insurance policy for a \$50,000 home for about **\$135 a year**. The payment for the average duration of a \$50,000 SBA home damage loan is **\$320 a month**. The average premium for an NFIP flood insurance policy is **\$300 a year**.

My home isn't going to be flooded—we've never been flooded before! Floods are the most common natural disaster. Eighty percent of all Presidentially declared disasters include flooding. Because more and more buildings, roads, and parking lots are being built where forests and meadows used to be, floods are becoming more severe.

Building in the 100-year floodplain, indicated by the shaded areas on the FEMAs Flood Insurance Rate Map (FIRM), also have a 26 percent chance of being flooded during a 30-year mortgage. More than 25
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FEMA Situation Reports Now Available Via E-Mail

In response to customer feedback, the Federal Emergency Management Agency (FEMA) is now offering a separate automated "Major Incident Situation Report" (sitrep) Internet mailing list. This list supplements FEMA's e-mail news release distribution list. Users now have the option of subscribing to the new sitrep list, which distributes only abridged major incident situation reports from the agency and/or to the news release distribution list, which will no longer carry these reports. FEMA sitreps follow the format and use standard abbreviations found in the

Federal Response Plan. (The entire Federal Response Plan can be found at <http://www.fema.gov/fema/fed1.html>.) Persons wanting to be added to the new sitrep mailing list, should send an e-mail message to: majordomo@fema.gov with the command "subscribe sitrep" in the body of the message. Individuals wanting to receive FEMA news releases should send the command "subscribe news" to the same address. These e-mail distribution lists are a service of FEMA's Office of Emergency Information and Public Affairs, 500 C Street, S/W/, Washington, D.C. 20472-0001; e-mail: eipa@fema.gov. ❖

Maximum Flood Insurance Coverage

Increased Flood Insurance Coverage Limits for National Flood Insurance Program (NFIP) Regular Phase

<u>Building Type</u>	<u>Building Coverage</u>	<u>Contents Coverage</u>
Single Family	\$250,000	\$100,000
2-4 Family	\$250,000	\$100,000
Other Residential	\$250,000	\$100,000
Residential Condo	\$250,000 x # of units	\$100,000
Commercial (including small business)	\$500,000	\$500,000

ACTIONS

The Final Rule was published in the Federal Register on January 30, 1995, making the increased coverage limits effective March 1, 1995. ❖

Federal Disaster continued from page 1

percent of all claims paid by the NFIP are for policies outside the 100-year floodplain. A 100-year flood is a flood having a one percent chance of occurrence in any given year.

So, what's so great about flood insurance?

Homeowners, business owners, and renters can all purchase flood insurance, as long as their community

participates in the NFIP. Homeowners can get up to **\$250,000** of coverage and businesses up to **\$500,000**. The average NFIP loss paid from the 1993 Midwest flood was more than \$25,000. Maintaining a flood insurance policy is one of the most important things you can do to protect yourself and reduce the cost of flooding disasters. ❖

Floodplain Management is a publication intended primarily for community officials, who handle floodplain management, but it contains information about floodplain management that may be helpful to other groups. We want to make sure that we are providing information that meets your needs. We welcome your comments and suggestions, as well as submissions for articles. Additionally, we encourage you to reproduce information contained in the *Floodplain Management* and include them in your own newsletter or other communication.

Floodplain Management is produced quarterly by the Texas Natural Resource Conservation Commission (TNRCC) through assistance provided by the Federal Emergency Management Agency (FEMA) under the Community Assistance Program - State Services Support Element Grant of the National Flood Insurance Program (NFIP CAP-SSSE). EMT-96-PA-0298. The contents do not necessarily reflect the views and policies of the federal government or the Texas Natural Resource Conservation Commission. The newsletter design and layout is done by the TNRCC Graphics Team. If you need more information about the program, would like to make comments or submit articles, please contact James Mirabal at 512/239-4771, or send him the information at TNRCC, Ag&WSM, Floodplain Management Team, MC-158, P.O. Box 13087, Austin, Texas 78711-3087, or Fax to 512/239-4750. ❖

Flood Insurance Rates to Rise

Subsidized rates for certain flood insurance policy holders would increase under a rule proposed by the Federal Emergency Management Agency (FEMA). Policy holders in communities in the emergency phase of the National Flood Insurance Program (NFIP) and those living in structures built or substantially improved before issuance of the community's first Flood Insurance Rate Map (FIRM), or before January 1, 1975, would be subject to the new policy.

The rate for a residential structure would increase from \$0.60 per \$100 to \$0.68. Contents coverage would rise to \$0.79 per \$100 from the current \$0.70. Non-residential would rise from \$0.70 to \$0.79 and \$1.40 to \$1.58, respectively. The total cost of a policy, including the rate and the expense constant (administrative costs), would rise no more than 10%.

The rate increases are needed to help the NFIP build reserves for catastrophic loss years. Coverage changes and optional deductibles are also part of the ongoing effort to achieve these goals. In the past, appropriations were required to replenish the program's borrowing authority when income was not sufficient due to the subsidized rates.

The NFIP has been self-supporting in recent years because it has achieved high market penetration in the Southeast, an area that has not experienced a catastrophic flood in many years, and has had low penetration in areas such as the Midwest that have experienced major floods recently. These fortuitous conditions have allowed policy holders to enjoy unusually low premium rates relative to the risks they are insured against.

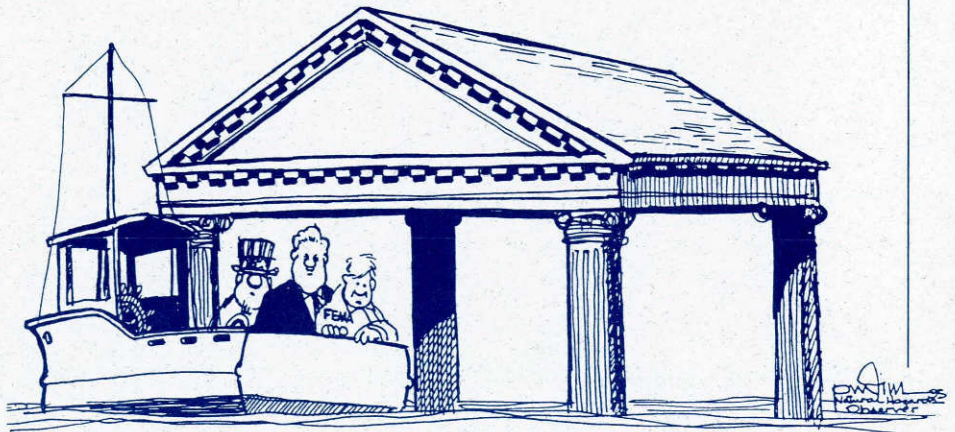
However, loss rates have increased dramatically in recent years, starting with Hurricane Hugo in 1989, Hurricanes Andrew and Iniki in 1992, the Midwest flooding of 1993, the Southeast Texas flooding of 1994 and major floods in 1995. In addition, new flood insurance coverage requirements stemming from the National Flood Insurance Reform Act will increase market penetration in all parts of the country, escalating the amount of potential insured flood losses nationwide.

Using current subsidized rates and projected full risk loss costs at 1995 levels, it is expected that the average annual shortfall in the risk portion of premiums needed to fund loss expenses, including the catastrophic potential, is over \$400 for each subsidized policy holder.

Even with the increase, the proposed new rates will only produce 39% of the premium that would have to be charged if these policies were actuarially rated (i.e., not subsidized). FEMA is proposing only a modest increase at this time in order to maintain a balance between the need to decrease the subsidy while still making flood insurance available at reasonable rates to protect those at risk of catastrophic flood losses.

For further information, contact:

Charles M. Plaxico, Jr.
Federal Emergency Management Agency
Federal Insurance Administration
500 C Street SW
Washington D.C. 20472
(202) 646-3422



Texas Floodplain Management Association

Important Announcement

The Texas Floodplain Management Association is proud to announce the date and location for its annual flood conference and floodplain administrator training seminar.

This year's conference will be held at:

Austin North Hilton Hotel
6000 Middle Fiskville Road
Austin, Texas 78752
July 17-19, 1996

Registration fees for the conference are as follows:

\$80 per TFMA member
\$95 per non members

As people in the Northeastern and Northwestern sections of the U.S. deal with the massive problems of winter floods, the people in Texas are facing a long dry spell with major drought conditions across some parts of the state. With burning bans in effect in many counties and talk of water rationing, it is difficult to think about floods. But, if you have lived in Texas for the past few years, you know that the "back breaker" of a Texas drought is always a "Texas size" flood. It was only a short time back that many of you were dealing with a major flood disaster during the Southeast Texas floods of October 1994, and the Christmas Flood of 1991 still lingers in the memories of those who live along the Colorado River in Central Texas.

This year's conference will focus on several key issues facing floodplain administrators and the National Flood Insurance Program (NFIP). As always, there are a number of changes to the NFIP coming from federal legislation and FEMA policy decisions, and budget cuts have altered the scope of assistance from other federal agencies dealing with flood control and floodplain management. This is also a year of forming new partnerships with agencies and associations having similar goals and objectives as the

Texas Floodplain Management Association. Invited cosponsors of this year's conference include: Lower Colorado River Authority, City of Austin, Texas Natural Resource Conservation Commission, FEMA, and the Emergency Management Association of Texas.

Conference Highlights

Series of Mini-Workshop/Forums to Include:

- Hazard Mitigation
- Forming New Partnerships
- Drafting State Legislation
- New Training and Education Efforts
- Floodplain Administrators and Emergency Management
- Professional Associations and Certification

There will also be:

- State and Federal Agency Program Updates
- Question and Answer Session
- TFMA Annual Business Meeting
- Annual Banquet and Awards Presentation
- Technical Field Trip
- And Much More

As always there will be ample opportunity for you to meet old friends, make new ones, and discuss your problems and successes. Don't miss out on this year's exciting and informative conference. To receive a full conference agenda and conference registration materials, please fill out the CONFERENCE INTEREST FORM and return it as soon as possible. Even if you don't plan to attend, please let us know so we can adequately plan for meeting space and events.

Tentative Schedule

Tuesday, July 16, 1996

1:00 P.M. - 5:00 P.M. - TNRCC Workshop at City of Austin Offices

Wednesday, July 17, 1996

10:00 A.M. - 11:30 A.M. - TFMA Board Meeting
12:00 Noon - 1:30 P.M. - Conference Registration
1:30 P.M. - 5:30 P.M. - Topical Presentations
7:00 P.M. - 9:00 P.M. - TFMA Social & Reception

Thursday, July 18, 1996

8:00 A.M. - 11:30 A.M. - Topical Presentations
12:00 Noon - 1:30 P.M. - Luncheon
1:30 P.M. - 5:00 P.M. - Topical Presentations
6:00 P.M. - 9:00 P.M. - Annual Banquet and Awards

Friday, July 19, 1996

8:00 A.M. - 12:00 Noon - Topical Presentations and Wrap-up
12:30 P.M. - 5:00 P.M. - Optional Field Trip

To make room reservations, please call:

Hilton Hotel 1-800-347-0330
or 512/451-5757

Hilton Room Rates:
\$67.00 SINGLE / \$87.00 DOUBLE

Super "8" Room Rates:
\$55.00 SINGLE / \$60.00 DOUBLE
(Located next to the Hilton)

Reservation cut-off date:
JUNE 15, 1996



9th Annual TFMA Flood Conference Conference Interest Form

NAME: _____

TITLE: _____

EMPLOYER: _____

STREET ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

- Please Check Appropriate Boxes:**
- Yes, I plan to attend this year's conference.
 - Yes, I plan to attend the optional field trip.
 - Spouse plans to attend banquet and field trip.
 - No, I do not plan to attend this year, but please send information on TFMA.
 - I may attend. Please send conference agenda.

Mail completed form to: Texas Floodplain Management Association
131 East Live Oak, Room 104
Angleton, Texas 77515
(409) 849-5711, Ext. 1272

Please cut out this form and mail to the above address!

Free FEMA Floodproofing Manual: FEMA-259

The Federal Emergency Management Agency (FEMA) has just released its newly published and long awaited manual: "FEMA 259; Engineering Principles and Practices for Retrofitting Flood Prone Residential Building." This manual is for engineers, architects and local governmental officials involved with the design or retrofitting of structures subject to flooding.

It is the first publication to include newly developed engineering standards for retrofitting flood prone residential structures. FEMA is actively working with the American Society of Civil Engineers to further develop and refine these engineering standards. The manual also incorporates such considerations as building codes, various regulatory obligations, and, in keeping with FEMA's philosophy of looking at the entire picture, incorporates discussions of hazards that are not flood related, such as earthquake, lightning, fire, etc. A significant feature to the manual is a benefit/cost analysis package that enables the user to evaluate various types of retrofitting measures to

arrive at the most cost effective alternative. This package includes the computer program in two different formats to fit the user's needs. Numerous case studies are also included.

Included with the manual is a form to return to FEMA which will put the user on an automatic update list. Anytime changes or modifications are made to the manual, the user will receive those updates. While the manual is free from FEMA, it is sizeable, being over 1,000 pages. Therefore, due to the cost of

reproducing and mailing, FEMA asks that only those persons or offices that will utilize and significantly benefit from its use request copies. Your request for the

manual may be made to:
FEMA Distribution Facility,
PO Box 2012,
Jessup MD 20794-2012,
or telephone
1-800-480-2520. ❖

Witt Gains Cabinet Status

In late February, President Clinton elevated James Lee Witt, Director of the Federal Emergency Management Agency, to Cabinet membership. In expressing his gratitude for the honor, Witt said, "This is a clear message to the American people of the importance President Clinton places on emergency management. The President understands the urgency of our response and recovery efforts and fully supports our work to begin effective mitigation prior to future disasters." ❖

Flood Protection Planning Grants

The Texas Water Development Board (TWDB) is currently providing 50/50 matching funds for feasibility level flood protection studies. Some restrictions do apply, such as:

- ◆ the money may not be used for any activities directly related to the preparation of applications for state or federal permits or other approvals, activities associated with administrative or legal proceedings by regulatory

agencies, the preparation of engineering plans and specifications, or construction activities,

- ◆ the planning must be regional in nature and must include consideration of non-structural solutions, and
- ◆ the applicant must be a participant in the National Flood Insurance Program.

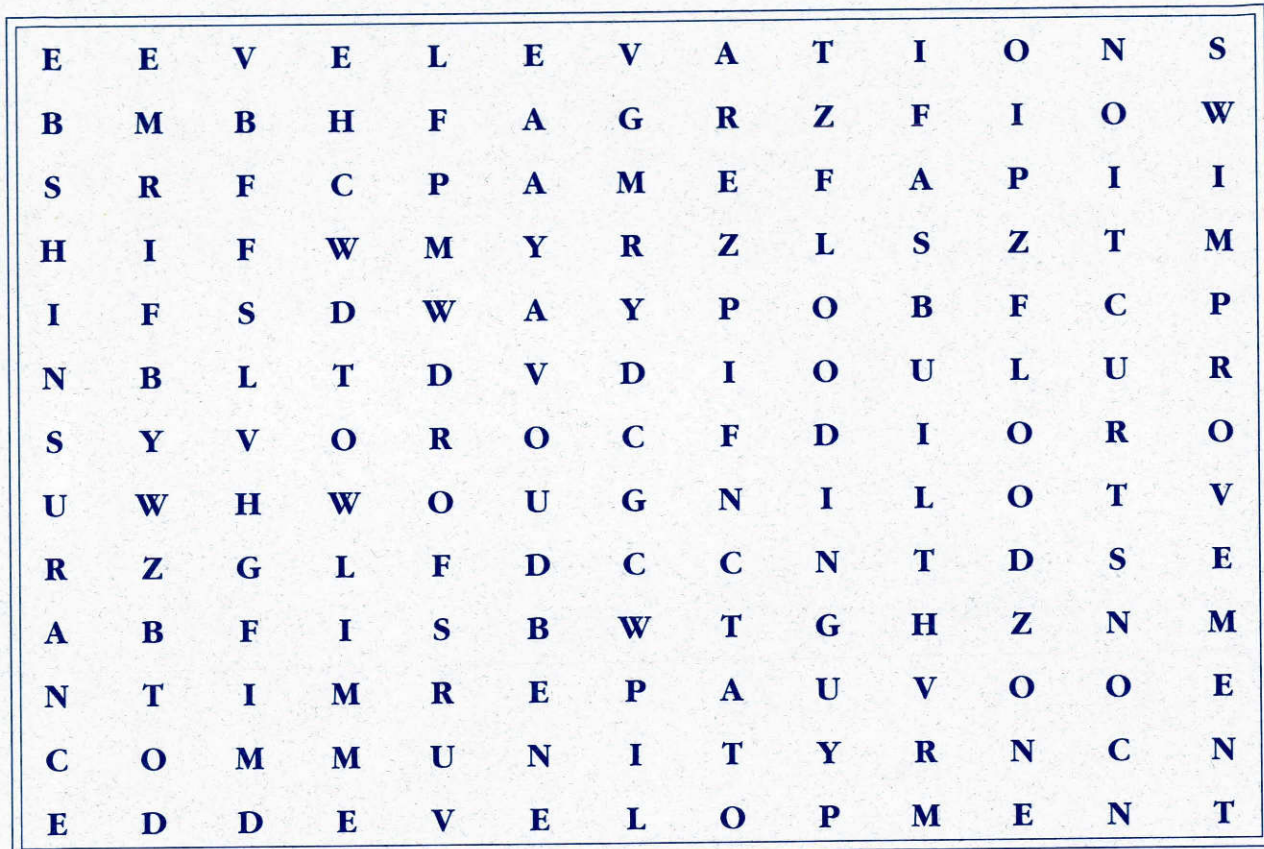
The Texas Water Development Board anticipates the publication of a Request for Proposals for flood protection planning

grant applications in the Texas Register in June 1996. If your community is interested in obtaining more information, please write the Texas Water Development Board, and ask to be added to their mailing list for more information. Write to:

Ms. Phyllis Lightner-Gaynor
Texas Water
Development Board
PO Box 13231
Austin TX 78711-3231
or call
512/463-3154
or Fax 512/463-9893 ❖

Floodplain Terms Word Search

Listed below are 19 floodplain management terms. Can you find them all in the diagram? The terms appear in the diagram forwards, backwards, up, down, or diagonally, but always in a straight line without skipping any letters. Terms often overlap and letters may be used more than once. You will not, however, use all the letters in the diagram.



AS-BUILT (Elevation Certificate)

COMMUNITY

CONSTRUCTION

DAM

DEVELOPMENT

ELEVATIONS

FEMA (Federal Emergency Management Agency)

FHBM (Flood Hazard Boundary Map Program)

FIRM (Flood Insurance Rate Map)

FIS (Flood Insurance Study)

FLOODING

FLOODPLAIN

FLOODWAY

FLOODZONE

IMPROVEMENT (Substantial)

INSURANCE

LEVEE

NFIP (National Flood Insurance Program)

PERMIT

STRUCTURE

Floodplain Management and Flood Insurance: A True Partnership

Since its beginning, the National Flood Insurance Program (NFIP) has been designed so that floodplain management and flood insurance complement and reinforce each other. The partnership is established on the provision that FEMA will make flood insurance available, provided that a community implements adequate

floodplain management regulations that mitigate flood risk. Effective implementation of local floodplain management regulations helps keep flood insurance rates affordable.

The NFIP Community Rating System (CRS) is another example of this partnership. The CRS is an incentive-based program where communities that

exceed the minimum NFIP requirements for participation can secure up to 45-percent premium reductions for the policyholders in that community. The objective is to reward those communities with floodplain management programs that exceed the minimum NFIP flood loss reduction requirements.

The National Flood Insurance Reform Act of 1994

further strengthens the NFIP to reduce the costly and devastating impact of flooding. The creation of mitigation insurance and the development of a mitigation assistance program are only a few of the provisions that will help reduce the cost of flood disasters and help communities manage their floodplains. ♣

IMPORTANT PHONE NUMBERS FOR FLOODPLAIN ADMINISTRATORS

**Federal Emergency Management Agency (FEMA),
Region VI (817) 898-5127
FEMA Publications (800) 480-2520
FEMA Floodplain Maps & Flood Insurance Studies
(800) 358-9616**

**U.S. Army Corps of Engineers District Offices
Tulsa District (918) 669-7401
Albuquerque District (915) 568-1359
Fort Worth District (817) 334-2681
Galveston District (409) 766-3930**

**Texas Natural Resource Conservation Commission
Floodplain Coordination Team (512) 239-4730
Water Utilities District Administration
(512) 239-6161
General Information (512) 239-1000**

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