



**MARLOWE & COMPANY**  
GOVERNMENT AFFAIRS CONSULTANTS

## ISSUE BRIEF

### FLOOD INSURANCE REMAPPING, AFFORDABILITY, AND RISK NOTIFICATION

**BACKGROUND (S. 3814 - NATIONAL FLOOD INSURANCE PROGRAM):** Unprecedented flooding in 2009 and 2010 caused millions of dollars in property damage and heightened the country's awareness of the risk of flooding. This awareness has led Congress to take an extra step and provide more federal dollars to FEMA for their Map Modernization initiative program. Between the years 2003 and 2008, Congress has appropriated approximately \$1.2 billion towards this program which is designed to provide a comprehensive and updated report on the nation's inventory of the flood insurance map. Since then, Congress has appropriated another \$440 million for FEMA to continue its flood mapping efforts.

The National Flood Insurance Program (NFIP) is a federal program that provides flood insurance to property owners to purchase insurance protection from the government against losses from flooding. It is designed to provide an insurance alternative to disaster assistance to meet the costs of repairs for damages to buildings caused by floods. Currently, 5.5 million homes are insured through this program. Participating in this program is an agreement between local communities and the federal government which states that if a community will adopt and enforce a floodplain management ordinance to reduce future flood risk to new construction in Special Flood Hazard Areas, then the federal government will make flood insurance available within the community as a financial protection against flood losses.

**REMAPPING (S. 3994):** On December 1, Senator Durbin (D-IL) introduced this bill, which was referred to the Senate Committee on Banking, Housing and Urban Development. There are two important sections to this bill. Section I includes a provision for a five-year delay in the effective date of the mandatory purchase requirement for new flood hazard areas. Section II includes a provision for a five-year phase-in of flood insurance rates for newly mapped areas. As it stands, this bill is currently still in committee and will

most likely receive no further action in the 111<sup>th</sup> Congress. However, we are watching to see if it is brought up for a vote during the last hours of the 2010 congressional session. There is no similar pending legislation in the House.

**Remapping Issues:** The Government Accountability Office (GAO) released a study in December 2010 titled, “FEMA Flood Maps: Some Standards and Processes in Place to Promote Map Accuracy and Outreach, but Opportunities Exist to Address Implementation Challenges” outlining new recommendations to FEMA regarding remapping districts. Federal law requires FEMA to revise and update the nation’s flood map areas every five years. The GAO recommended that FEMA establish guidance for validating data, transfer responsibility for verification audits to an independent entity, and establish goals and measures for promoting public acceptance of mapping. Out of the 11 recommendations, FEMA agreed to 10 – with the exception being transferring verification and audit duties to an independent source because they believe that their program management contractor is sufficiently independent. FEMA concluded in a report to Congress in August of 2010 titled, “Flood Mapping Progress Report and Production Plan: Flood Map Modernization and Risk Mapping, Assessment, and Planning,” that inaccurate maps create difficulties by undermining confidence in the National Flood Insurance Program, leaving some organizations unaware of their risk and imposing unnecessary costs on others whose risk is overstated. Promoting public acceptance and ensuring the accuracy of the flood map areas continues to impose challenges on FEMA as they face adversity in implementing the national flood mapping program.

*Your team at Marlowe & Company will continue to review this legislation and keep you updated on its progress. Please contact us with any questions or concerns. You can contact your Team Leader or email [Legislation@Marloweco.com](mailto:Legislation@Marloweco.com).*

*For more information on both reports, please click here: <http://www.gao.gov/new.items/d1117.pdf>*