



Welcome Back!

Inside this issue:

<i>Welcome Back!</i>	1
<i>White Pine County Joins NFIP</i>	1
<i>Insurance Outreach Toolkit</i>	1
<i>CRS Eliminates Discount for High Risk Structures</i>	2
<i>Fernley Flood Insurance</i>	3
<i>Carson River Floodplain Management Plan</i>	4
<i>Hazard Mitigation Assistance Programs</i>	5
<i>Repetitive and Severe Repetitive Loss Structures</i>	5
<i>NFIP Grandfather Rules</i>	6

In keeping with Department of Natural Resources efforts to support recycling in Nevada, I am pleased to announce that Kim Groenewold will be the new Nevada Floodplain Manager (again).

Kim brings a wealth of experience to the job having served as the State Floodplain Manager between 2000 and 2005. I'm very pleased to have Kim back on the job assisting Nevada's local communities with managing development in Nevada floodplains. Kim is looking forward to working with you on your local floodplain issues.

Kim will also serve as liaison between FEMA and our local

communities as FEMA continues to issue new digital Flood Insurance Rate Maps (FIRMs) in Nevada communities. Issuance of new flood maps in a community inevitably brings with it a host of questions for the community and its residents. The Nevada Floodplain Management Program is ready to assist Nevada cities and counties with map adoption, local ordinance revision and assistance with community outreach efforts.

Along that line, this issue of Nevada Floodplain Management News contains information concerning some of the flood insurance repercussions for Nevada residents due to



*Kim Groenewold, CFM
Nevada State Floodplain Manager*

issuance of new maps in their community. Please feel free to contact Kim if you need assistance with any of these issues.

*Tracy Taylor, P.E.
Nevada State Engineer*

White Pine County is the newest Nevada community to join the National Flood Insurance Program, effective August 25, 2008. Chris Flannery, Building Official is the newly designated Floodplain Manager for White Pine County.

Insurance Outreach Toolkit

Whenever a new flood map is issued or a Letter of Map Change (LOMR, LOMA, LOMA-F, etc.) is processed, there exists the possibility that residents may be put into a flood zone, removed from a flood zone, have their flood zone designation change, or have a base flood elevation or flood depth increase or decrease. These outcomes can all have flood insurance implica-

tions and premiums may go up or down.

If you are a floodplain manager in a community that will be getting updated flood maps soon you will want to get a hold of FEMA's **Insurance Outreach Toolkit**. **The Toolkit** includes:

- Frequently Asked Questions (FAQs)
- Notification Letters to Prop-

erty Owners

- Newsletter Articles
- Press Release
- Public Service Announcements
- Radio Scripts
- Power Point Presentation Template
- Much more . . .

All Toolkit materials are available online at www.fema.gov, or may be ordered from the website on CD.

Discounts Eliminated for “High Risk” Structures In CRS Communities

On May 1, 2008, the National Flood insurance Program (NFIP) implemented a new policy that eliminated the CRS (Community Rating

CRS Community	CRS Rating	Percent Discount*	NFIP Policies	High Risk Structures
Carson City	8	10	673	11
Clark County	6	20	4,863	19
Douglas County	6	20	793	45
Henderson	6	20	738	2
Las Vegas	6	20	900	0
Mesquite	7	15	185	1
North Las Vegas	6	20	304	0
Storey County	8	10	224	25

* Discount for structures in Special Flood Hazard Areas

System) discount on “high risk structure,” i.e., buildings that are rated as having the lowest floor one foot or more below the base flood elevation (BFE). This new NFIP policy affects 103 policies in six CRS communities in Nevada.

A recent article in the Summer 2008 issue of NFIP/CRS Update states, “In most cases, the affected structures are non-compliant, i.e., in violation of the NFIP construction criteria . . . Most policy holders will not know why there is an increase because their renewal statement may not mention it or their premiums are paid by a mortgage escrow account. However, the annual renewal should have a declaration page that will have a zero for the CRS discount. If policy holders are curious about this loss of the discount, they may contact their community’s CRS Coordinator.”

Reactions to this policy change

by CRS communities included the two most common concerns:

- Is FEMA going to go after communities for having violations?
- When a check of the policies finds a rating error, will FEMA fix it?

The answer to the first question is “No,” FEMA did not initiate this effort to “go after” communities. The loss of CRS discount data came from the insurance policies, not a Community Assistance Visit. Being on the list does not mean that a property has been declared by FEMA as being in violation of some rules. It means that the building is being rated as having its lowest floor one or more feet below the BFE.

It has been concluded that a large number of the 38,000 policies effected nationwide are rating errors, such as not having grandfathered in the rates based on an earlier Flood Insurance Rate Map (FIRM). There are also policies on properties that were built to the code as understood at the time, but new rules have been issued since then. An example of this is a house with a crawlspace floor below grade. Early NFIP guidance was silent on such structures. In 2001, FEMA issued Technical Bulletin 11-01, Crawlspace Construction for Buildings Located in Special Flood Hazard Areas. Buildings not built to the criteria set out in TB 11-01 are now rated with the crawlspace floor

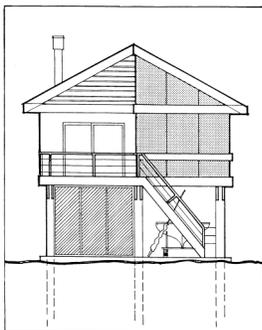
as the lowest floor. In April, FEMA issued new guidance to insurance companies that clarified that the policy can be re-rated if the local official certifies that the crawlspace meets the standards in TB 11-01.

The answer to the second question—will FEMA fix rating errors that are found? - is that the policies were written by the policy holder’s insurance agent. FEMA does not have access to information about how the agent wrote the policy or determined the first floor elevation or the base flood elevation. If the numbers look “off,” the policy holder should talk to his/her insurance agent.

Thoughts expressed by local officials in CRS communities were summarized as:

- Local officials agree with the concept of withholding CRS premium rate discounts for post-FIRM structures that are not in compliance with minimum FEMA construction standards.
- As with past experience with “submit-for-rate” files that were forwarded to them from FEMA, the local officials found that many of the structures identified as possibly having compliance issues were not, in fact, noncompliant. Rather, they were pre-FIRM, had not been grandfathered, or had been built to the codes as

“ . . . the policy can be re-rated if the local official certifies that the crawlspace meets the standards in TB11-01 ”



FEMA compliant elevated residential structure.

Questions Answered—Fernley Flood Insurance

The following is an excerpt from an email response by Sarah Owen, Natural Hazards Program Specialist, FEMA Region 9, in response to an inquiry regarding recent flooding in Fernley due to the January 5, 2008 breach in the Truckee Canal.

Hello Pamela,

Thank you for calling today with your concerns. I want to reiterate that man-made floods like canal breaks ARE covered under flood insurance so long as it inundated at least 2 properties.

You asked how many Fernley disaster victims received aid. I don't know, it depends on what kind of aid you mean. There were low interest rate SBA loans given to some who qualified, there were FEMA individual assistance grants given to some who qualified, and there was, as you know, aid given in the form of money from private donations distributed

by the City. As far as flood insurance goes, I can tell you that according to our insurance database, no one in the affected area had flood insurance. Why – you might ask. All of those people were mapped in an X zone or a low risk zone and law only requires that structures in high risk zones (A zones) with federally-backed mortgages must carry flood insurance. Everyone in the affected area was eligible to buy flood insurance and could have made a claim immediately after the flood if they had flood insurance. Flood insurance covers up to \$250,000 of structural damage to residential buildings, whereas FEMA individual assistance grants only cover as much as \$28,800, and I believe SBA loans max out at \$100,000 to \$150,000. As you can see, your best bet for a quick financial recovery from a flood is to purchase flood insurance. Also if you have flood insurance and

your house or business gets flooded you can make a claim even if the president doesn't declare it a national disaster. Flood insurance only covers structures and contents (if contents insurance was purchased separately) – it does not cover land or fences. Renters, homeowners and business owners can purchase contents coverage.

I hope you will reconsider purchasing flood insurance. Depending on which zone you live in and if that structure has had previous disaster or flood claims, you may be eligible for a reasonable rate.

Thanks again for your phone call.

Sarah Owen, Planner
FEMA Region IX



Flooding from the Truckee Canal inundated much of Fernley, Nevada. Several hundred homes were flooded.

Photo by MARILYN NEWTON / AP

Discounts Eliminated (continued)

- understood at the time of construction.
- FEMA should have given policy holders a heads-up earlier in the process. An advance notice should advise them to contact their local officials to help find out if the building was in compliance with NFIP's regulations.
- Cross training between the regulatory side and the insurance side of the NFIP would help. Insurance agents and underwriters should be encour-

aged to work with their local floodplain managers or CRS Coordinators when they encounter post-FIRM structures that they believe are not in compliance.

Where there are insurance rating errors, policy holders can get their buildings re-rated. Not only do the re-rated policies keep the CRS discount, but also the correction can greatly reduce the premium. In these cases, the policy holders should recognize the valuable assistance their local officials have provided.

Further, if the policy was written incorrectly, and it is concluded that the policy holder overpaid a premium, **the insurance company will issue a refund for the amount overpaid that year.**

For more information, contact Dave Arkens, dmarkens@iso.com for Northern Nevada CRS Communities (Carson City, Douglas County, and Storey County), or Kerry Redente, kredente@iso.com for Southern Nevada CRS communities (Clark County, Henderson, Las Vegas, Mesquite, and North Las Vegas).

... man-made floods like canal breaks ARE covered under flood insurance so long as it inundated at least 2 properties.



January 5, 2008 breach of the Truckee Canal.
Photo source gon.state.nv.us

Carson River Watershed Regional Floodplain Management Plan

The **Carson River Watershed Regional Floodplain Management Plan**, which was cooperatively developed under the leadership of the Carson



Photo taken of Dayton Area in 2004. From Carson River Watershed Flood Management Plan



Same area in 2006 after flood event. From Carson River Watershed Flood Management Plan

Water Subconservancy District, was **formally adopted on September 16, 2008** by all five counties along the Carson River. These counties are **Alpine County in California, and Douglas, Carson City, Lyon and Churchill Counties in Nevada.** This watershed-based approach to flood reduction and floodplain management is unique and serves as an example for other watersheds to follow to help reduce our escalating national flood damage costs.

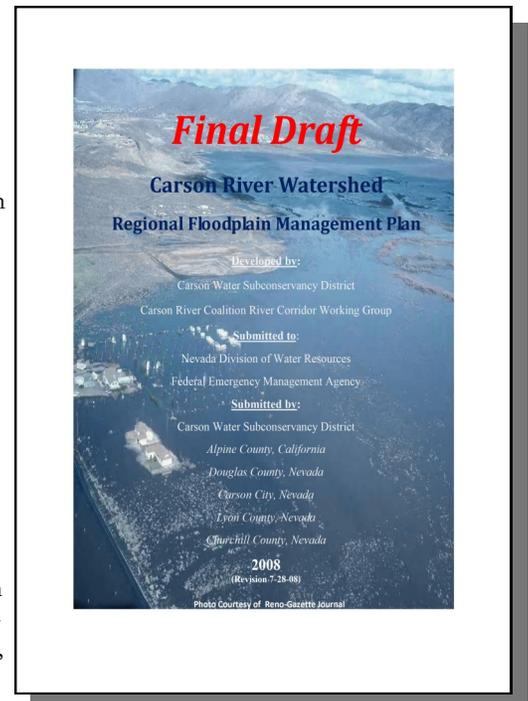
Main goals of the plan are to help protect community members from flooding hazards, reduce flood-related costs, lower flood insurance rates, and to provide proactive strategies for floodplain management that can be applied regionally as well as locally. The regional plan calls for the

protection of floodplain lands as the primary method of reducing flood damage versus structural approaches, such as levees and large flood control projects. In addition, the plan calls for watershed-wide consistency for data collection and management, flood insurance rate mapping, outreach and education, monitoring, and reduction of infrastructure impacts.

The plan was developed through a cooperative process involving numerous organizations, agencies, and landowners, including all five counties, Carson Water Subconservancy District, Nevada Division of Water Resources, Nevada Division of Environmental Protection Bureau of Water Quality Planning, Nevada Division of State Lands, the Washoe Tribe, Carson Valley Conservation District, Dayton Valley Conservation District, The Nature Conservancy, University of Nevada Cooperative Extension, HDR, Western Nevada Resource Conservation and Development, Lahontan Valley Environmental Alliance, Alpine Water-

shed Group, Federal Emergency Management Agency, U.S. Geological Survey, U.S. Army Corp of Engineers, National Weather Service, U.S. Bureau of Land Management, and the Natural Resources Conservation Service. Community members throughout the five counties provided input to the plan strategies through a series of public workshops.

A copy of the plan is available at www.cwsd.org. For any questions or more information, please contact Genie Azad, Carson Water Subconservancy District at 775-887-9005 or genie@cwsd.org.



FEMA Combines Hazard Mitigation Assistance Programs

On June 19, 2008, FEMA issued **Hazard Mitigation Assistance Program Guidance** which combines Pre-Disaster Mitigation (PDM), Flood Mitigation Assistance (FMA) and two new programs: Repetitive Flood Claims (RFC) and Severe Repetitive Loss (SRL) programs. FEMA's objective for combining these programs was to streamline their approval process for grant funding and to provide consistency between programs.

All four mitigation programs will continue to be administered through the State, however in Nevada it is the Division of Emergency Management, Department of Public Safety that has the primary responsibility for the PDM program while the remaining three flood related mitigation programs will be administered through the Floodplain Management Program of the Division of Water Resources, Department of Conservation and Natural Resources.

The new guidance will require close cooperation between the Division of Emergency Management and the Nevada Floodplain Management Program. The Division of Water Resources will be adopting procedures and deadlines that conform with those of the Division of Emergency Management and all future flood mitigation grant applications will be processed through the **State Hazard Mitigation Planning Committee**.

In the future, links to application guidance, deadlines and forms will be posted on Nevada Floodplain Management Program web pages on the Division of Water Resources website at water.nv.gov.

FEMA's hazard mitigation grant programs make grant funds available to eligible cities, counties, local entities, and federally recognized Indian Tribal governments that participate in the NFIP to develop plans or execute projects to mitigate for disasters. The three flood mitigation programs specifically address flood hazards and in particular Repetitive Loss or Severe Repetitive Loss structures defined under the NFIP. In the past, FMA grants have been awarded in Nevada to support flood mitigation planning in Washoe County and for the Carson River Watershed.

Contact Kim Groenewold, 775-684-2884 or groenewold@water.nv.gov for more information about flood mitigation grants.

Impacts of channel migration on house in Dayton during 1997 flood event.
 Photo courtesy of the Reno-Gazette Journal



Impacts of channel migration on house in Dayton during 1997 flood event.
 Photo courtesy of the Reno-Gazette Journal

Repetitive Loss and Severe Repetitive Loss Structures

Repetitive Loss Structure—An NFIP-insured structure that has had at least two paid flood losses of more than \$1,000 each in any 10-year period since 1978.

Severe Repetitive Loss Structure—As applied to the Severe Repetitive Loss program, a severe repetitive loss property is defined as a residential property that is covered

under an NFIP flood insurance policy and:

- (a) That has had at least four NFIP claim payments (including building and contents) over \$5,000 each, and the cumulative amount of such claims payments exceeds \$20,000; or
- (b) For which at least two separate claims payments

(building payments only) have been made with the cumulative amount of the building portion of such claims exceeding the market value of the building.

For both (a) and (b) above, at least two of the referenced claims must have occurred within any ten-year period, and must be greater than 10 days apart.

The **State Hazard Mitigation Planning Committee** meets quarterly to advise the Division of Emergency Management concerning hazard-mitigation planning, activities, and policies for all hazards, including natural and man-made. Representation on the committee includes county, local or multi-jurisdictional, state agency, and private interests.

