

TOWN OF INDIAN SHORES

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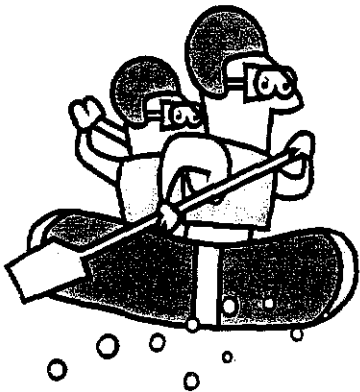
ABOUT NATIONAL FLOOD INSURANCE:

In 1968, Congress created the National Flood Insurance Program (NFIP) in response to the rising cost of taxpayer funded disaster relief for flood victims and the increasing amount of damage caused by floods. The Mitigation Division a component of the Federal Emergency Management Agency (FEMA) manages the NFIP, and oversees the floodplain management and mapping components of the Program.

Nearly 20,000 communities across the United States and its territories participate in the NFIP by adopting and enforcing floodplain management ordinances to reduce future flood damage. In exchange, the NFIP makes federally backed flood insurance available to homeowners, renters, and business owners in these communities.

Flood damage is reduced by nearly \$1 billion a year through partnerships with communities, the insurance industry, and the lending industry. Further, buildings constructed in compliance with NFIP building standards suffer approximately 80 percent less damage annually than those not built in compliance. And, every \$3 paid in flood insurance claims saves \$1 in disaster assistance payments.

The NFIP is self-supporting for the average historical loss year, which means that operating expenses and flood insurance claims are not paid for by the taxpayer, but through premiums collected for flood insurance policies. The Program has borrowing authority from the U.S. Treasury for times when losses are heavy; however, these loans are paid back with interest.



Flood Insurance is required by law. To get secured financing to buy, build, or improve structures in Special Flood Hazard Areas (SFHA's) you will be required to purchase flood insurance. Lending institutions that are federally regulated or federally insured must determine if the structure is located in a SFHA and must provide written notice requiring flood insurance.

Flood insurance is available to any property owner located in a community participating in the NFIP. All areas are susceptible to flooding, although to varying degrees, in fact, 25% of all flood

claims occur in the low-to-moderate risk areas. Flooding can be caused by heavy rains, melting snow, by inadequate drainage systems, failed protective devices such as levees and dams, as well as by tropical storms and hurricanes.

There's a big difference between having to buy flood insurance because the law says you must and choosing to buy flood coverage because it's in your best interests to do so. We recommend that all property owners purchase and keep flood insurance because it is the best means of recovery from flood damages.

What does it mean if my community does not participate in the National Flood Insurance Program (NFIP)?

Communities that agree to manage flood hazard areas by adopting minimum standards can participate in the NFIP. The standards are contained in Section 60.3 of the NFIP regulations. Communities that do not participate are subject to the sanctions outlined in Section 202(a) of the Flood Disaster Protection Act of 1973. Section 202(a) makes flood insurance, Federal grants and loans, Federal disaster assistance, and Federal mortgage insurance unavailable for the acquisition or construction of structures located in the floodplain shown on the NFIP maps.

I have lived here forever and have never been flooded. Why do I need flood insurance?

The flood hazards shown on NFIP maps are based on the best information available at the time the maps were prepared. In many areas, hydraulic and hydrologic studies were conducted to reflect the long-term projection of flood risk. Because of the infrequent occurrence of flood events and the relatively short history of the NFIP, Special Flood Hazard Areas (SFHA's) are not based only on the past flooding occurrences. The fact that a flood hasn't occurred within memory doesn't mean one won't happen soon.

The 100-year flood is a relatively rare event (1-percent chance in any given year), but structures located in the floodplain have a significant chance (26%) of suffering flood damage during the term of a 30-year mortgage. For these reasons, flood insurance is required as a condition of receiving Federal or federally-backed financial assistance.

How do I determine if my community is participating in the National Flood Insurance Program (NFIP)?

There are several ways you can find this information. One of the best resources is FEMA's Community Status Book. For each state you can print a list of communities. At the end of the list communities that are not in the NFIP are listed. Many of these communities have not adopted the required floodplain management ordinances. A footnote may indicate if the community has been suspended or withdrew from the program.



You can contact your insurance agent or call your community's planning or building permit office. Not only can they tell you if they participate in the NFIP, but they can tell you if you have to get permits before building in a special flood hazard area, or before you add to, improve, or repair damage to an existing floodplain building.