

7.2 NATIONAL FLOOD INSURANCE PROGRAM

The National Flood Insurance Program (NFIP) was created by Congress in 1968 to protect lives and property and to reduce the financial burden of providing disaster assistance. The NFIP is administered by the Federal Emergency Management Agency (FEMA).

Nationwide, over 22,000 communities participate in the NFIP, including many in Texas. The NFIP is based on a mutual agreement between the Federal Government and communities. Communities that participate agree to regulate floodplain development according to certain criteria and standards. The partnership involves:

- **Flood Hazard Maps:** FEMA prepares maps that are used by communities, insurance agents, and others.
- **Flood Insurance:** Property owners in participating communities are eligible to purchase federal flood insurance for buildings and contents.
- **Regulations:** Communities must agree to adopt and enforce floodplain management regulations so that development, including buildings, is undertaken in ways that reduce exposure to flooding.

NFIP Flood Insurance is not available to residents of communities that do not participate in the NFIP. It is also not available for structures built or substantially improved in the Coastal Barrier Resources Act (CBRA) after their designation date, even though the structure may be in a participating community.

NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY RATING SYSTEM (CRS)

The NFIP's CRS program gives "extra credit" to communities in the form of reduced flood insurance rates. **Thus, property owners that live in a community participating in the CRS program receive a discount on their annual flood premium.** Communities must apply to the CRS and commit to implement and certify activities that contribute to reduced flood risk and promote safety. The [CRS Fact Sheet](#) provides a program summary and contact information for a community to get started.

The Community Rating System recognizes and encourages community floodplain management activities that exceed the minimum NFIP standards. Depending upon the level of participation, flood insurance premium rates for policyholders can be reduced up to 45%. Besides the benefit of reduced insurance rates, CRS floodplain management activities enhance public safety, reduce damages to property and public infrastructure, avoid economic disruption and losses, reduce human suffering, and protect the environment. Technical assistance on designing and implementing some activities is available at no charge to communities that participate.

Participating in the CRS provides an incentive to maintaining and improving a community's floodplain management program over the years. Implementing some CRS activities can help projects qualify for certain other Federal assistance programs. The CRS provides credit under 19 public information and floodplain management activities described in the [CRS Coordinator's Manual](#). Examples of action that a community can take to reduce the flood insurance cost include:

- Preserve open space in the floodplain, such as in the form of parks.
- Enforce higher floodplain development standards for safer development through zoning, stormwater, subdivision, and floodplain damage protection ordinances.
- Develop hazard mitigation plans.
- Obtain floodplain grants to buy, elevate, or floodproof houses and businesses in the floodplain.
- Maintain drainage systems.
- Monitor flood conditions and issue warnings during storm events.
- Inform residents about flood hazards, flood insurance, and methods to reduce flood damage.

A community that already performs some of these activities can apply to the CRS program for approval and provide flood insurance reduction benefits to its residents.

The [CRS Brochure](#) provides insight into program specifics and how a community can participate to improve floodplain protection, reduce flood insurance rates, and receive technical assistance at no charge.

Nearly 3.6 million policyholders in 1,444 communities participate in the CRS by implementing local mitigation, floodplain management, and outreach activities that exceed the minimum NFIP requirements.

FLOOD MAPS AND FLOOD ZONES

FEMA prepares Flood Insurance Rate Maps (FIRMs) to show areas that are at high risk of flooding. Since the 1970s, many versions and updates to maps have been produced.

- **“Old format” maps** may include flood zones (like B, C, A1-30) that are not being included in map updates. The maps were only available in hard copy and were often accompanied with Flood Hazard Boundary Maps.
- **“New format” maps** have been produced in order to simplify map zone designations and make map items easier to identify. See Figure 7-2.
- **Flood zones** are geographic areas that FEMA has defined according to varying levels of flood risk. These zones are depicted on a community’s Flood Hazard Boundary Map (FHBM) or FIRM and Digital FIRMs (DFIRMs) if the DFIRM is available. Each zone reflects the severity or type of flooding in the area.
- **High Risk Areas** include all A and V Zones, or the area located within the 1% annual chance floodplain (100-year floodplain) identified as a Special Flood Hazard Areas on Flood Insurance Rate Maps. Flood insurance is available to all property owners and renters. Lenders require mandatory purchase of flood insurance.
- **Moderate to Low Risk Areas** include Zone B (moderate), C and X (low) – are areas located outside the one-percent annual chance floodplain. This includes areas protected from flood by certified levees and where area is higher than base flood elevation. Lower-cost flood insurance is available to all property owners and renters. Mandatory Flood insurance purchase requirements do not apply.
- **Undetermined Risk Areas** includes Zone D, which encompass unstudied areas of undetermined but possible flood hazards. Base flood elevations not available. Flood insurance is available to all property owners and renters. Mandatory flood insurance purchase requirements do not apply.

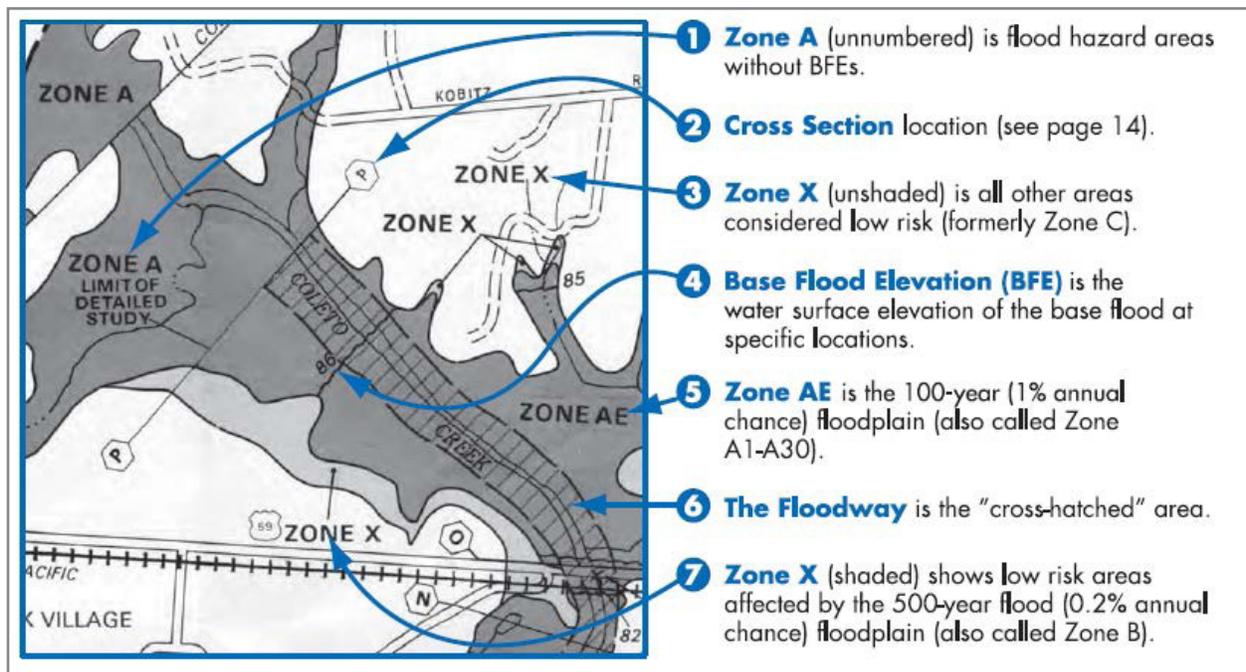


Figure 7-2: Riverine Flood Insurance Rate Map Format

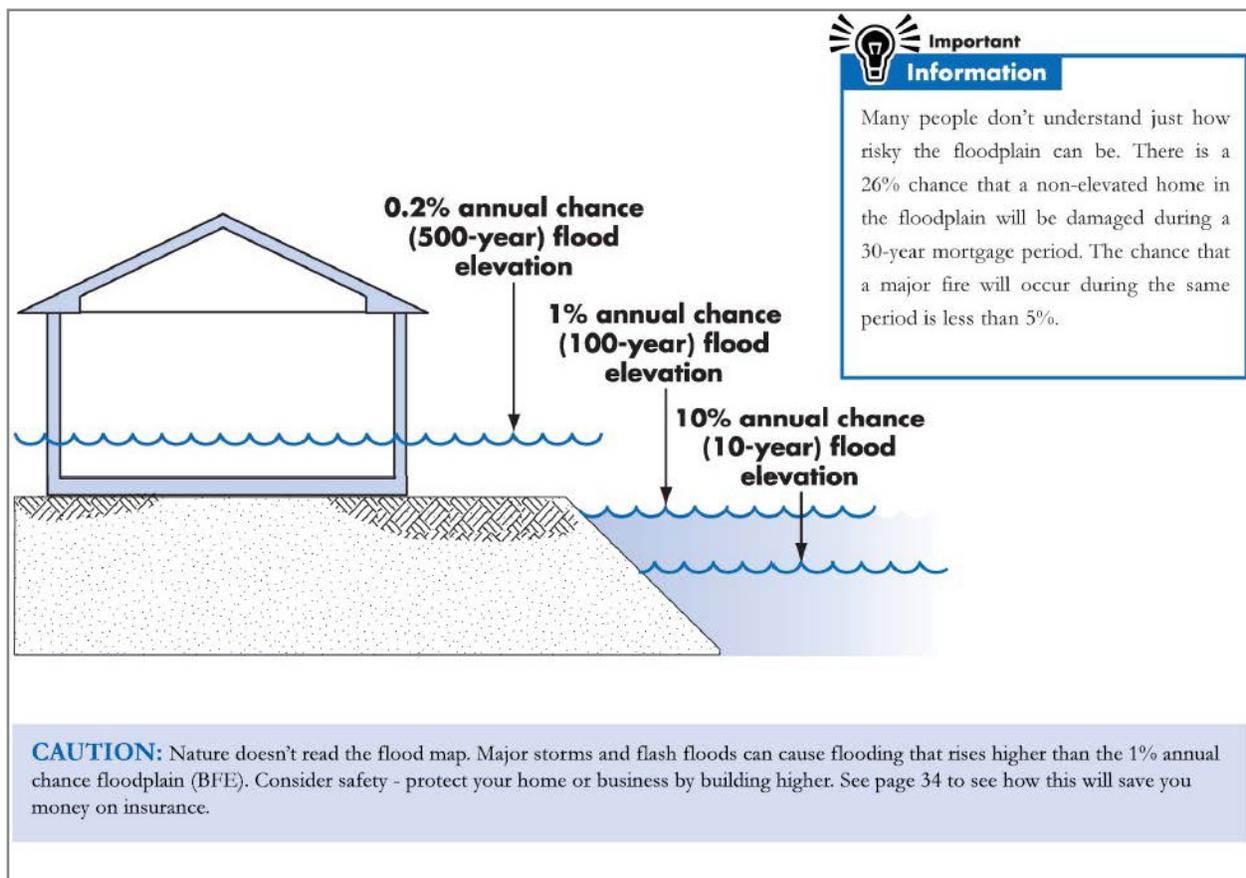


Figure 7-3: Floodplain Risk