

The “2017-2018” National Flood Insurance Program Reauthorization

Are we there yet?

John A. Miller, P.E., CFM, CSM, Water Resources Engineer,
Certified Floodplain & Stormwater Manager

The “2017-2018” National Flood Insurance Program Reauthorization



<http://www.funnyfidos.com>



Seaside Heights, NJ



Leonardo, NJ



Mantoloking, NJ



Ortley Beach, NJ



Holgate, Long Beach Island, NJ

Recurrent Riverine Flooding



Sorted by Number of Total Paid Out Since 1978

| | Number Policies | Total Coverage | Total Premium | Total Claims Since 1978 | Total Paid Since 1978 |
|-------------------------|-----------------|---------------------|-----------------|-------------------------|-----------------------|
| Total Nationwide | 4,868,776 | \$1,191,857,953,800 | \$3,361,121,798 | 2,128,617 | \$52,659,964,806 |
| Total State of NJ | 223,752 | \$54,734,750,300 | \$217,620,107 | 190,100 | \$5,841,585,879 |
| Percent NJ is of Nation | 4.59% | 4.55% | 6.47% | 8.93% | 11.09% |

All data as of February 19, 2016

| | Jurisdiction | Number Policies | Total Coverage | Total Premium | Total Claims Since 1978 | Total Paid Since 1978 |
|---|-------------------------------|-----------------|-------------------|---------------|-------------------------|-----------------------|
| S | 1. Louisiana | 428,514 | \$105,898,612,300 | \$331,346,290 | 418,376 | \$16,812,032,565 |
| S | 2. Texas | 565,080 | \$150,631,298,800 | \$336,654,618 | 261,483 | \$6,196,257,932 |
| S | 3. New Jersey | 223,752 | \$54,734,750,300 | \$217,620,107 | 190,100 | \$5,841,585,879 |
| S | 4. New York | 181,411 | \$48,550,328,500 | \$194,277,816 | 165,106 | \$5,257,705,730 |
| S | 5. Florida | 1,701,760 | \$409,772,147,900 | \$895,571,925 | 247,082 | \$3,891,305,457 |
| S | 6. Mississippi | 62,812 | \$14,876,928,900 | \$39,411,151 | 60,189 | \$3,006,058,210 |
| C | 1. OCEAN COUNTY | 49,129 | \$12,717,743,100 | \$47,827,626 | 52,364 | \$2,488,856,098 |
| S | 7. Pennsylvania | 61,878 | \$12,456,755,100 | \$65,048,518 | 69,094 | \$1,165,635,809 |
| S | 8. Alabama | 52,814 | \$11,886,073,500 | \$33,938,131 | 39,665 | \$1,021,164,094 |
| S | 9. North Carolina | 125,054 | \$30,622,976,600 | \$98,710,467 | 76,619 | \$1,013,483,146 |
| C | 2. MONMOUTH COUNTY | 21,583 | \$5,722,317,700 | \$18,691,029 | 19,545 | \$897,484,488 |
| S | 10. Missouri | 21,761 | \$4,048,493,800 | \$20,517,284 | 45,897 | \$721,159,585 |
| S | 11. Virginia | 102,114 | \$25,918,811,200 | \$73,769,079 | 44,661 | \$637,421,708 |
| S | 12. South Carolina | 193,160 | \$49,229,391,500 | \$125,840,525 | 33,858 | \$581,435,636 |
| M | 1. TOMS RIVER TOWNSHIP | 8,499 | \$2,044,402,000 | \$7,778,315 | 9,301 | \$575,363,343 |
| S | 13. California | 295,423 | \$82,848,658,500 | \$210,069,265 | 45,820 | \$519,171,530 |
| S | 14. Illinois | 42,821 | \$8,181,275,800 | \$40,999,164 | 48,815 | \$508,754,924 |
| S | 15. Connecticut | 39,013 | \$9,791,577,900 | \$50,309,387 | 27,325 | \$496,673,853 |
| C | 3. ATLANTIC COUNTY | 29,564 | \$6,498,311,000 | \$24,959,229 | 20,637 | \$462,702,831 |
| C | 4. CAPE MAY COUNTY | 52,054 | \$11,947,464,800 | \$36,648,318 | 28,233 | \$399,578,412 |
| S | 16. Massachusetts | 62,389 | \$15,554,337,300 | \$72,447,253 | 31,732 | \$358,272,591 |

See details for your state:



CLIMATE CHANGE

How Prepared is New Jersey?

D+



Extreme Heat

C



Inland Flooding

C



Coastal Flooding

D-

Source: States at Risk: A collaboration between Climate Central and ICF International

CLIMATE  CENTRAL



Google Earth



Ship Bottom, New Jersey, with three feet of sea level rise. This view shows the critical facilities (schools, fire stations, and police stations) and evacuation routes that will be inundated under this scenario.



Office for Coastal Management
DIGITALCOAST

2017 Hurricane Season

Hurricanes Harvey, Irma and Maria



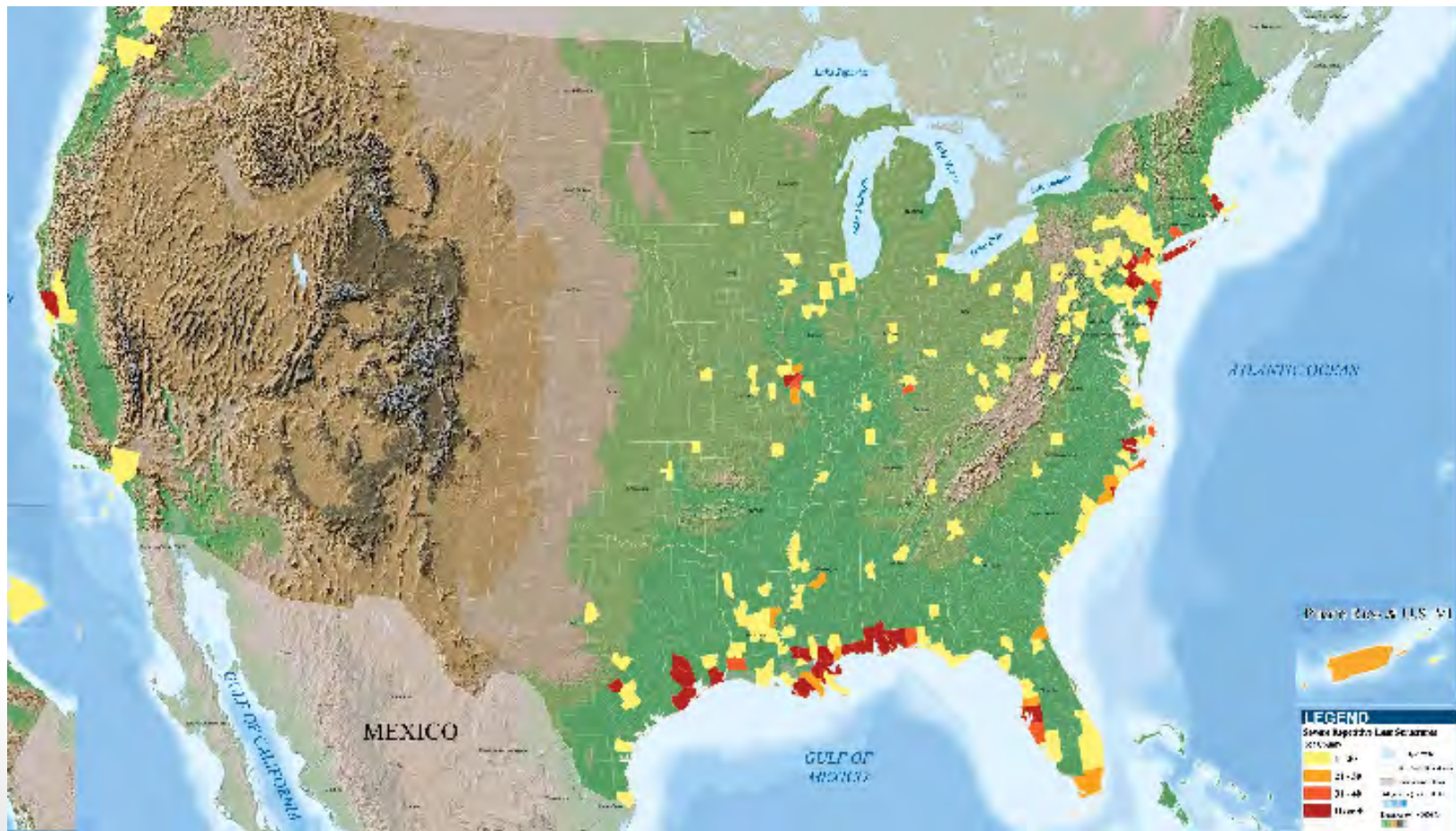
REFORM AND REAUTHORIZATION



<http://www.texasinsuranceplace.com>

Where the NFIP has been deficient

- Anticipation that housing stock would turn over and be mitigated
- Repetitive Loss properties a major drag on the program



Several bill packages have been introduced...House passed



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Next: Markup of H.R. 1422; H.R. 1558; H.R. 2246; H.R. 2565; H.R. 2868; H.R. ____, the "National Flood Insurance Program Administrative Reform Act of 2017"; and H.R. ____, the "21st Century Flood Reform Act"



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CHAIRMAN JEB HENSARLING

<https://financialservices.house.gov/>

Private Market Provisions

From: POLITICO Pro <politicoemail@politico.com>

Date: September 22, 2017 at 12:07:43 PM EDT

Subject: House to consider private flood insurance proposal on FAA bill

Reply-To: POLITICO subscriptions <reply-fe9713707161047a74-971820_HTML-795422632-1376319-0@politicoemail.com>

By Zachary Warmbrodt

09/22/2017 12:05 PM EDT

Legislation intended to promote the development of a private flood insurance market has been attached to a [bill](#) that would extend the FAA's authority for six months.

The House is expected to consider the FAA bill next week under an expedited procedure that requires two-thirds support to pass.

The House passed similar flood insurance legislation, [H.R. 2901 \(114\)](#), with wide support but the Senate has been [debating](#) whether to advance the policy as part of a broader reauthorization of the National Flood Insurance Program.

If the House and Senate agreed to keep the provision on the FAA bill, it would resolve a major, lingering issue in the way of advancing NFIP reauthorization.

WHAT'S NEXT: The FAA is set to expire at the end of the month.

To view online:

<https://www.politico.com/energy/whiteboard/2017/09/house-to-consider-private-flood-insurance-proposal-on-faa-bill-093316>

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[Yes, very](#)



[Somewhat](#)



[Neutral](#)



[Not really](#)



[Not at all](#)

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Private Market Provisions Blocked



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BILL CASSIDY, M.D.
UNITED STATES SENATOR FOR LOUISIANA

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09.28.17

Cassidy, Kennedy Passes Amendment to Secure Comprehensive NFIP Reform

Today, US Senators Bill Cassidy, MD (R-LA) and John Kennedy (R-LA) secured passage of an amendment to the FAA reauthorization bill which preserves the ability of Congress to pass comprehensive reform and reauthorization of the National Flood Insurance Program (NFIP) later this year.

The Cassidy-Kennedy-Rounds Amendment removes the Flood Insurance Market Parity and Modernization Act from the FAA reauthorization bill, so that provisions allowing for privatization of flood insurance may be included in full, comprehensive NFIP reform and reauthorization.

“To protect homeowners, flood insurance must be addressed whole piece not piecemeal,” said **Dr. Cassidy**. “I and the Senate are committed to protecting homeowners which is why the amendment passed.”

“As hurricanes Harvey and Irma showed this year and the Louisiana floods showed last year, flooding can destroy a family’s biggest asset in very little time. The National Flood Insurance Program helps families across the U.S. rebuild after devastation strikes. Comprehensive reform is needed to ensure the program is affordable and sustainable. Now we can focus on smart reforms that maximize taxpayer dollars without financially crippling families,” said **Senator Kennedy**.

SAFE Act S. 1368/H.R. 3285



115TH CONGRESS
1st Session

S. 1368

To reauthorize the National Flood Insurance Program, and for other purposes.

IN THE SENATE OF THE UNITED STATES
June 15, 2017

Mr. Menendez (for himself, Mr. Klobuchar, Mr. Waxman, Mr. Rumsfeld, Mr. Van Hollen, Mr. Coons, Mr. Bennet, and Mr. Murray) introduced the following bill, which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To reauthorize the National Flood Insurance Program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.
This Act may be cited as the "Sustainable, Affordable, Fair, and Efficient (SAFE) National Flood Insurance Program Reauthorization Act of 2017".

SEC. 2. TABLE OF CONTENTS.
The table of contents for this Act is as follows:

[Sec. 1. Short title.](#)
[Sec. 2. Table of contents.](#)
[Sec. 3. Definitions.](#)

TITLE I—REAUTHORIZATION AND AFFORDABILITY

[Sec. 101. Extension of National Flood Insurance Program.](#)
[Sec. 102. Extension on location of operations, coverage, and mapping Act.](#)
[Sec. 103. Hazard-mitigation and affordability assistance.](#)
[Sec. 104. Coverage expansion.](#)
[Sec. 105. Additional coverage for business interruption.](#)

TITLE II—MITIGATION AND MAPPING

[Sec. 201. IFC expansion.](#)
[Sec. 202. Flood mitigation assistance prioritization and authorization.](#)
[Sec. 203. Preliminary hazard mitigation program authorization.](#)
[Sec. 204. National Flood Mapping Program.](#)
[Sec. 205. Reduction of premium surcharges.](#)
[Sec. 206. Mitigation incentives.](#)
[Sec. 207. Plans of Congress regarding flood mitigation activities.](#)
[Sec. 208. New bond for development areas.](#)
[Sec. 209. Appeals regarding coastal flood maps.](#)

TITLE III—COST SAVINGS

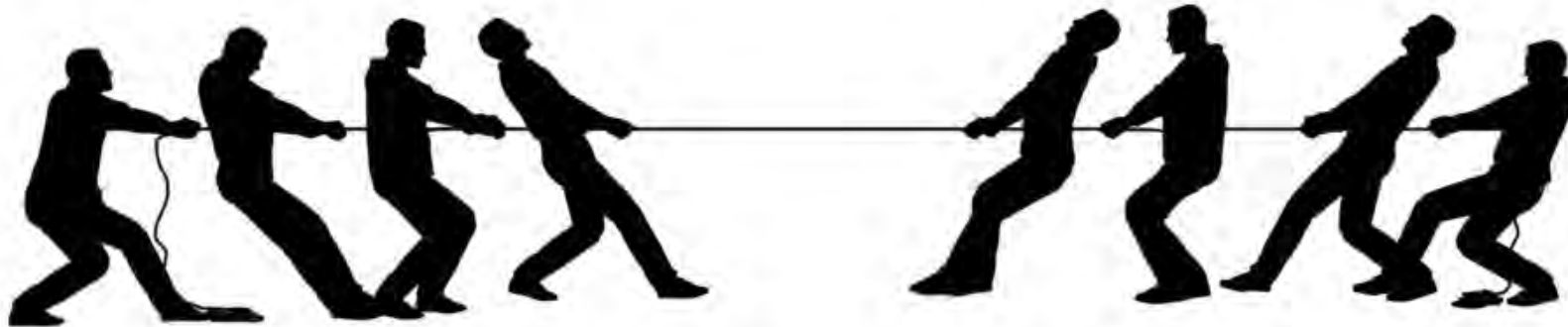
[Sec. 301. Participation on NIFIP interest payments.](#)
[Sec. 302. Cap on Water User Trust company compensation.](#)
[Sec. 303. Taxpayer protection.](#)
[Sec. 304. Insurer basic transparency.](#)

TITLE IV—CLAIMS PROCESS REFORM

<https://www.congress.gov/>



Reauthorization Tensions



Private Market Insurance

Affordability/Mitigation

N.Y. / REGION

Jersey Shore Towns Scramble for Revenue as Sandy Aid Dries Up

By NICK CORASANTTI JULY 30, 2017

TOMS RIVER, N.J. — The streets of Ortley Beach here were once considered ground zero for the destruction from Hurricane Sandy in 2012, with houses and debris strewn about for months. Today, vacant lots still dot the blocks, but they are outnumbered by new homes and a beach as crowded as ever.

Though many of the visible wounds from Sandy's assault have healed, nearly five years later the storm is still exacting a less visible though no less brutal blow, not just to this town but also to many communities up and down the Jersey Shore.

When the storm wiped out buildings, it wiped out badly needed tax revenue. Now, with federal aid drying up, towns are confronting the financial pain.

In Ocean County, home to many of those hardest hit by the storm, towns were a total of \$7.8 billion short of their prestorm tax base at the beginning of this year, or about 8 percent of their prestorm totals, a review by The New York Times of the most recent property tax data available from New Jersey found. Twenty-four of the county's 33 towns were faced with smaller tax bases than they had before the storm. Slow rebuilding, abandoned lots, fleeing families and businesses, and property reassessments were cited as causes for the smaller tax base.

For three years after the storm, the towns had been propped up by hundreds of millions of dollars in federal aid distributed by the state, including more than \$132 million through a grant program that was intended to help towns burdened with much less tax revenue provide essential services, such as police and fire protection and trash pickup. Last year, the grants were distributed for half the year.

Sea Bright Borough, Monmouth Co., NJ

Figure 4 – Sea Bright 2020 Sea-level Rise

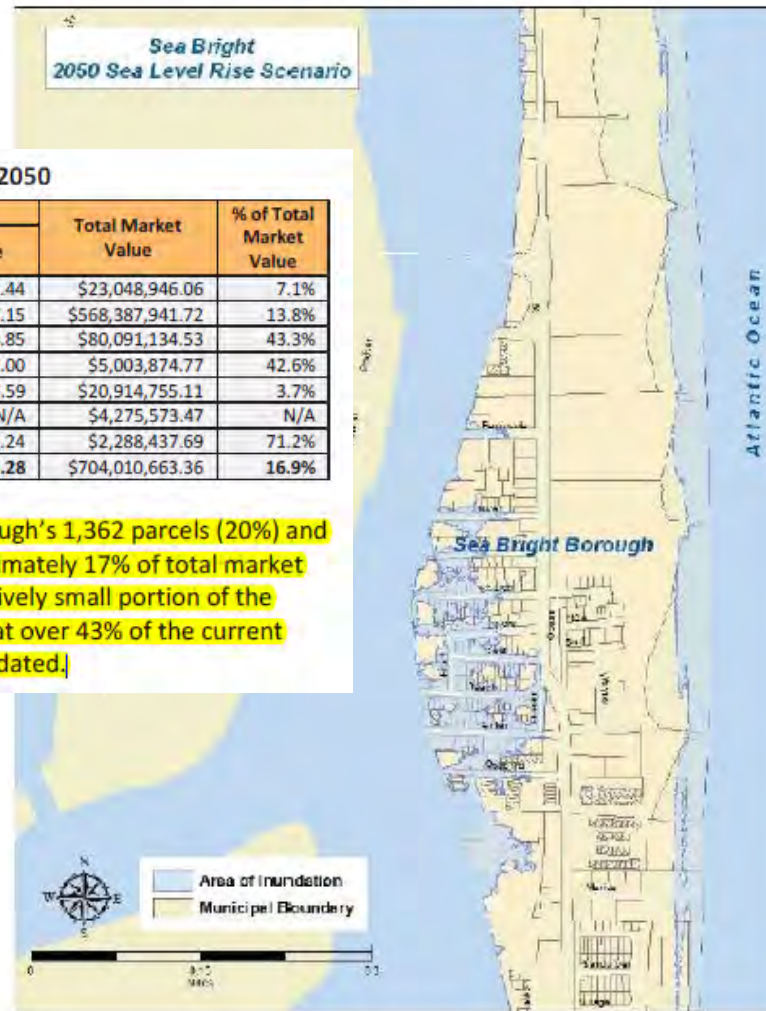


Table 6 – Exposure Value: Inundated Parcels – 2050

| Property Class (Class Code) | # Lots | Acres | Exposure Value | | | Total Market Value | % of Total Market Value |
|--------------------------------|------------|--------------|------------------------|------------------------|-------------------------|-------------------------|-------------------------------|
| | | | Land Value | Improvement Value | Net Value | | |
| Vacant (1) | 39 | 19.88 | \$1,561,376.32 | \$81,215.13 | \$1,642,591.44 | \$23,048,946.06 | 7.1% |
| Residential (2) | 205 | 27.52 | \$47,892,901.43 | \$30,321,295.72 | \$78,214,197.15 | \$568,387,941.72 | 13.8% |
| Commercial (4A) | 22 | 29.11 | \$27,817,110.97 | \$6,851,983.88 | \$34,669,094.85 | \$80,091,134.53 | 43.3% |
| Apartment (4C) | 1 | 1.05 | \$1,104,618.72 | \$1,028,673.28 | \$2,133,292.00 | \$5,003,874.77 | 42.6% |
| Public (15C) | 3 | 0.53 | \$586,484.81 | \$187,073.78 | \$773,558.59 | \$20,914,755.11 | 3.7% |
| Church/Charitable (15D) | N/A | N/A | N/A | N/A | N/A | \$4,275,573.47 | N/A |
| Exempt (15F) | 1 | 0.42 | \$612,678.24 | \$1,016,584.00 | \$1,629,262.24 | \$2,288,437.69 | 71.2% |
| Total | 271 | 78.50 | \$79,575,170.49 | \$39,486,825.79 | \$119,061,996.28 | \$704,010,663.36 | 16.9% |

As Table 6 reveals, under the 2050 sea-level rise scenario, 271 of the Borough's 1,362 parcels (20%) and slightly over 12% of the total area of the community, representing approximately 17% of total market value, will be either partially or entirely inundated¹². Although only a relatively small portion of the market value of the community will be affected, it is important to note that over 43% of the current total market value of the commercial areas of the community will be inundated.

Credit Downgrade Threat as a Non-Regulatory Driver for Flood Risk Mitigation and Sea Level Rise Adaptation

U.S. PUBLIC FINANCE

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28 November 2017

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Environmental risks

Evaluating the impact of climate change on US state and local issuers

In coming years, climate change is forecast to result in a higher frequency and severity of extreme weather events, in turn heightening US exposure and vulnerability to economic loss across industries and geographic regions. This piece discusses how we assess the credit impact of these risks on **US state and local issuers**.

» **Global climate change is forecast to increase the US' exposure and vulnerability to a range of factors such as severe heat, changes in precipitation patterns and rising sea levels.** These changes are projected to drive an increased frequency of extreme weather occurrences, or climate shocks, including heat waves, droughts, **nuisance flooding**, wildfire and **more damaging coastal storm surges**. If federal, state and local governments do not adapt, these risks are forecast to become more frequent and severe over time.



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Pulled in many directions...



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<http://nova401k.com>

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Are we there yet?

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