



REQUEST FOR BOARD ACTION

ITEM NO. 18

DATE OF MEETING: June 6, 2016

REQUESTED BY: Kyle M. Breuer, Director, Planning and Community Development

SHORT TITLE: Resolution Supporting Federal Efforts to Seek Flood Insurance Affordability

BACKGROUND: With approximately thirty-three percent (33%) of the gross land area of Pender County being considered a Special Flood Hazard Area (SFHA), there are about 4,800 flood policies in effect that equate to approximately \$1.2 billion in insured property. Recent Federal legislation through the Biggert-Waters Flood Insurance Reform Act of 2012 has placed actuarial rates for the cost of flood insurance and was scheduled to be implemented through a phased approach. Public outcry resulting from the BW-12 legislation provoked Congress to pass the subsequent Homeowner Flood Insurance Affordability Act of 2014 to delay the prescribed increases, prevent future increases, and implement a surcharge on all policy holders to. These pieces of legislation were brought forward in an effort to bring FEMA and the National Flood Insurance Program (NFIP) to become more financially sustainable.

Federal legislation has been introduced by the House and Senate that would allow the private market to provide flood insurance that meets NFIP standards and could be secured through federally backed loans. This legislation, the Flood Insurance Market Parity and Modernization Act will not reduce the requirements for flood insurance within SFHA's however; it may provide options to Pender County citizens that are required to hold such policies. A resolution titled: "RESOLUTION SUPPORTING FEDERAL EFFORTS FOR FLOOD INSURANCE AFFORDABILITY" has been drafted for the Board to review.

Staff will be available to attempt to answer questions the Board may have.



RESOLUTION SUPPORTING FEDERAL EFFORTS FOR FLOOD INSURANCE AFFORDABILITY

WHEREAS, Pender County contains a significant amount of properties that are within the Special Flood Hazard Areas as delineated through FEMA and the National Flood Insurance Program (NFIP); and

WHEREAS, approximately \$1.2 billion of insured properties are in force within Pender County through the NFIP; and

WHEREAS, to make flood insurance more affordable, the Federal Government subsidizes some property owners for this flood insurance coverage; and

WHEREAS, recent storms (*Hurricanes Katrina and Sandy*) have provoked Federal concern about the amount of insurance claims (\$24 billion) that have been paid out; and

WHEREAS, in 2012 the US Congress passed “Moving Ahead for Progress in the 21st Century Act” (MAP-21) that contained the “Biggert-Waters Flood Insurance Reform Act of 2012” (BW-12) in an attempt to make the NFIP more solvent; and

WHEREAS, following BW-12’s rate increase schedule, Congress passed in 2014 the “Homeowner Flood Insurance Affordability Act of 2014” to delay some of the rate increases, prevents some future rate increases, and implements a surcharge on all policyholders; and

WHEREAS, even though the Homeowners Flood Insurance Affordability Act of 2014 delayed some of these rate increases, the overall cost of flood insurance and methods of prescribed mapping continues to be of concern to Pender County; and

WHEREAS, Pender County seeks to avoid irreparable economic harm to our citizens by adversely changing property values, uses, insurance, taxes, and construction and maintenance costs of both private and public infrastructure; and

WHEREAS, recent Federal legislation such as HR 2901 “Flood Insurance Market Parity and Modernization Act” and the Senate supported Bill S. 1679 are bi-partisan supported initiatives to bring additional private insurance providers into the market to provide options for the taxpayer.

NOW, THEREFORE BE IT RESOLVED that the Pender County Board of Commissioners respectfully asks our Federal representatives to continue to coordinate efforts with all other legislators to seek ways to reduce the burden of rising flood insurance costs.

This 6th day of June, 2016.

George R. Brown, Jr., Chairman

ATTEST:

Melissa Long, Clerk to the Board