



Program for Public Information

TOWN OF MARSHFIELD, MA | Flood Insurance Outreach





CRS Committee

Joe Rossi- Chair	RogersGray Insurance
Tim Williams- Vice Chair	Flaherty Insurance- Floodplain Resident
Doris Crary	Stakeholder- Floodplain Resident
Jeremy Devaney	Fairway Independent Mortgage Corp., Town Resident
Greg Guimond	Town Planner, Town Resident
Nanci Porreca	CRS Coordinator, Town/floodplain resident
Andrew Stewart	Building Commissioner/Floodplain Manager

The mission of the PPI Committee is to create and implement a PPI plan, and to work with the Town, FEMA, and other stakeholders to implement and carry out the activities of the Community Rating System

What is the Community Rating system (CRS)?

CRS Has Several Main Goals:

- Reduce and avoid flood damage to insurable property.
- Strengthen and support the insurance aspects of the NFIP.
- Foster comprehensive floodplain management.

According to the CRS User's Manual, CRS's purpose is "to support the NFIP"

To do this, the CRS provides flood insurance premium rate reductions to policyholders in recognition of the fact that their communities implement activities that exceed the minimum NFIP requirements and that work toward the three goals of the CRS. Included in this support are measures that credit protection to life and property during a flood.



Marshfield's CRS Status

- Marshfield currently has a CRS rating of 7
- This gives all flood policy holders a 15% discount
- Marshfield has been as high as 20% (mid 1990's)
- Through this outreach, and other flood awareness and mitigation activities, Marshfield will continue to increase our CRS rating

CRS Classes and Premium Discounts

Class	Points	SFHA	Non-SFHA
1	4,500	45%	10%
2	4,000	40%	10%
3	3,500	35%	10%
4	3,000	30%	10%
5	2,500	25%	10%
6	2,000	20%	10%
7	1,500	15%	5%
8	1,000	10%	5%
9	500	5%	5%
10	< 500	0	0

Tonight's Presentation

- History of the NFIP
- What is a flood?
- NFIP Basics
- Insure your property
- What to do in a claim
- Industry update
- Q and A



History of the NFIP





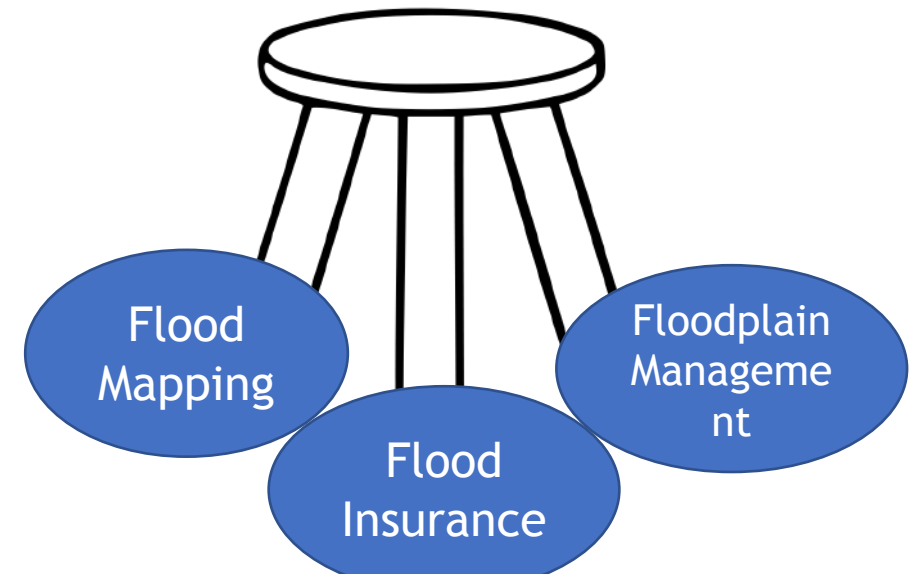
History of the NFIP

- National Flood Insurance Act established the National Flood Insurance Program (NFIP) August 1st, 1968
- Reasons for NFIP (from 1968 Act)
 - Flood disasters have burned the government
 - Current programs at the time did not create sufficient financial protection of future flood losses
 - A flood program would share the risk of flood loss which can help with preventative measures
 - Ability, over time, to facilitate reasonable rates



History of the NFIP

- Goals of the program were to:
 - increase flood insurance coverage
 - identify flood prone areas
 - require communities and home owners to participate in order to receive federal assistance
- Congress established the NFIP; therefore it must be reauthorized by Congress every so many years.
- The NFIP expires September 30th, 2021.





What is a flood?





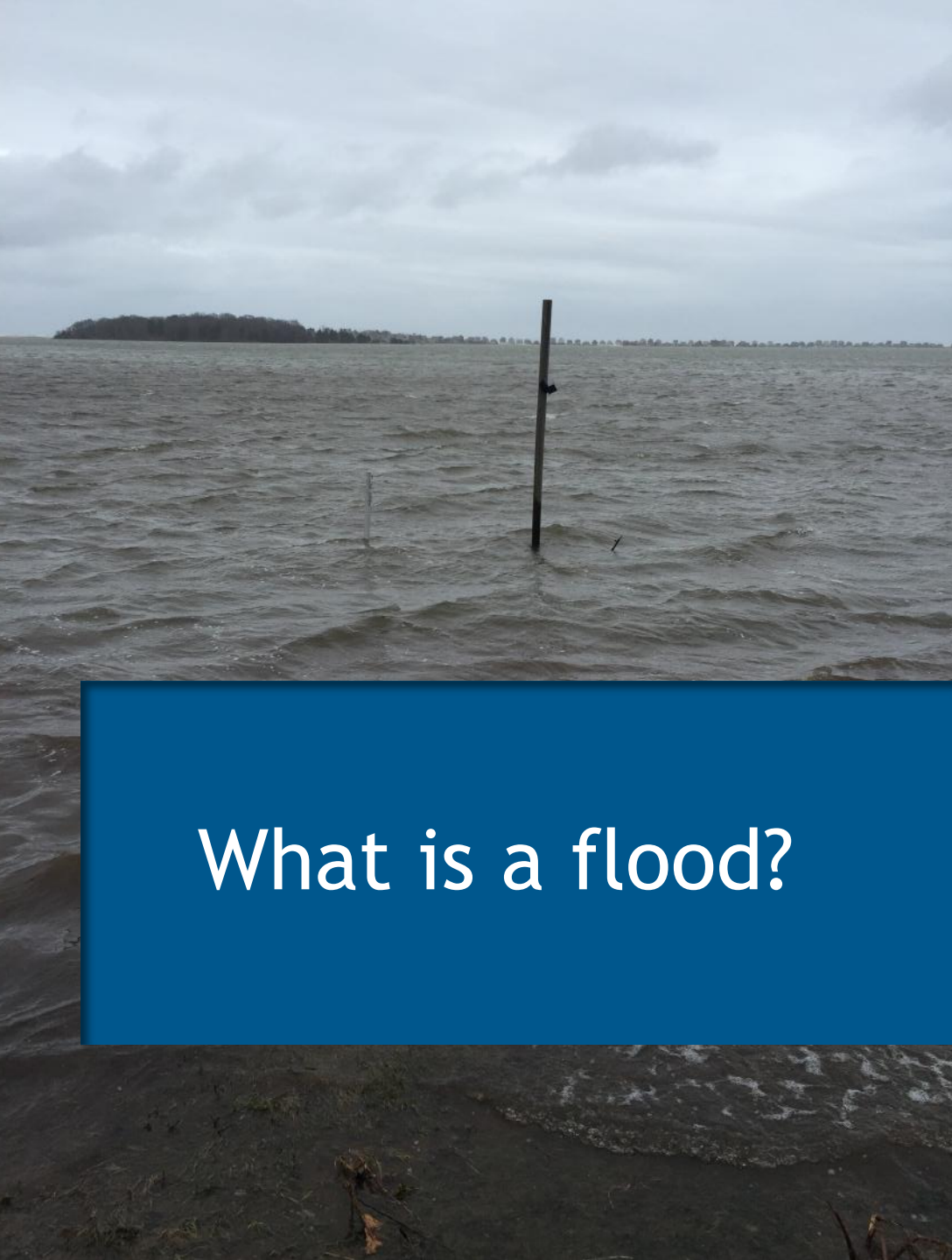
What is a flood?

From NFIP:

- A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (one of which is your property) from:

- a. Overflow of inland or tidal waters,
- b. Unusual and rapid accumulation or runoff of surface waters from any source,
- c. Mudflow.

- Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above.



What is a flood?

Simply:

- Water coming over land, from off the property on to the property.



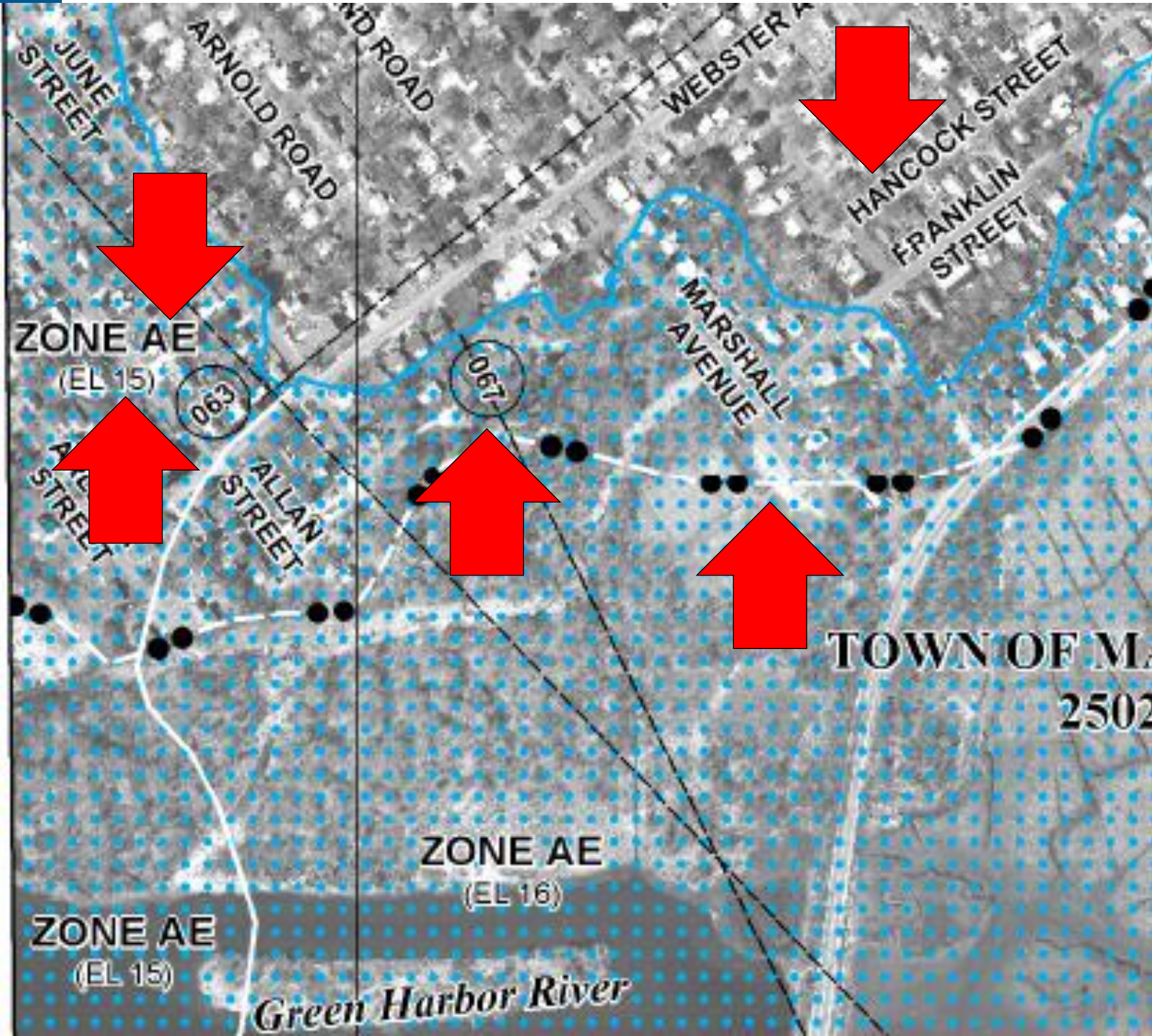
NFIP Basics



Mapping

Resources

- FIRMs map both the 1% annual chance of flooding (V and A zones) and the .2% annual chance of flooding (X zones and B and C zones on older maps) (shown by BFE)
- FEMA uses private sector companies to produce flood models which are then used for mapping
- REMEMBER: Just because you are in a 1% zone, doesn't mean your risk ends at 1%!





NFIP Basics

- Rating is based on several factors
 - One is age of construction



EXAMPLE: Marshfield Pre-FIRM date- October 14th, 1977



NFIP Basics

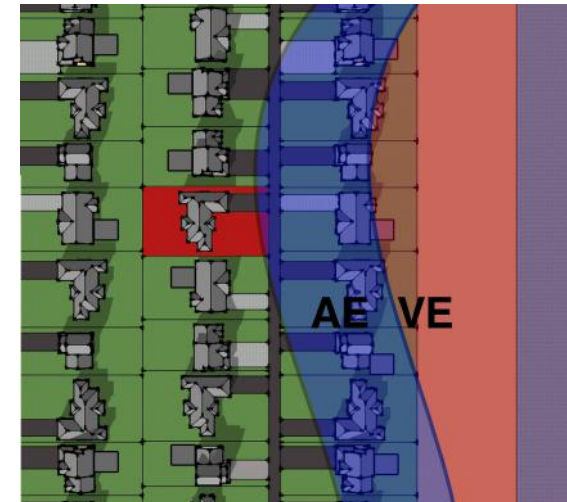
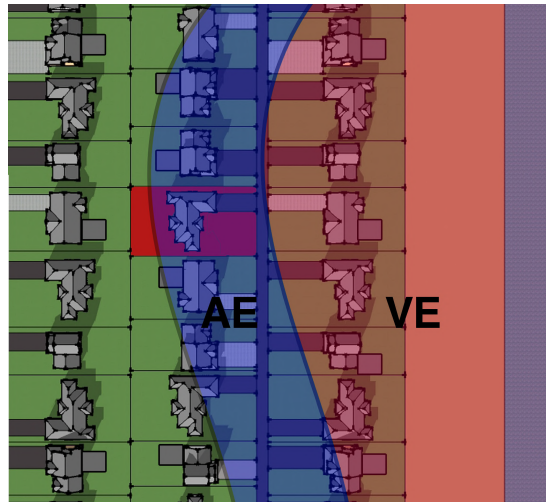
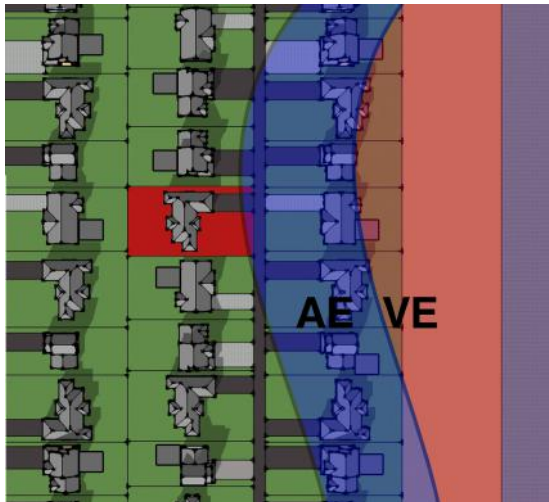
- Rating is based on several factors
 - Grandfathering

Continuous Coverage

- you have a flood policy now, you will keep those rates as long as the policy is kept in force

Built in compliance (Post-FIRM)

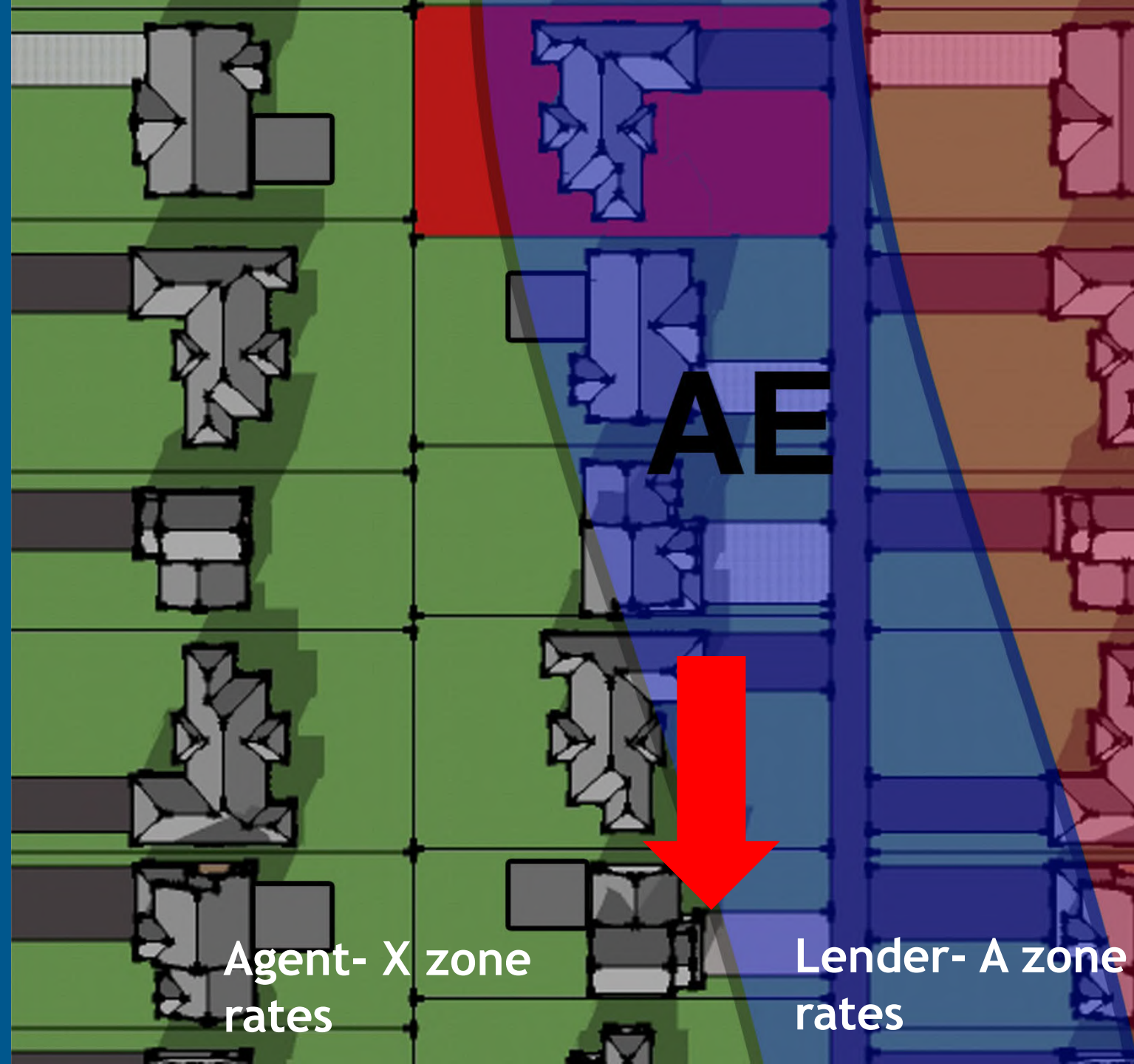
- your structure was built to standards at the time of construction



Rating can depend on zone

What if there is a zone conflict?

- Lenders depend on third party companies to provide them with flood zone determinations
- Letter of Map Amendment (LOMA)- officially removes a structure from the flood zone
- Letter of Determination Review (LODR)- Review of determination by FEMA.

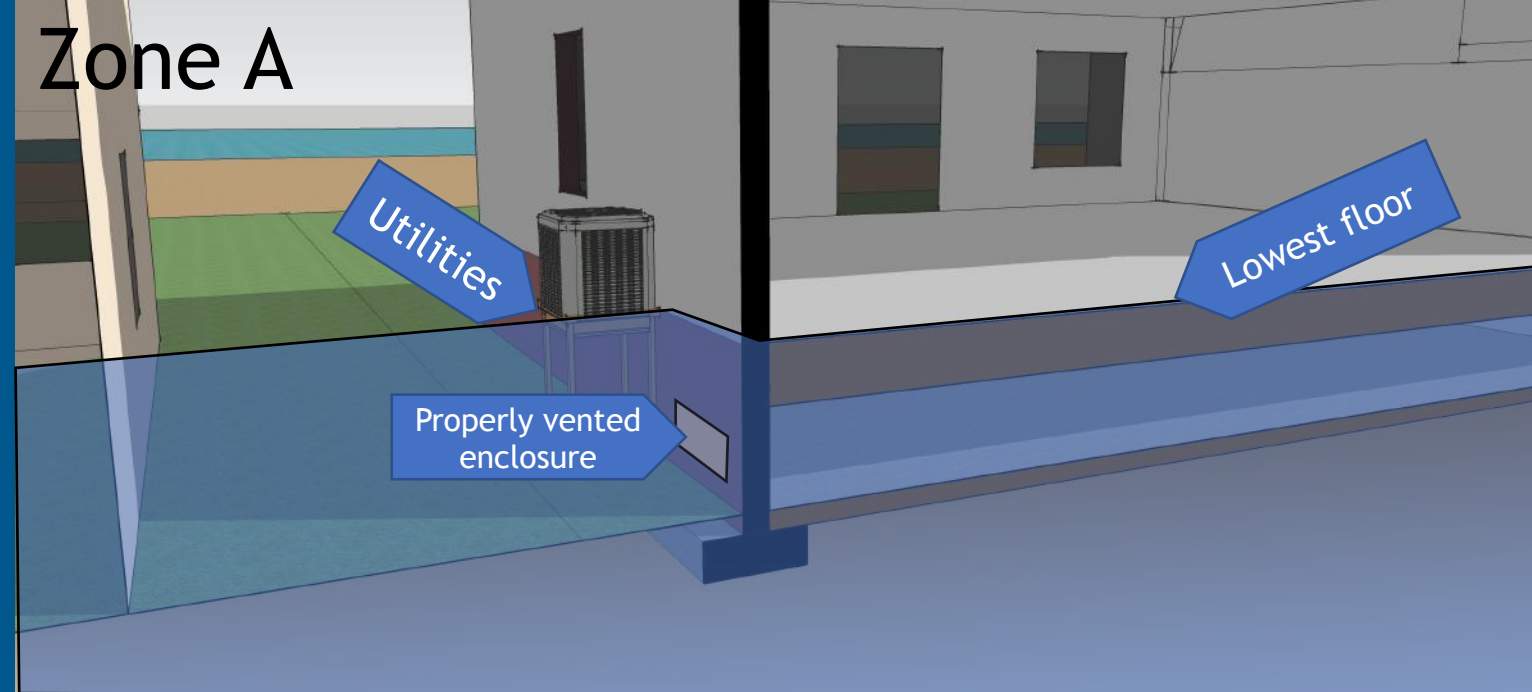


Rating can depend on foundation and elevation

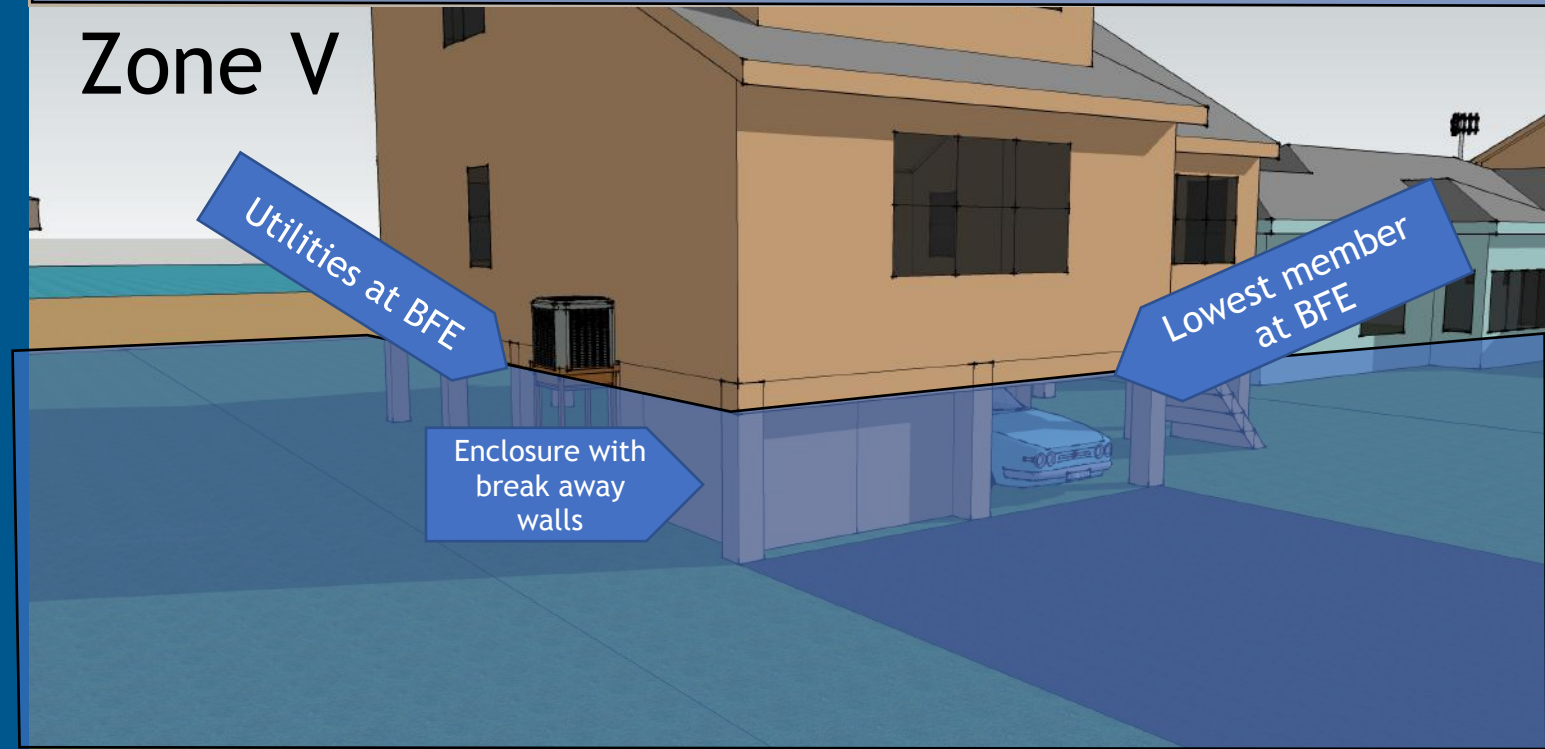
Foundation Matters

- Different zones require different foundation types for new construction
- Different foundations affect costs differently
- The higher elevated you are = lower costs

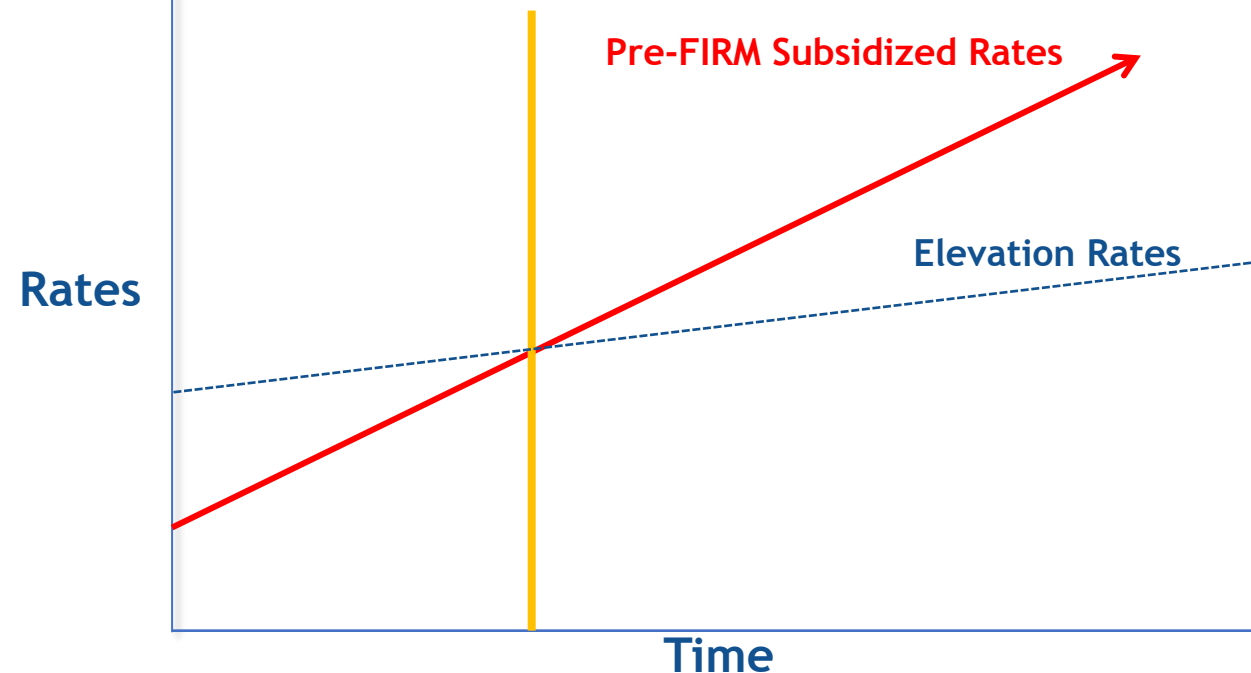
Zone A



Zone V



Elevation Rates vs. Pre-FIRM Subsidized Rates



Elevation Rating

Foundation Matters

- If a building is Post-FIRM and is determined to be in a flood zone, an elevation certificate is typically required to rate the building
- Elevation rates increase slower than pre-FIRM rates
- Even though they have an expiration date, for insurance reasons we can use old ECs
- “will an EC help?”- We don’t know what we don’t know
- Land surveyors can get you an EC



NFIP Basics

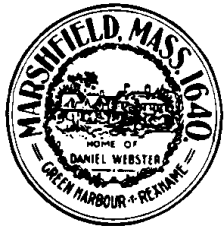
- Private flood insurance is also an option
- Most of the private market is **non-admitted**
- **Non Admitted** doesn't mean not allowed: it means not regulated
- These companies are Lloyds of London
- There are also reinsurers taking risks (mostly commercial)
- Admitted programs also exist (regulated), but not many
- Endorsements to homeowners

	NFIP	Private Flood
Eligibility	All flood zones	Some may choose which areas/zones/locations they will insure
Coverage Limits	\$250,000 building/ \$100,000 contents for 1-4 family buildings	Ability to have coverage up to replacement cost.
Deductibles	Max: \$10,000	Ability to go above \$10,000
Regulated by	Congress	Do business in what is called “non-admitted” market. The product is still able to be sold, but the companies have no obligation to submit their rates for approval or regulation.
Waiting period	Standard 30 days; no wait for loan closing	Most around 14 days; no wait for loan closing
Annual increases	Set by congress- most capped at 18%	Could be no annual increase some years, and huge ones in other years. Not set by any regulatory body
Loss History	No limit on losses	Varies by company- traditionally will not accept multiple losses



Insure Property for Flood





Insure Property for Flood

- FEMA estimates that 40% of losses come from low risk flood zones
- Your homeowners insurance will NOT cover flood damage
- Flood coverage can either be purchased from the Federal Government or a private insurer
- A separate policy from standard homeowners insurance is required for protection against flood damage
- Contents-only insurance is available for renters.
- For most flood policies, there is a 30 day wait for the policy to become effective!

**DO NOT RELY ON
DISASTER ASSISTANCE**

- Average flood insurance payouts in Harvey- \$106,000
- Average disaster assistance payouts in Harvey- \$6,000

Choosing Deductibles

Choosing the amount of your deductible is an important decision. As with car or homeowners insurance, choosing a higher deductible will lower the premium you pay, but will also reduce your claim payment.

You can choose different deductibles for Building Property and Personal Property coverage. The deductibles will apply separately to Building Property and Personal Property claims. Your mortgage company may require that your deductible be no more than a certain amount.

Review the Declarations Page in your flood insurance policy for amounts of coverage and deductibles. Talk with your insurance agent, company representative, or lender about raising or lowering deductibles within an allowable range.

Reminder: Keep Your Receipts

While you are not expected to keep receipts for every household item and article of clothing, do try to keep receipts for electronic equipment, wall-to-wall carpeting, major appliances, and other higher-cost items. Your adjuster will be able to process your claim more quickly when you can prove how much items cost at the time of purchase. Also keep receipts for any repairs made with a flood insurance settlement.

What Is Covered by Flood Insurance—and What Is Not

Physical damage to your building or personal property “directly” caused by a flood is covered by your flood insurance policy. For example, damages caused by a sewer backup are covered if the backup is a direct result of flooding. If the backup is caused by some other problem, the damages are not covered.

The following charts provide general guidance on items covered and not covered by flood insurance. Refer to your policy for the complete list. (For information on flood insurance coverage limitations in areas below the lowest elevated floor and in basements, see page 3 of this document.)

General Guidance on Flood Insurance Coverage

What is insured under BUILDING PROPERTY coverage:

- The insured building and its foundation.
- The electrical and plumbing systems.
- Central air-conditioning equipment, furnaces, and water heaters.
- Refrigerators, cooking stoves, and built-in appliances such as dishwashers.
- Permanently installed carpeting over an unfinished floor.
- Permanently installed paneling, wallboard, bookcases, and cabinets.
- Window blinds.
- A detached garage (up to 10 percent of Building Property coverage); detached buildings (other than detached garages) require a separate Building Property policy.

- Debris removal.

What is insured under PERSONAL PROPERTY coverage:

- Personal belongings such as clothing, furniture, and electronic equipment.
- Curtains.
- Portable and window air conditioners.
- Portable microwave ovens and portable dishwashers.
- Carpets not included in building coverage (see above).
- Clothes washers and dryers.
- Food freezers and the food in them.
- Certain valuable items such as original artwork and furs (up to \$2,500).

What is NOT insured under either Building Property or Personal Property coverage:

- Damage caused by moisture, mildew, or mold that could have been avoided by the property owner.
- Currency, precious metals, and valuable papers such as stock certificates.
- Property and belongings outside of a building such as trees, plants, wells, septic systems, walks, decks, patios, fences, seawalls, hot tubs, and swimming pools.
- Living expenses such as temporary housing.
- Financial losses caused by business interruption or loss of use of insured property.
- Most self-propelled vehicles such as cars, including their parts (see Section IV.5 in your policy).



Insure Property for Flood

What is insured under

Building Property coverage:

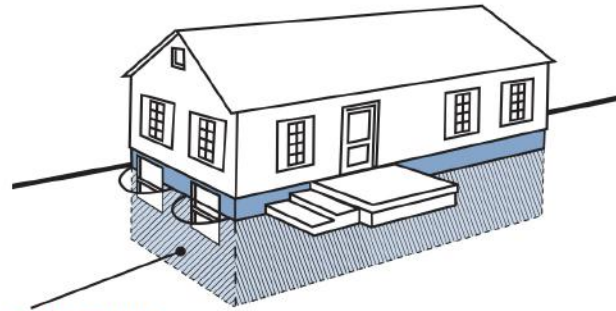
- Foundation walls, anchorage systems, and staircases attached to the building.
- Central air conditioners.
- Cisterns and the water in them.
- Drywall for walls and ceilings (in basements only).
- Non-flammable insulation (in basements only).
- Electrical outlets, switches, and circuit-breaker boxes.
- Fuel tanks and the fuel in them, solar energy equipment, and well water tanks and pumps.
- Furnaces, water heaters, heat pumps, and sump pumps.



Insure Property for Flood

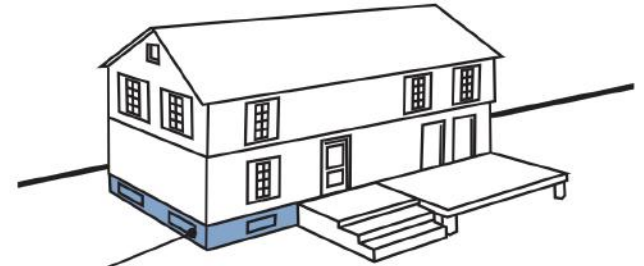
What is insured under Personal Property coverage:

- Washers and dryers.
- Food freezers and the food in them (but not refrigerators).
- Portable and window air conditioners.



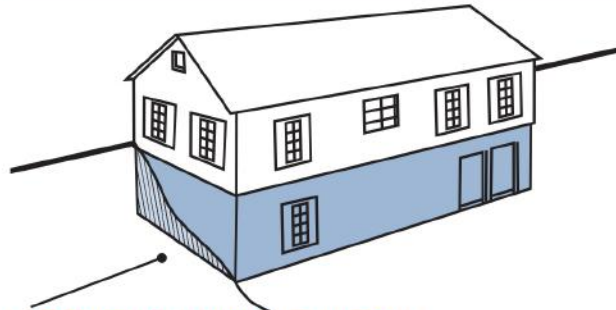
1. BASEMENT

Coverage limitations apply to "basements," which are any area of the building, including a sunken room or sunken portion of a room, having its floor below ground level on all sides.



2. CRAWLSPACE

When a building is elevated on foundation walls, coverage limitations apply to the "crawlspace" below.



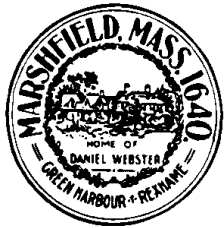
3. ELEVATED BUILDING ON FULL-STORY FOUNDATION WALLS

Coverage limitations apply to the enclosed areas (lower floor) even when a building is constructed with what is sometimes called a "walkout basement."



4. ELEVATED BUILDING WITH ENCLOSURE

Coverage limitations apply to "enclosed areas" at ground level under an "elevated building." An elevated building allows water to flow freely under the living quarters, thus putting less strain on the building in the event of flooding. An "enclosure" is the area below the lowest elevated floor that is fully shut in by rigid walls.



Insure Property for Flood

What is not insured under either Building Property or Personal Property coverage:

- Damage caused by moisture, mildew, or mold that could have been avoided by the property owner.
- Currency, precious metals, and valuable papers such as stock certificates.
- Property and belongings outside of a building such as trees, plants, wells, septic systems, walks, decks, patios, fences, seawalls, hot tubs, and swimming pools.
- Living expenses such as temporary housing.
- Financial losses caused by business interruption or loss of use of insured property.
- Most self-propelled vehicles such as cars, including their parts

But cleanup and debris removal is covered!



Insure Property for Flood

Flood Insurance can be Cheap

- Average cost of a flood insurance policy: \$1000
- If you live in the floodplain there is a 26% chance you will be flooded during a 30-year mortgage vs. a 9% chance of fire
- 30% of flood claims come from low risk (C, B or X) flood zones
- A Preferred Risk Policy, available in low risk (B, C, X) flood zones, cost as low as \$633 a year!
- Talk to your insurance agent about securing coverage
- CRS has a guide for realtors! Pick up here or download online



What to do in a claim?



Damage or Improvements may force you to elevate

- **Substantial Improvement:** If the cost of reconstruction, rehabilitation, addition or other improvements to a building equals or exceeds 50% of the buildings market value, then the building must meet the same construction requirements building new.
- Substantially damaged buildings must also be brought up to the same standards
- Not complying with the floodplain bylaw (by not building in compliance) will result in extremely expensive flood insurance (upwards of \$40,000-\$50,000 annually) or no certificate of occupancy.

SI/SD Process

Damage is done



Adjuster sends claims estimate to community



Permit is applied for by resident



Community requests detailed estimate of work



SI/SD determination is made



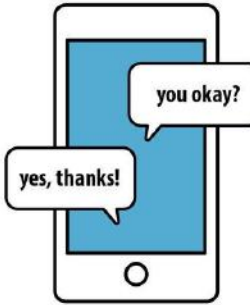


Storm Documentation

- Even if a claim is not filed, you should **document storm damage to your property or your area.**
- Photos and descriptions of damage from a storm can help community officials apply for public assistance, help in tracking storm patterns, and document other important information about our regions storm activity.

[What to do **AFTER A STORM**]

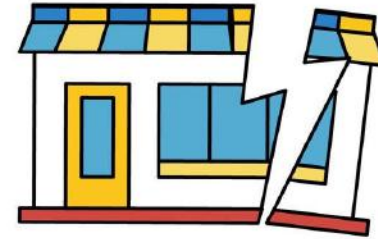
LISTEN TO LOCAL OFFICIALS
for updates & instructions.



**USE TEXTS OR
SOCIAL MEDIA**
to check in with
friends & family.



**WATCH OUT FOR
DEBRIS & DOWNED
POWER LINES.**



**STAY OUT OF DAMAGED
BUILDINGS & HOMES**
until local authorities
say its safe.



**PHOTOGRAPH THE DAMAGE TO
YOUR PROPERTY** to assist in filing
an insurance claim.

Storm Documentation

BEFORE

- **Make an inventory** of valuables.
- Create a household **emergency plan** and **emergency kit**.
- Have a copy of your **insurance policy** and **contact information** on hand.

DURING

- **Avoid walking or driving through floodwaters**, no matter how shallow they seem.
- **Turn off your gas and electricity** at the main switches to avoid a fire.
- Remain in the upper portion of your home or **find higher ground**.

AFTER

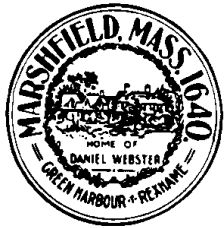
- Return home only when you've been given the **all clear** from officials.
- **Boil water** for drinking and food prep until authorities say otherwise.
- **Avoid downed power lines and standing water** that could be electrically charged.
- **Take pictures** of any damaged items or property and contact your agent.





Industry update





Industry Update

- Risk Rating 2.0: FEMA effort to overhaul rating process and methodology
- New way to rate, using modern methods such as catastrophe models
- Congress has been very skeptical
- FEMA announced a further delay in 2.0 roll out
- FEMA announces new business will start 10/1/2021, and renewals will start 4/1/2022.

Overall, FEMA will spend 2021 continuing to work on RR 2.0 elements, for a better approach to rating and implementation

Current Premium:

\$1,169

Target Premium:

\$2,500



High storm surge and inland flood risk

Current Premium:

\$1,169

Target Premium:

\$500



Low storm surge and inland flood risk

Risk Rating 2.0

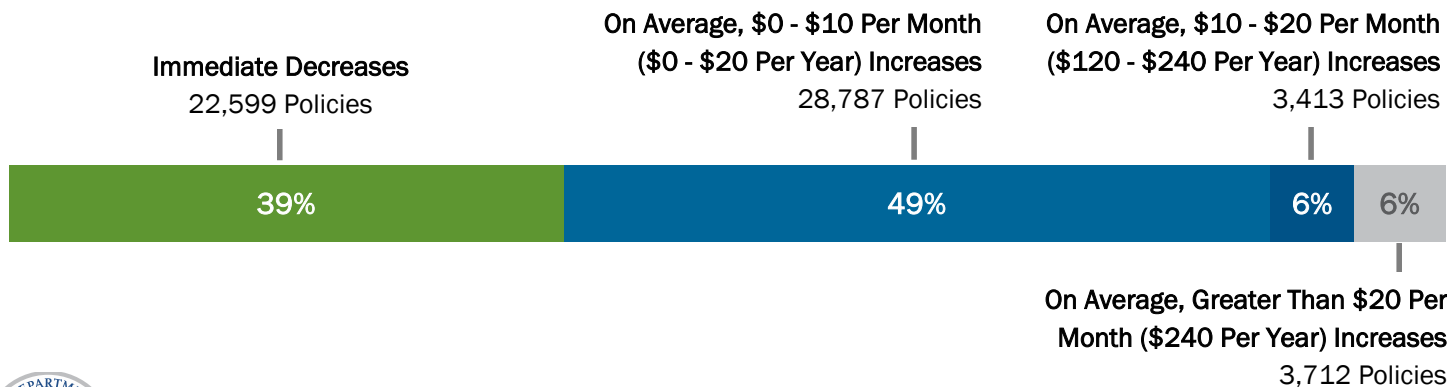
A total redesign of our rating structure- with a lot of uncertainty

Delivering rates that are: Fair, clear and meet current industry standards

No longer binary: graduated system that correlate with real world conditions

Replacement costs, commercial catastrophe models, easily collected data

Rates are not yet published, but some rates will increase, and some will decrease

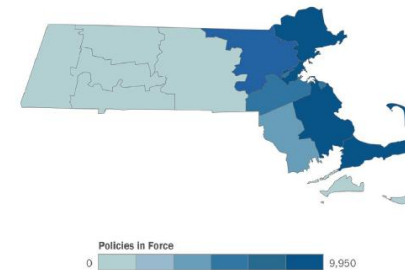


Massachusetts — Risk Rating 2.0

With the implementation of Risk Rating 2.0, FEMA delivers rates that more accurately reflect flood risk and ensure the National Flood Insurance Program will be here for this generation and generations to come.

National Flood Insurance Program in Massachusetts

NFIP Policies in Force by County in Massachusetts



A significant part of FEMA's NFIP Transformation is Risk Rating 2.0, which will fundamentally change the way FEMA prices insurance and determines an individual property's flood risk.

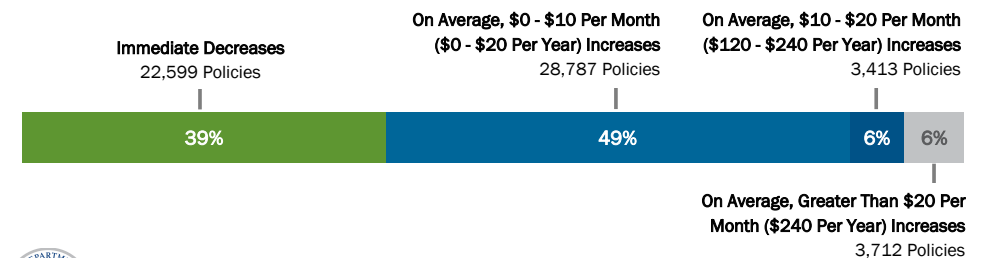
Risk Rating 2.0 is equity in action. With Risk Rating 2.0, individuals will no longer pay more than their share in flood insurance premiums based on the value of their homes. Roughly two-thirds of policyholders with older pre-FIRM homes will see a premium decrease.

FEMA will reduce disaster-related suffering and disaster-related costs in Massachusetts through insurance and the mitigation of flood risks by leveraging advances in industry best practices, technology, and flood risk modeling.

FEMA's core mission and programs continue to emphasize purchasing flood insurance and pursuing mitigation options to achieve resiliency. While there are many policies in force in Massachusetts, there are still opportunities to increase participation in the program to improve resiliency, as shown in the table below.

NFIP Policies in Force in MA	Properties in MA Not Covered by NFIP Policy	Average NFIP Claim Payout in MA in the Past 10 Years	Average Individual Assistance Claim Payout in MA in the Past 10 Years
58,500	2.6 million	\$18,600	\$2,100

Risk Rating 2.0 in Massachusetts



FEMA

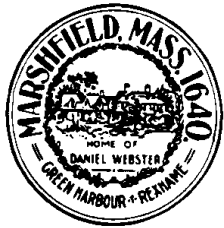


Know Your Flood Hazard

- Nor'easters cause most of the flood hazard in Marshfield
- Nor'easters can occur at any time of the year, but are more prevalent in the winter months.
- A hurricane may last for hours but a Nor'easter may last for days with at least one high tide at its peak resulting in the most severe flooding.

Before a Storm Threatens... Know your flood risk!

- Find out your flood risk by checking the flood maps, located online <https://marshfieldma.maps.arcgis.com/apps/webappviewer/index.html?id=84a8f4cd0b2441b2a0352b152c3d922d%0d>
- Ventress Library or Planning Department has flood risk information.
- Contact your insurance agent.
- Visit <https://www.marshfield-ma.gov/program-publicinformation-crs>



Resources

LIST OF CONTACTS AND WEBSITES

- Marshfield Building Department: (781) 834-5555
- Marshfield Planning Department: (781) 834-5554
- CRS Coordinator Office: (781) 834-5557
- Town Website: <https://www.marshfield-ma.gov>
- Town CRS Website:
- www.marshfield-ma.gov/CRS

**DON'T LOSE YOUR INVESTMENT.
GET FLOOD INSURANCE NOW. . .BEFORE THE STORM!**