I. In the early years of the National Flood Insurance Program (NFIP), very few communities participated in the NFIP and instead relied on federal disaster assistance. Several amendments and reforms were made to increase participation in the NFIP:

A. Flood Disaster Protection Act of 1973
   1. Passed as a result of Tropical Storm Agnes in 1972
   2. Prohibits federal agencies from constructing or providing financial assistance for the construction of buildings in the floodplain for any community that does not participate in the NFIP.
   3. Mandates that federally regulated, supervised, or insured financial institutions and federal agency lenders require landowners to purchase flood insurance for buildings located in the Special Flood Hazard Area of a participating NFIP community.

B. National Flood Insurance Reform Act of 1994
   1. Increased maximums for flood insurance coverage
   2. Established fines for mortgage lenders that fail to comply with the 1973 Act’s mandatory purchasing requirement
   3. Established a grant program for communities to develop flood mitigation plans and projects
   4. Created the Community Rating System

C. National Flood Insurance Reform Act of 2004
   1. Established the Severe Repetitive Loss program and Repetitive Flood Claims program
      a. Repetitive loss properties accounted for only one percent of total policies, but approximately 30 percent of all NFIP claim costs.
Presentation Summary (cont.)

II. Iowa Natural Resources Council (INRC) created in 1949. INRC duties included:
   A. Establish a comprehensive state-wide program for the protection of water resources
   B. Construct flood control projects
   C. Amendments in 1957 and 1965 provided the INRC with regulatory authority over development in the floodplain

III. INRC authority now resides with the Iowa Department of Natural Resources (IDNR)
   A. A permit is required from the IDNR for most types of development in the floodplain
   B. IDNR provides assistance to local communities on floodplain regulation and enforcement
   C. IDNR coordinates with FEMA regarding the state’s floodplain mapping needs
Key Terms Used in This Presentation

Community Rating System (CRS)
A program developed by FEMA that encourages communities to exceed the minimum federal requirements for development within floodplains in exchange for premium discounts for flood insurance policyholders.

Federal Emergency Management Agency (FEMA)
The agency that administers the National Flood Insurance Program (NFIP).

Repetitive Loss Structure
A structure for which two flood loss claims have been filed over a ten-year period, the value of which average at least 25% of the value of the structure.

Severe Repetitive Loss Structure
Residential property covered under an NFIP flood insurance policy and:

a) for which four or more claims claim payments have been made for damages to a building and/or its contents, each for more than $5,000, or

b) for which two or more separate claim payments have been made for building only damage where the total of the payments exceeds the current value of the property.

For both a) and b), two claim payments must have occurred within 10 years of each other.

Special Flood Hazard Area (SFHA)
The land area covered by the floodwaters of a base flood.
Questions

1. The 1973 Flood Disaster Protection Act put into place which important policies related to the NFIP?
   a. Mandatory flood insurance purchase requirement
   b. Prohibited federal agencies from funding any construction in the floodplains of non-participating NFIP communities
   c. Community Rating System
   d. All of the above
   e. A and B only

2. The 1973 Flood Disaster Protection Act resulted in a dramatic increase in the number of communities in the NFIP, jumping from ____ in 1973 to ____ by 1977.
   a. 100,000 : 1.2 million
   b. 2,200 : 15,000
   c. 1 : 30
   d. 1.2 million : 5.5 million

3. A 2004 report by the General Accounting Office found that repetitive loss properties accounted for only ____ percent of total policies, but approximately ____ percent of all program claim costs.
   a. 1 : 30
   b. 10 : 30
   c. 10 : 50
   d. 10 : 90

Answer Key: 1:e, 2:b, 3:a