

Flood News for Michigan Floodplain Managers

A Newsletter of the
Water Resources Division
Michigan Department of Natural Resources and Environment

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Flood Insurance Agent Finder

Go Here:

www.floodsmart.gov

New FEMA Flood Maps Effective Soon: Meaning for Community Officials?

*By Les Thomas, NFIP Coordinator, and
David Hamilton, Chief, Water Management Section
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FEMA's flood map modernization initiative has been underway in Michigan for the past 5 years, with the goal being to replace outdated paper maps with new digital flood insurance rate maps (DFIRMs). It is being done on a county basis, and final effective DFIRMs have been produced for 15 counties so far. The initiative is at various stages of the process in 43 other Michigan counties. A common reaction by community officials to the process has been evident: very often officials are uncertain as to what this means to their community and what, if anything, they must do. The following synopsis should serve to provide some minimal information to help the community officials be more informed.

The first thing to know is, FEMA's overall mapping process strongly supports and encourages community involvement (partnering) to produce new and better maps. Local meetings, open communications, and data sharing opportunities occur at several steps of the process. Engineering, topographical, aerial, and survey data are all solicited and used to help improve the final map product.

The intended result is a new set of updated maps for each county. The final map product for each study reflects the amount and quality of data available to use in the map production process.

The new map products are obviously going to be most valuable when produced from volumes of higher quality and greatly defined data. Such data for particular counties are not always available, leaving us with an end product reflecting the unfortunate side of reality: a lower quality map that will not always meet the users' desired needs. However, updated DFIRMs even when produced without supplemental data, are still better than the outdated white and black/blue line and shaded paper maps produced in the past.

Community officials are encouraged to give high priority to this opportunity to participate in the mapping effort and be engaged throughout the entire map production process. Such an effort from the initial scoping meeting to the final open house public review meetings of the draft preliminary maps will greatly assist in helping create the best flood map resource tool that can be produced at the time.

Once the technical DFIRM development work is complete and final maps are produced, there is an official map implementation phase. This phase is one which each community needs to be aware of, and its officials have important duties to complete.

1. Community officials will receive an initial letter from FEMA called the "Letter of Final

Determination” (LFD). This is FEMA’s official notice to the community that the DFIRMS for their community are complete, and it provides the effective date of the new flood maps. The community must use the new maps for managing development in its floodplains beginning on the effective date for the study and the maps. All necessary ordinances and resolutions must be updated or developed and adopted by that date if the community is currently a participant in the NFIP.

2. Officials should read the LFD letter very carefully; it provides guidance for adoption of the new DFIRMS, National Flood Insurance Program enrollment requirements, and a required time schedule, depending on the community’s program participation status.



3. The program’s imposed map adoption time schedules are short, and communities should immediately begin to follow the directions contained in the LFD letter. Two subsequent reminder letters will be sent by FEMA to all communities within the mapped county, but it is highly recommended to not wait until these reminders are received to start the map adoption process. Delaying action will likely not provide enough time for communities to meet their public notice obligations for local new map ordinance and resolution adoption before the final action date for the new study and maps. If participating communities fail to adopt the new study and maps by the effective date, they will be immediately suspended from the NFIP by FEMA.

Non-participating communities can enroll into the program at any time by submitting the required enrollment package documentation. However, once the study and the maps have become effective, non-participating communities have a 12-month time frame from the effective map date to consider program enrollment, which includes ordinance adoption of the flood insurance study and the new DFIRMS, resolution adoption, and application submittal. Failure to do so will subject them to program sanctions, including ineligibility for certain federal grants or loans, federal disaster assistance, federal mortgage insurance or loan guarantees, and most importantly, flood



insurance would not be available to the community’s citizens as may be required by a mortgage or desired for flood loss mitigation.

4. The best way to ensure all FEMA requirements are met and to avoid program suspension is to contact Mr. Les Thomas, NFIP Coordinator, in the Michigan Department of Natural Resources and Environment’s Water Resources Division. Mr. Thomas will give personal assistance in this matter, which will minimize the frustration that community officials are otherwise likely to experience. However, you must start early in the process and not wait until the last month and expect miracles.

Mr. Thomas’s contact information is:
DNRE, WRD
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Editor's Note: The following two articles are truly real front line examples of what a community official can be faced with regarding flooding over a short period of time even in Michigan where it is often claimed that "We have lived here for X years and it has never flooded; why should we need to have flood insurance?" It can and does happen in our fine state. So which way will you bet on your situation, assets, and even family safety?



2009 Torrential Rains Hit Lapeer County

by Mary Stikeleather, Lapeer County Emergency Management Director

The rain started falling the afternoon of Saturday, August 8 (leaving behind an inch or so), then took a break and started back up again Sunday morning around 1:00 a.m. Although the rain gauges vary from location to location, all of them noted between 6 and 9 inches of rain. When the rains stopped, communities in the southeastern part of Lapeer County (Attica, Dryden, Imlay, Almont, and the City of Lapeer) were under numerous inches of rain. Residents woke up to "islands" in their yards, basement walls caved in, cars floating away, roofs caved in, and over 19+ roads completely closed. Families were seen salvaging their belongings using Jet Skis and motorboats.

Although some were looking to blame equipment failures, this event was nothing more than a freak of nature. Normal flood control methods proved futile against the time and intensity of this rain event.

Up against some challenging driving conditions (due to road closures), we were able to do an initial damage assessment on the 13 residents that had called into our 911 Center. Those 13 visits led us to even more (friends or family members) that had also been affected. What started out as 13 grew into 351 residents reporting damage to their homes.

After a request to the State of Michigan for a Governor's Declaration, it was determined that the SBA (Small Business Administration) would be requested. Two Field Agents sent to evaluate our situation found that we had 26 homes with Major Damage and 305 with Minor Damage (estimated \$1,030,000 in damages). We also had 5 businesses with Major Damage and 15 with Minor totaling \$275,000 in damages.

After the SBA findings were noted, myself and staff of MSP-EMSHD spent another day assessing damage to see if Lapeer County would possibly qualify for FEMA grant funds. When we were done, however, we just didn't have enough destruction to warrant the Governor requesting a Presidential Declaration. In the end, we were able to offer low-interest loans (2.5%) to our residents. The SBA set up Disaster Assistance Centers in our communities for 9 days. (Total number of applicants not available at the writing of this article.)

ONE OF THE LARGEST LESSONS LEARNED – Educate your residents on flood insurance as often as you can! In most cases residents/homeowners were given bad information – some were told they didn't need flood insurance, while others were being told by their insurance agent that they couldn't buy it! We had one resident who carried flood insurance for 5 years (cancelled it in October of 2008), then after our new NFIP maps were completed, he received a letter stating that he no longer had to carry flood insurance (missing the part that says "however you still CAN carry if you wish.") All I can say is ---- FLOODSMART.GOV!! FLOODSMART.GOV!! FLOODSMART.GOV!!

Being that Lapeer County experiences a large flood event almost every 10 years (1975, 1985, 1986, and 1996), we will be asking the media to help us educate our residents AT LEAST once a year by running a flood insurance/informational campaign.

Another lesson learned was by our Event Planners. They realized the importance of having a backup plan for every event. By the time waters had receded in the City of Lapeer, there was only one week left until our annual Lapeer Days Festival (which draws approximately 100,000+ attendees). The still soft and muddy

landscape forced event planners to relocate the festival carnival activities, which in turn created a change in parking arrangements.

And lastly, for those of us who are single person departments like myself, anticipate NUMEROUS phone calls! In addition to keeping your local media up to date, don't forget to put updates on your website (if you have one) and your office answering machine.

I've always believed the best way to learn something is to actually do it! I couldn't think of a better way to put my skills and training to test – in small doses like this event!



Were You Affected by the Flood Waters Back in August 2009 or Do You Know Someone Who Was?

by Mary Stikeleather, Lapeer County Office of Emergency Management

If you answered yes to either of these questions, then you need to read this article and be sure to pass it on to everyone you know.

As we have learned from the August '09 flood, anything is possible, and NO ONE is exempt! During the entire traumatic event, I kept hearing residents tell me that they didn't know about flood insurance; their agent said they didn't "need" it; or because you weren't in a flood zone, you couldn't get it. It was very upsetting to hear residents say this when flood insurance is available to almost ANYONE who wants it.

FLOODING IS OUR #1 HAZARD HERE IN LAPEER COUNTY, as well as in the Nation! IT DOES HAPPEN HERE!

Historical records will show that flooding has happened, in Lapeer County, almost every 10 years! N-O-W is the time to start planning! Start your research now, so you won't have to go through what so many of our residents did (or still are). With the rainy season not far off and most insurance policies requiring a waiting period, NOW is the time to act!

First and foremost, before you do anything further, you need to find out if the township, village, or city you live in participates in the National Flood Insurance Program (NFIP). This is the most important part! Those that do currently participate are: Almont Township, Almont Village, Arcadia Township, Attica Township, Burlington Township, Burnside

Township, Clifford Village, Dryden Village, Elba Township, Goodland Township, Hadley Township, Imlay City, Imlay Township, Lapeer Township, Lapeer City, Marathon Township, Mayfield Township, Metamora Township, Metamora Village, North Branch Township, North Branch Village, Oregon Township, Otter Lake Village, and Rich Township. If the jurisdiction you live is not on this list, they do not participate in the NFIP at the time of this publication; therefore you cannot buy flood insurance even if you wanted to! If they are not on there, your next step is to contact your local unit of government (township, village, or city) and ask them to consider joining the program – there will be NO cost to them!

- If your jurisdiction IS on the above list, the next step you need to take is to check your current insurance policy and see if flood damage is covered on it. Even if you carry a rider for "sump pump failure", this does not mean you are covered for flood waters! PLEASE NOTE: "not required" does not mean "not needed". I had one resident who told me they had carried flood insurance for the past 4 years and had cancelled it in October of 2008 (10 months before the flood) because they were told that they were no longer in a flood "zone," therefore they didn't "need" it!
- If you cannot find flood coverage on your policy, contact your insurance agent and see if they sell it. If they do not, ask them if they can refer someone. If they are not able to help you, go

to: www.floodsmart.gov to find an agent who does sell it. Don't be surprised if the nearest Agent is a few counties away! You can also go to: https://www.floodsmart.gov/floodsmart/pages/residential_coverage/agent_locator.jsp to find all the agents within Michigan that sell flood insurance. Be sure to ask the Agent to clearly identify the items that WILL and WILL NOT be covered should your home be flooded. Insurance rates are set by the NFIP, NOT YOUR INSURANCE CARRIER!

accumulation of rainfall, snowmelt, and broken water mains can all result in flood. Properties on a hillside can be damaged by mudflow. Structures located in high-risk flood areas have a significant chance (26 percent) of suffering flood damage during the term of a 30-year mortgage. A home mapped in a high-risk area is five times more likely to suffer damage from a flood than a fire in the lifetime of a typical mortgage! Moderate to Low Risk home owners can get flood insurance for as little as \$119 per year.

Why do I need flood insurance, even though my community has never been flooded? Flooding occurs in moderate- to-low risk areas, as well as in high-risk areas. Poor drainage systems, rapid

In addition to the two websites listed earlier in this article, another great resource is <https://www.fema.gov/media-library/assets/documents/272>

Recommend Flood Insurance to Every Client

Rita Hollada, CIC, CPCU, CIA
from the NFIP eWatermark January 2, 2007

Flooding is the most common natural disaster in the United States. Yet every time there is a flood event, the media highlights the victims who chant in unison that they never knew that flooding was not covered by their homeowners insurance. Eventually, state insurance departments receive complaints, and legislators promise investigations. Finally, errors and omissions lawsuits are filed, and agents find themselves trying to defend against two major allegations. They will be accused either of failing to advise clients to purchase flood insurance or of failing to advise clients of the limitations of flood coverage under the standard homeowners policy. It is a cycle that cannot continue. There is no longer an excuse: every insurance agent needs to know about flood insurance. Period.

That said, the first thing every agent needs to appreciate is just how broad the water damage exclusion is in most property insurance policies. It is more than a "flood" exclusion; it is an exclusion for all damage done by the overflow of a body of water, tidal water, waves, surface water, or flood, regardless of the source or proximate cause. The exclusion also applies to spray from any of these water events, whether or not driven by wind.

The definition of flood as found in the flood policies issued through the NFIP is far more liberal. The Flood Insurance Manual defines flood as partial or total inundation of normally dry land by water from virtually any source. It even includes "mudflow," which is described as a river of mud. These events are far more expansive than what one would normally think of as a "flood." The surface water or mudflow could be caused by a sudden downpour or the rupture of a water main, and definitely by a storm surge, regardless of the proximity to a body of water. By understanding the breadth of this definition, agents should appreciate that every client has a risk of being flooded. The only real question is, "How great is that risk?"

Risk Assessment and Coverage Limitations

The NFIP provides a number of easy-to-use tools to help agents (and prospective policyholders) determine the degree of risk. One source of information is FloodSmart.gov. At this website it is possible to easily assess a risk by clicking on the "What is your risk?" button in the upper right corner of the home page and then enter a property address in the next screen. On this page, you can also use the "Test the waters" button to get dollar

estimates of property damage based on various flood depths. It is even possible to view the appropriate flood map segment online to see the location of a property and its designated flood risk zone.

A flood zone determination provided by one of the numerous flood zone determination companies could also quickly determine risk. Once the flood risk level is known, an agent is in a good position to accurately discuss risk and coverage needs with an insured. Now the prospect or client can make an informed decision about the purchase of flood insurance. More importantly, the agent can document that the conversation occurred and secure a signature, if flood insurance is rejected. ACORD provides Form 60, the Flood Insurance Notice/Rejection form, which is ideal for this purpose. You can access this online through [ACORD's form page](#).

When the agent begins to discuss with a client the purchase of a flood insurance policy, it is important to stress the limited coverage provided by various flood forms. Some standard carriers will offer flood as a covered peril on some commercial property and inland marine forms. However, it is important to research the actual policy language, because coverage can be limited. For example, some forms will not extend to properties in an "A, V, or shaded X zone." Agents need to know the significance of this language and realize that any policy that covers flood except properties located in an "A, V, or shaded X zone" is not covering much!

In the "Zone"

Every community participating in the NFIP has been extensively mapped to identify hazard areas. These are known as flood zones. Areas with the greatest risk of flooding are known as Special Flood Hazard Areas (SFHAs) and are designated as A or V zones on the maps. SFHAs have a 1 percent chance of flooding in any given year. The X zones (formerly called B and C zones) are moderate- or minimal-hazard areas. A shaded X zone is perceived to have a greater likelihood of flooding than an unshaded X zone, although statistics do not actually confirm that.

Flood policies offered by the NFIP provide coverage to insured property, regardless of flood risk zone. The zone determination, however, does affect the rating criteria and construction requirements of the individual policy. Every property is individually rated in the NFIP, according to its date of construction, building type, and use, as well as its risk zone. Buildings in SFHAs must be elevated to a required minimum height above the floodplain if constructed after the establishment of the Base Flood Elevation posted on the community's flood map.

Coverage Limitations

Every agent needs to realize that the policy provided by the NFIP Servicing Agent or the WYO companies is a limited contract. Assumptions relative to other types of insurance contracts cannot be made. The flood policy covers one thing and one thing only: direct damage by or from flood, as defined. In fact, the explanation requires that the damaged property have undergone some physical change as a result of the floodwaters. There is no coverage for consequential damage, indirect damage, financial loss, loss of use, additional living expenses, or extra expense. These losses are clearly excluded in the policy.

Additionally, there is no coverage for many types of property, including finished structure or personal property in a basement or under an elevated building, underground structures, decks or walkways outside the perimeter walls of a building, or any property in the open. Coverage is very limited for valuable items such as jewelry, antiques, or art. With regard to business personal property, there is no coverage for the property of others in the care, custody, or control of the policyholder.

Finally, agents need to explain the settlement conditions of NFIP policies. Most claims will be settled on an Actual Cash Value basis. This includes all personal property and all structure except for a single-family primary residence. The single-family primary residence may be eligible for a settlement based on the replacement cost with like kind and quality of structure items if it is insured to at least 80 percent of its replacement cost at the time of the loss. This is not an agreed value and definitely not guaranteed replacement cost. The maximum amount to be paid will be the amount of insurance.

The main lesson to be learned about flood is that every insurance client is at risk for flooding. Coverage for this most common event is principally available through the NFIP, which provides a limited coverage form. There is no promise of full indemnification; coverage is limited to insured structures and certain types of personal property. The only way to understand the full scope of the coverage is to read and study carefully the Flood Insurance Manual and the policy form. Complete information about the NFIP is available at the [FEMA NFIP website](#). Spend the time now to avoid the problems later.

Rita Hollada, CIC, CPCU, CIA is a member and has served as the Chair of the Flood Insurance Producers National Committee. She works closely with the staff of the NFIP on producer issues and as a liaison to the producer community. She is a member of the National Faculty of the CIC program and often works as a consultant to insurance agencies and companies. She can be reached at rita@insprofs.com.



Never Say Your Client Doesn't Need It

from the NFIP eWatermark September 1, 2007

The couple sitting in your office has just told you that they understand that the homeowners policy they are buying does not cover flood insurance but they aren't worried because their house is nowhere near a body of water.

You are familiar with where this house is located. There hasn't been any flooding in that area for as long as you can remember. You take pride in your reputation and your service to your clients. Your guidance is especially important, because consumers usually have limited knowledge of the levels of flood risk they face and often hold misconceptions about this. Additionally, you want to be sure you are not exposing yourself or your agency to potential Errors and Omissions (E & O) litigation.

What should you tell this couple?

"Do not tell a potential customer that they do not need flood insurance or that they need only minimal limits," says Pete Travis of North Pointe Insurance Company. "If your prospective clients do not wish to purchase a flood insurance policy, have them sign a Rejection of Coverage form and maintain it in their file."

Failure to place coverage on a building at risk of flooding has resulted in all too many E & O claims against insurance agents. This type of litigation does not just come from new customers. Policyholders who renew coverage on buildings that have seen substantial improvements also submit E & O claims if their agent does not use foresight at the time of renewal.

"If they request that you underinsure a building, again, have them sign a rejection form stating that they were offered and did not purchase higher coverage limits," adds Travis.

Coverage against flood losses doesn't end at the front door. Make sure that you offer contents coverage to your clients, whether or not they own their building. Help them analyze the costs of replacing uninsured contents against the annual premium to protect their belongings. However, "If contents coverage is rejected," warns Travis, "make sure you get a signed Rejection of Coverage form. In instances where a policy is being purchased for loan closing or because it is required by the lending institution for an existing loan, make sure you explain that contents coverage is not included as part of the requirement, and offer it."

What about property that has multiple buildings?

"Explain to your potential and existing customers that a separate flood insurance policy is required for each building," says Travis. There is one exception. "The only appurtenant structure coverage allowed is afforded under the Dwelling Form and only allows 10 percent of the dwelling's coverage to be applied to a detached garage. This only applies when the garage is used solely for parking and storage. If the garage has plumbing or is used for other purposes, a separate policy must be purchased to cover it."

Have more NFIP coverage questions? Explore the [NFIP's online training modules](#) for help in complying with state and Federal laws regarding flood protection.

Emergency Watershed Protection Program – Floodplain Easements (FPE)

From: <http://www.nrcs.usda.gov/programs/ewp/Floodplain/>



Since 1996, NRCS has been authorized to purchase floodplain easements on lands that qualify for EWP assistance. Floodplain easements restore, protect, maintain, and enhance the functions of the floodplain; conserve natural values including fish and wildlife habitat, water quality, flood water retention, ground water recharge, and open space; reduce long-term federal disaster assistance; and safeguard lives and property from floods, drought, and the products of erosion.

Funded through the American Recovery and Reinvestment Act of 2009, this project is part of the Obama Administration's plans to modernize the nation's infrastructure, jumpstart the economy, and create jobs. NRCS is using Recovery Act dollars to update aging flood control structures, protect and maintain water supplies, improve water quality, reduce soil erosion, enhance fish and wildlife habitat, and restore wetlands. NRCS acquires easements and restores floodplains to safeguard lives and property in areas along streams and rivers that have experienced flooding.

Updated 03/03/2009

Background

Section 382 of the Federal Agriculture Improvement and Reform Act of 1996, Public Law 104-127, amended the Emergency Watershed Protection Program (EWPP) to provide for the purchase of floodplain easements as an emergency measure. Since 1996, the Natural Resources Conservation Service (NRCS) has purchased floodplain easements on lands that qualify for EWPP assistance. Floodplain easements restore, protect, maintain, and enhance the functions of the floodplain; conserve natural values including fish and wildlife habitat, water quality, flood water retention, ground water recharge, and open space; reduce long-term federal disaster assistance; and safeguard lives and property from floods, drought, and the products of erosion.

Land Eligibility

NRCS may purchase EWPP easements on any floodplain lands that have been impaired within the last 12 months or that have a history of repeated flooding (i.e., flooded at least two times during the past 10 years).

Easement Payments

Under the floodplain easement option, a landowner voluntarily offers to sell to the NRCS a permanent conservation easement that provides the NRCS with the full authority to restore and enhance the floodplain's functions and values. In exchange, a landowner receives the lowest of the three values established for WRP as an easement payment

- i. a value based on a market analysis,
- ii. a geographic rate established by the NRCS State Conservationist, or
- iii. the landowner offer.

Restoration of the Floodplain

The easement provides NRCS with the authority to fully restore and enhance the floodplain's functions and values to natural conditions to the greatest extent practicable. NRCS may pay up to 100 percent of the restoration costs. NRCS actively restores the natural features and characteristics of the floodplain through recreating the topographic diversity, increasing the duration of inundation and saturation, and providing for the re-establishment of native vegetation.

Landowner Use

Landowners retain several rights to the property, including:

- quiet enjoyment,
- the right to control public access, and
- the right to undeveloped recreational use such as hunting and fishing.

At any time, a landowner may obtain authorization from NRCS to engage in other activities, provided that NRCS determines it will further the protection and enhancement of the easement's floodplain functions and values. These compatible uses may include managed timber harvest, periodic haying, or grazing. NRCS determines the amount, method, timing, intensity, and duration of any compatible use that might be authorized. While a landowner can realize economic returns from an activity allowed for on the easement area, a landowner is not assured of any specific level or frequency of such use, and the authorization does not vest any right of any kind to the landowner.

Program Signup Information

These documents are available in [Adobe Acrobat](#) format.

Form AD-1153 - Application for Long-Term Contracted Assistance ([PDF](#), 90KB)

Form AD-1159 - Notification of Intent to Continue ([PDF](#), 90KB)

Form AD-1161 - Application for Payment ([PDF](#), 90KB)

Form NRCS-CPA38 - Request for a Certified Wetland Determination ([PDF](#), 90KB)

For other Forms, please contact your local [USDA Service Center](#).

Additional Information

[Excerpt from Section 216, P.L. 81-516](#) - further clarification of the EWP Program.

[Final Rule, 7 CFR Part 624](#) (April 2005)

Program Contact

[Tony Puga](#), National EWP Floodplain Easement Program Manager, 202-720-1067



Low Impact Development

By Lynd Morris, NFIP Bureau and Statistical Agent
from the NFIP eWatermark October 16, 2008

In natural environments such as forests, rain is intercepted by trees and other vegetation as it falls to the ground. After passing through the forest canopy and bushes, rainwater is absorbed in the soil or is held in small, temporary ponds where it will eventually evaporate into the atmosphere. Except in the case of flash flooding, a relatively small portion of the rainwater falling in forests flows into surface streams.

However, significant runoff develops when trees and other vegetation are cleared, soil is scraped off or eroded, and natural depressions in the ground are graded to make a site uniform for new construction.

When buildings are erected and roads and parking lots are paved with nonabsorbent materials, rainfall has nowhere to go. Instead of soaking into the ground or evaporating from temporary ponds, rain falling on impervious surfaces quickly runs off. As it travels, water gathers force, debris, and pollutants. It flows across roads, sidewalks, and parking lots, picking up spilled oil, detergents, solvents, road salts, pesticides, and fertilizer and depositing them in small streams and rivers. The increased volume and velocity from the urban runoff resulting from thunderstorms or rapid snowmelt can cause stream banks to erode, carve new channels, and choke waterways with sediment.

Flooding can be a serious consequence of urban runoff. Sometimes property damage caused by urban runoff occurs near the point of origination. More frequently, flooding and water pollution resulting from runoff caused by urban development is delivered to communities further downstream.

EPA Promotes a Better Way

In December 2007, the Environmental Protection Agency (EPA) published [Reducing Stormwater Costs through Low Impact Development \(LID\) Strategies and Practices](#). This publication explains how Low Impact Development (LID) mitigates the impacts of urban stormwater erosion, pollution, and flooding by mimicking the way rainfall is absorbed and runoff is slowed and filtered in a healthy natural setting.

“LID comprises a set of site design approaches and small-scale stormwater management practices that promote the use of natural systems for infiltration, evapotranspiration, and reuse of rainwater,” explains the report. “These practices can effectively remove nutrients, pathogens, and metals from stormwater, and they reduce the volume and intensity of stormwater flows. LID techniques manage water and water pollutants at the source and thereby prevent or reduce the impact of development on rivers, streams, lakes, coastal waters, and ground water.”

Managing Runoff, Naturally

Instead of removing stormwater as quickly as possible and managing it in large facilities at the bottom of drainage areas (as many older drainage systems were designed to do), LID stormwater management works by installing smaller landscape features onsite to mitigate the volume and rate of runoff while also removing pollutants. LID landscaping features rain gardens, grassed swales, cisterns, rain barrels, permeable pavements, and green roofs.

Although LID is typically used to maintain the predevelopment hydrology of a site, it can also be used to retrofit existing developments to reduce runoff volume, speed, and pollutants.

LID Landscape Features

LID employs a number of strategies mimicking the natural slowing and filtering of rainwater runoff in an undeveloped site. Rain gardens are shallow, low-lying places in residential or commercial areas that have

been planted (often with native vegetation) to manage runoff from nearby impervious surfaces by slowing it before it enters the groundwater system, filtering out pollutants, and absorbing some portion of the total rainfall. Plants used in rain gardens allow water vapor to return to the atmosphere through evapotranspiration.

Grassed swales are shallow, open channels constructed along roads or parking lots and planted with flood-tolerant and erosion-resistant plants. Grassed swales are designed to slow runoff and sometimes incorporate small check-dams, which are low enough to permit stormwater to continue to flow at its peak but encourage temporary ponding when volumes decrease. Ponding filters out pollutants before groundwater is absorbed.

Cisterns and rain barrels are aboveground, temporary storage containers designed to slow and hold rainwater, usually from the roofs of buildings. Downspouts from eaves or gutters direct the flow of rainwater to the container. Later, retained water can be reused for irrigating gardens or lawns.

Permeable pavement is porous material used to cover low-traffic areas such as residential driveways, alleys, walkways and entryways, terraces, and stalls in parking areas. Porous forms of asphalt and concrete allow water to percolate into the soil beneath while filtering out pollutants. Paving blocks also can be used to produce a porous parking or walking surface.

Green roofs are protected with some form of waterproofing, partially or completely covered with soil, and planted with vegetation. As much as 75 percent of stormwater can be retained in the soil and vegetation on a green roof before it is slowly released back into the atmosphere through condensation and transpiration.

Case Studies Show LID Savings

The EPA report summarizes 17 case studies of developments in the United States and Canada where LID practices were used. In most cases, implementing well-chosen LID practices saved money – total capital savings ranged from 15 to 80 percent, with only a few exceptions – for developers, property owners, and communities, while protecting and restoring water quality. EPA anticipates that, as LID practices gain wider use, they will become even less expensive.

While the EPA report focuses on the cost reductions and savings achievable through the use of LID practices, it also describes the many amenities and associated economic benefits communities can experience when LID features are installed. "These include improved habitat, improved aesthetics, expanded recreational opportunities, increased property values due to the desirability of the lots and their proximity to open space, increased total number of units developed, increased marketing potential, and faster sales," says the EPA report.

Mitigation Best Practice in Kane County, Illinois

The Mill Creek subdivision in the town of Geneva, Illinois, is a 1,500-acre, mixed-use community built as a conservation-site design development. It uses open swales to channel and treat stormwater, and the subdivision has a lower percentage of impervious surfaces than conventional developments.

When compared with conventional development, the conservation-site design techniques used at Mill Creek saved approximately \$3,411 per lot. Nearly 70 percent of these savings resulted from reduced costs for stormwater management, and 28 percent of the savings were found in reduced costs for site preparation.

Mill Creek is one of 17 case studies of LID costs and benefits featured in the December 2007 report released by the Nonpoint Source Control Branch of the U.S. Environmental Protection Agency.

According to the EPA, Reducing Stormwater Costs through Low Impact Development (LID) Strategies and Practices can serve as a primer for low-impact site design and supply background information about the benefits of LID. The report provides developers and planners interested in implementing or promoting LID projects in the community with a breakdown of site development costs for traditional and low impact scenarios, which can be useful when presenting new designs to stakeholder groups who are unfamiliar with LID costs and benefits. More information is available at the [EPA Green Infrastructure website](#) and [EPA LID website](#).

Lynd Morris began working with the NFIP Bureau and Statistical Agent in 1983. She has been the primary writer and production coordinator for Watermark since 1998.

Question and Answer

Question: If only a portion of a structure defined by the NFIP regulations is over water, does that make it NFIP uninsurable?

Answer: No. As detailed in 44CFR 61 Appendix A(1)(IV), to be NFIP uninsurable by the standard flood insurance policy, it and or personal property in it would have to be "... located entirely in, on, or over water ...".

FLOOD INSURANCE IS *REQUIRED* BY YOUR BANK WHEN.....

By David Schein, Mitigation Division, FEMA Region V

- 1) a lender makes, renews, extends or increases a loan;
- 2) the lender is regulated or insured by the federal government or a government sponsored enterprise;
- 3) the loan is secured by improved real estate (a building or its contents);
- 4) the collateral is located or will be located in a Special Flood Hazard Area;
- 5) the collateral is insurable under a Standard Flood Insurance Policy;
- 6) the community where the collateral is located participates in the National Flood Insurance Program;
- 7) the loan is for \$5,000 or more with a payback term of one year or more.

or your mortgage lender tells you to get it! (thereby making it "mandatory")

Only when all seven tripwires are in place is flood insurance a federal requirement

Important Note: Lenders *may* require flood insurance outside Special Flood Hazard Areas, and even in communities not participating in the National Flood Insurance Program. However, these instances are matters of private banking policy and not federal law. FEMA, as well as other federal agencies

making grants or loans *for buildings* in Special Flood Hazard Areas, will require flood insurance as a condition of the grant or loan, as required by federal law and regulation. The Small Business Administration, the federal mortgagee in Major Disaster Declarations, will require flood insurance as a condition of a Disaster loan if the building was flood damaged, regardless of flood risk zone.



**STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC GROWTH
OFFICE OF INSURANCE AND FINANCIAL SERVICES
Bulletin 2007-07-INS**

In the matter of: Flood insurance training requirements for insurance producers with a property line of authority selling through the National Flood Insurance Program (NFIP)

Issued and entered this 11th day of June 2007
By Linda A. Watters, Commissioner

The purpose of this bulletin is to advise insurers and Michigan resident insurance producers of training requirements for selling federally backed flood insurance through the National Flood Insurance Program (NFIP). Section 207 of the Federal Flood Insurance Reform Act of 2004 (Act), requires all producers selling flood insurance policies under the NFIP to be properly trained and educated about the NFIP to ensure producers may best serve their clients.

The Act^[1] directs the Director of the Federal Emergency Management Agency (FEMA), in cooperation with the insurance industry, state insurance regulators, and other interested parties to establish minimum training and education requirements for all insurance agents who sell flood insurance policies. FEMA and state approved continuing education providers have developed courses related to the NFIP. An insurance producer who sells flood insurance may satisfy the minimum training and education requirements of the Act by completing a course related to the NFIP. Failure to comply with the training and education requirements of the Act will jeopardize an insurance producer's authority to write insurance through the NFIP.

An insurance producer who chooses to satisfy the training and education requirements of the Act by successfully completing a course related to the NFIP that has been approved by the Michigan Office of Financial and Insurance Services (OFIS) under Section 1204c of the Michigan Insurance Code (Code), (MCL 500.1204c), will receive three hours of continuing education credit from OFIS. FEMA has not filed its online NFIP course for approval by OFIS, so the FEMA online course does not currently qualify for Michigan continuing education credit.

All Michigan licensed resident insurance producers who sell federal flood insurance policies must comply with the minimum training requirements of section 207 of the Act, and basic flood education as outlined at 70 Fed. Reg., 521 17 (Sept. 1,2005)^[2], or such later requirements as are published by FEMA, whether or not they receive Michigan continuing education credit for the course work.

Licensed insurers must demonstrate to the OFIS Commissioner, upon request, that their licensed and appointed producers who sell federal flood insurance policies through NFIP have complied with the minimum federal flood insurance training requirements, as described above.

Any questions regarding this bulletin should be directed to:

Office of Financial and Insurance Services
Regulatory Compliance Division
611 West Ottawa Street
P.O. Box 30220

Lansing, Michigan 48909-7720

Phone: (517) 373-7228 Toll Free: (877) 999-6442

Linda A. Watters, Commissioner

^[1] SUPPLEMENTARY INFORMATION: On June 30, 2004, the President signed the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (Flood Insurance Reform Act of 2004), Pub. L. 108-264. Section 207 of the Flood Insurance Reform Act states:

The Director of the Federal Emergency Management Agency shall, in cooperation with the insurance industry, state insurance regulators, and other interested parties (1) Establish minimum training and education requirements for all insurance agents who sell flood insurance policies, and (2) not later than 6 months after the date of enactment of this Act, publish these requirements in the Federal Register, and inform insurance companies and agents of the requirements.

^[2] This notice describes FEMA's implementation of section 207 of the Flood Insurance Reform Act of 2004. As required by the Act, FEMA has coordinated with the state insurance regulators, the insurance industry, and other interested parties. Input received from these organizations emphasizes the value of working through the state insurance departments to avoid establishing conflicting or burdensome training requirements upon insurance agents. While implementing the minimum training requirements required by section 207, FEMA has been mindful of the Senate Report language, (S. REP. NO. 108-262, at 4 & 9 (2004)), which cautions: In some cases, states may already have requirements to ensure that agents are well versed in the flood insurance program. Where possible, FEMA should work to make sure that agents are not burdened with inconsistent state and federal training and education requirements. In addition, where possible, FEMA should work to implement the training requirements through the states, which already have continuing education processes in place.

News & Views February 2010



The Insurance Committee's Corner

(from the ASFPM News and Views February 2010 edition)

A Simple View of Grandfathering

No, this is not about grandpa in the front porch rocking chair with his granddaughter on his lap. We thought we would just venture into the complex world of flood insurance and touch upon the sometimes mystifying subject of "grandfathering."

With so many counties now experiencing map changes due to updated flood hazard data and/or levee decertifications, more and more properties are being mapped into the high-risk zones (sometimes incorrectly stated as being "mapped

into a flood zone”). And while Congress continues to kick the National Flood Insurance Program reform/reauthorization can down the road, grandfathering remains a viable option to help reduce the cost of flood insurance. To be viable, though, it is important to let people know what their options are, to let them know early on, and to remind them before the maps become effective (especially the owners of pre-FIRM buildings!).

Although whole papers could be written on this subject (and the Insurance Committee has!*), we’d like to provide you with some resources instead of filling up the entire News & Views with a long dissertation. The following can be shared with community officials, stakeholders, the media, and the public to give a high-level view of their options when maps change.

If new maps show a change from moderate or low flood risk to high risk (flood zone B, C, or X to zone A, AE, AH, AO, A99, AR, V, or VE), flood insurance is mandatory. Flood insurance will be federally required for most mortgage holders. Insurance costs may rise to reflect the true (high) risk.

“Grandfathering” can offer savings. The National Flood Insurance Program has “grandfathering” rules to recognize policyholders who built in compliance with the flood map in effect at the time of construction or who maintain continuous coverage. Sometimes, though, using the new flood maps can actually result in a lower premium,

especially if the home is high enough above the BFE.

If new maps show a change from high flood risk to moderate or low risk (e.g., flood zone A, AE, AH, AO, A99, or AR to zone X or shaded X), flood insurance is optional but recommended. The risk has only been reduced, not removed. Flood insurance can still be obtained, and at lower rates. About 25 percent of all flood insurance claims come from moderate- to low-risk areas.

A policy conversion offers savings. An existing policy can be easily converted to a lower-cost Preferred Risk Policy, if the building qualifies. Note that lenders always have the option to require flood insurance in these areas.

If new maps show an increase in the base flood elevation (BFE), it can result in higher premiums; however, “grandfathering” can offer savings. The National Flood Insurance Program grandfathering rules allow policyholders who have built-in compliance with the flood map in effect at the time of construction to keep the earlier BFE to calculate their insurance rates. This could result in significant savings.

If new maps show no change in risk level, then no change in insurance rates. However, this is a good time to review your coverages and ensure that your building and contents are adequately protected.

- Your Humble Insurance Committee Co-Chairs



"The Watershed Guys"



Mark Walton



Dave Chapman

Receiving awards of appreciation from Les Thomas, State NFIP Coordinator, for their tireless development and promotional efforts of the Wards Watershed Simulation Model

Mark is a Service Hydrologist for the NOAA, National Weather Service in Grand Rapids, Michigan. Dave is science instructor in the Okemos, Michigan, high school science department. Together they designed and developed the prototype watershed model and instructional material with funding support from the Michigan Stormwater-Floodplain Association. The model is now known as the Wards Watershed Simulation Model and is readily available to academia through Wards Natural Science Supply nationwide science supply system. Thus far, the model is making quite a showing in the Midwest and Northeast to schools at elementary, high school, and college levels. It is particularly being used at community levels [to assist officials in their visual grasping of basic floodplain management concepts.](#)

CHAPTER MEMBERSHIP MICHIGAN STORMWATER-FLOODPLAIN ASSOCIATION MEMBERSHIP FORM

Name _____ Representing _____
 Address _____ City/State/Zip _____
 Telephone () _____ E-mail _____ New ____ Renewal ____

MICHIGAN STORMWATER-FLOODPLAIN ASSOCIATION CHAPTER RENEWAL = \$35.00 per calendar year.
 Please complete this portion for state association membership. The state association has no provision for accepting credit cards. Questions may be directed to Roger S. Clark, MSFA Treasurer, 517-853-0221 or msfatreas@yahoo.com . Please mail this form and your check to P.O. Box 14265, Lansing, MI 48901-4265.

<p>Editor: Les Thomas Articles are by the Editor unless noted otherwise.</p> <p>For questions, comments, or information, contact:</p> <p>Les Thomas DNRE WRD P.O. Box 30458 Lansing, MI 48909-7958 Telephone: 517-335-3448 Fax: 517-373-6917 e-mail: thomasl@michigan.gov</p>	<p>The DNRE will not discriminate against any individual or group on the basis of race, sex, religion, age, national origin, color, marital status, disability, or political beliefs. Questions or concerns should be directed to:</p> <p>DNRE Office of Personnel Services P.O. Box 30473 Lansing, MI 48909</p>	<p>This newsletter is supported by funding under a Cooperative Agreement with the Federal Emergency Management Agency. The substance and findings are dedicated to the public. The DNRE, WRD, is solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the federal government.</p>	<p>Printed by Authority of Part 31, Water Resources Protection, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended.</p> <table style="width: 100%; border: none;"> <tr> <td colspan="2">Total Number of Copies</td> </tr> <tr> <td>Printed</td> <td style="text-align: right;">3,000</td> </tr> <tr> <td>Cost Per Copy:</td> <td style="text-align: right;">\$0.95</td> </tr> <tr> <td>Total Cost:</td> <td style="text-align: right;">\$2,855.52</td> </tr> </table> <p style="text-align: right;">EQC2760</p>	Total Number of Copies		Printed	3,000	Cost Per Copy:	\$0.95	Total Cost:	\$2,855.52
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**Department of Natural Resources and Environment
Water Resources Division
P.O. Box 30458
Lansing, MI 48909-7958**

Flood News for Michigan Floodplain Managers

**A Newsletter of the
Water Resources Division
Michigan Department of Natural Resources and Environment**