

Legislation Provides Optional Five Year Delay of Flood Insurance Purchase Requirement, Reimburses Homeowners for Cost of Flood Map Appeal Process

Washington, DC - Congressman Maurice Hinchey (D-NY), Congressman Michael Arcuri (D-NY) and Congressman Scott Murphy (D-NY) today introduced the Flood Insurance Fairness Act of 2010 (FIFA) to assist property owners with new costs they face due to the Federal Emergency Management Agency's (FEMA) flood map modernization program. With thousands of families throughout New York facing a new requirement to purchase flood insurance as they are remapped into flood zones under FEMA's plan, the FIFA legislation would give property owners the option to delay the flood insurance purchase requirement for up to five years and require FEMA to cover certain costs associated with the flood hazard map appeals process.

"While we need to have accurate flood maps, some home and business owners are finding out that their property is located in a flood zone even though they may have never experienced a flood," said Hinchey. "To help those who suddenly face the cost of flood insurance, this legislation gives property owners the option to delay the need to purchase flood insurance for five years and phase in the cost of the insurance during the following five years. This bill will also provide financial reimbursement for costs incurred while appealing a FEMA flood risk assessment. At a time when small businesses and homeowners are already feeling the pinch of a tight economy, this bill will help ensure that this remapping process is more fair and doesn't provide an additional burden."

"It is imperative that we have accurate flood maps that protect our communities without unnecessarily burdening them or stifling economic development, especially during these tough economic times," said Arcuri who is a member of the subcommittee on Economic Development, Public Buildings and Emergency Management, which oversees FEMA. "This legislation seeks to strike the proper balance by allowing property owners a sufficient grace period to account for the need to buy flood insurance or to appeal the determination that their property is within the floodplain, and also requires FEMA to reimburse the cost of appeals when those appeals are successful – as has been the case recently with maps for Cortland and Oneonta."

"While I recognize the importance of FEMA's new flood-zone modernization initiative, some Upstate New York families and small businesses could be finding out that their property is now located in a flood zone, even though they have never had a flood," said Murphy. "As a small businessman, I understand that flood insurance may not be built into a family's or small business's normal budget. After last summer's floods hit our area hard, it's more important than

ever that we reassess our flood zones, but it needs to be done in fair manner that doesn't increase the burden during these tough times."

Hinchey, Arcuri and Murphy outlined five provisions of the legislation. The bill will:

- Provide property owners with homes and businesses newly designated as being in a flood zone with the option of delaying the flood insurance purchase requirement for up to five years.

- Phase in flood insurance premium rates over a five year period, beginning as soon as a property owner initiates a flood insurance policy.

- Require FEMA to reimburse property owners for the cost of technical and scientific data used to support successful flood hazard map appeals and protests.

- Prohibit FEMA from revising and updating a floodplain area or flood-risk zone until FEMA submits to Congress a community outreach plan for the updating of floodplain areas and flood-risk zones.

- Require FEMA to notify members of Congress regarding key map modernization developments in their districts, including the issuance of preliminary maps.

"In some cases, the agency may be working too aggressively and unnecessarily requiring people who have never experienced a flood to purchase flood insurance," said Hinchey. "Anybody who is in that situation and is having difficulty with an appeal to FEMA or any other trouble with this process should contact my office. I'll do everything I can to help as I continue to work directly with the agency to ensure that the flood map modernization effort they have undertaken is fair, science-based and open."

In early May, Hinchey met with representatives from FEMA in Washington to discuss the flood map modernization process and several of the provisions that will be included in his bill. In the

following weeks, Hinchey received letters from various local officials and concerned citizens requesting relief for properties impacted by the proposed remapping.

FEMA is required to establish flood-risk zones, which determine if property owners must purchase flood insurance. The current five-year flood map modernization initiative aims to update, revise and digitize the flood maps for more than 20,000 communities across the country in response to climate change, increased incidence of flood disasters, and changes to the environment.

Under the National Flood Insurance Program, created by Congress in 1968, property owners in flood-risk zones are required to purchase federally subsidized flood insurance if their property has a mortgage that is backed by the federal government.