

NATIONAL FLOOD INSURANCE PROGRAM (NFIP) REFORM



State of Montana
FLOODPLAIN PROGRAM
www.floodplain.mt.gov

MONTANA AT A GLANCE

Montana is not immune to flooding, having seen over \$10.5 million paid in NFIP claim losses since 1978. From 1974 through 2013, Montana received over \$110 million in Public Assistance due to flooding, assisting our communities with flood response and recovery. Additionally, Montana property owners were provided over \$6.7 million in Individual Assistance in 2011 to assist with necessary expenses caused by disaster.

CONTINUING APPROPRIATIONS ACT, 2018

On September 8, 2017, President Trump signed into law the Continuing Appropriations Act, 2018. Among other things, the Act appropriates disaster funds to FEMA and temporarily extends the NFIP to December 8, 2017. Although the Act provides some much-needed relief in the short term, Congress has yet to reach consensus on a clear path forward for NFIP reform that addresses NFIP solvency concerns while avoiding prohibitively high premium rates.

2017 NFIP REFORM EFFORTS

NFIP bills currently pending in Congress include HR 1422, HR 1558, HR 2565, HR 2874, HR 2875, S 563, S 1571. No vote has yet taken place on any of these proposed measures.

REFORM CONSIDERATIONS

It is too early to say whether Hurricanes Harvey and Irma will prompt efforts to include additional reform to the NFIP. However, these events have highlighted the following issues that have relevance to Montana's floodplain program.

- The importance of higher standards that encourage communities to plan for events beyond what is depicted on traditional flood maps.
- The need for a more robust buy-out program that provides better incentives for homeowners repetitively affected by flooding.
- The need for more homeowners outside of the high-risk floodplain to purchase flood insurance policies.

The total hit to the NFIP for these events could be as much as \$20 billion (\$11 billion Harvey, \$9 billion Irma).



Gallatin County
May 2008

FLOODS HAPPEN

Major floods hit Montana in 1899, 1908, 1948, 1952, 1964, 1974, 1975, 1984, 1986, 1996, 1997, 2007, 2008, 2010, 2011.

The National Flood Insurance Program (NFIP) is managed by the Federal Emergency Management Administration (FEMA). The program offers flood insurance to property owners if their community participates in the NFIP. Participating communities agree to adopt and enforce ordinances that meet or exceed FEMA and State requirements to reduce the risk of flooding.

Since 1973, the State of Montana has implemented a comprehensive floodplain program. The State's Administrative Rules are more stringent than FEMA's minimum floodplain regulations.

FLOOD AFTER WILDFIRE

Flood volume and velocity in areas that have been impacted by wildfire can increase significantly for 1-5 years after a wildfire. This is particularly concerning in Montana due to the vast swaths of land burned by wildfire this year. Additionally, floods in and near wildfire burn areas often occur outside mapped high-risk floodplains, putting more people and communities at risk. FEMA and the Montana floodplain program are working to increase awareness of this issue statewide.