



Mayor's Monthly Newsletter

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The Community Rating System and Your Flood Insurance

As I mentioned in the December Newsletter, the city is reviewing the Community Rating System (CRS) to determine if Jersey Village can attain a certification under that program which would qualify our residents for a discount on their flood insurance premiums. There are three avenues for some degree of relief from the coming premium increases due to the Biggert-Waters Act:

- 1) The CRS, which I will provide an overview of in this newsletter.
- 2) Delay or deferral of implementation of the Biggert-Waters Act via legislative action in the U.S. Senate and House of Representatives.
- 3) Incorporation of the improvements, made to the bayou system over the past several years by the Flood Control District, into FEMA's Flood Insurance Rate Maps (FIRM). Historically, FEMA has taken years to update these maps – when incorporated, the changes in our area are likely to take parts of our city out of Zone A – formerly termed the “100 year floodplain” - out of that zone.

The Community Rating System is a national program developed by FEMA that is designed to reward communities with discounted flood insurance premiums for taking actions deemed to reduce the risk of future flood losses. The program works by awarding points for completion of a variety of activities, with the discount being based on the total number of points credited. Because of the past issues we have had with flooding in our area, the city, county, and Flood Control District have taken many steps related to public information and safety, and to mitigate flood risk in our area. Some of these actions would appear to qualify as credits under the CRS, but further investigation on our part is needed. I met with city staff before Christmas to discuss the program, and a workshop will be held with council prior to the regularly scheduled January 20, 2014 council meeting. The program is described in a 614 page document you can access online at: <http://www.h-gac.com/community/water/rfmc/fast/main/crs-coordinators-manual.pdf>

That is the good news. Unfortunately, the application process is lengthy and highly bureaucratic, and any discount we may qualify for is unlikely to impact your insurance premium before 2015. First, the city must self-evaluate relative to the program criteria, and propose the credits we believe we qualify for after informing FEMA that we intend to participate in the program. We then must schedule a visit with Insurance Services Office, Inc. (ISO), a corporation that conducts verification of community CRS credit and program improvement tasks for FEMA. After the verification visit is done and all needed documentation has been received, the ISO/CRS Specialist produces a verification report. FEMA and ISO need several months to review, double check, and confirm the ISO/CRS Specialist's verification report. FEMA makes the final decision on the community's credit and classification. Once FEMA confirms the community's classification, it must give the insurance companies a four-month advance notice, so they can advise their agents of the rating change before policies are renewed. FEMA states in the document that a community's classification will take effect about 8-12 months after the verification visit.

Be aware that any discount we may qualify for will not offset the premium increases due to the Biggert-Waters Act. At the risk of sounding like a broken record, it is imperative that you communicate with Congressman John Culberson, Senator Ted Cruz, and Senator John Cornyn and request action on pending legislation deferring implementation of this law pending a study of the financial impact on policyholders.

Until next month.

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