

February 3, 2006

**Copies including header page:**

**Bill scheduled to be heard on Tuesday, February 7, 2006 at 3:00 PM in Conference Room 225 (IGA only).**

**SB2856**

**Testimony to Committee on Intergovernmental Affairs**

Senator David Ige, Chair and Senator Donna Mercado Kim, Vice Chair and members

Note: Original Kaneohe Neighborhood Board Resolution submitted by Wendell Lum (member, Kaneohe Neighborhood Board, No. 30); Honolulu City Council Resolution 04-330 adopted but not budgeted by Mayor Mufi Hannemann's administration.

**From: Wendell Lum**

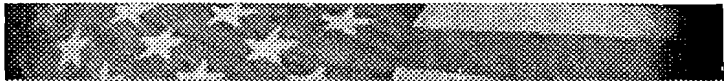
(Member, Kaneohe Neighborhood Board No. 30 & OMPO CAC rep.)

**AS OF 12/31/2004 THERE WERE 49,379 FLOOD INSURANCE POLICIES IN HAWAII. TODAY ONLY MAUI COUNTY IS PARTICIPATING IN THE NFIP'S COMMUNITY RATING SYSTEM (CRS) PROVIDING ITS RESIDENTS WITH 5% DISCOUNT FOR LOW-RISK TO MODERATE-RISK PROPERTIES AND 10% DISCOUNT FOR SPECIAL FLOOD HAZARD AREA (SFHA) OR HIGH-RISK FLOOD AREAS.**

**DISCOUNTS ARE BASED ON FOR CREDIT POINTS EARNED, CLASSIFICATION AWARDED, AND PREMIUM REDUCTIONS GIVEN FOR COMMUNITIES IN THE NATIONAL FLOOD INSURANCE PROGRAM COMMUNITY RATING SYSTEM. AS OF OCTOBER 1, 2005 THERE WERE 1028 COMMUNITIES RECEIVING FLOOD INSURANCE PREMIUM DISCOUNTS BASED ON THEIR IMPLEMENTATION, LOCAL MITIGATION, OUTREACH, AND EDUCATIONAL ACTIVITIES THAT GO WELL BEYOND MINIMUM NFIP REQUIREMENTS.**

**MAXIMUM PREMIUM REDUCTION FOR LOW-RISK FLOOD ZONES IS 10% AND 45% FOR HIGH-RISK FLOOD ZONES.**

**PARTICIPATION IN THE NFIP'S CRS PROGRAM BY NON-MEMBER COUNTIES ALONE CAN SAVE PREMIUM COST OF MANY MANY DOLLARS**



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# Flood Insurance

National Flood Insurance Program

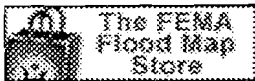
## Community Rating System

The National Flood Insurance Program's (NFIP) Community Rating System (CRS) is a voluntary incentive program that recognizes and encourages community floodplain management activities that exceed the minimum NFIP requirements. As a result, flood insurance premium rates are discounted to reflect the reduced flood risk resulting from the community actions meeting the three goals of the CRS: (1) reduce flood losses; (2) facilitate accurate insurance rating; and (3) promote the awareness of flood insurance.

For CRS participating communities, flood insurance premium rates are discounted in increments of 5%; i.e., Class 1 community would receive a 45% premium discount, while a Class 9 community would receive a 5% discount (a Class 10 is not participating in the CRS and receives no discount). The CRS classes for local communities are based on 18 creditable activities, organized under four categories: (i) Public Information, (ii) Mapping and Regulations, (iii) Flood Damage Reduction, and (iv) Flood Preparedness.

### Flood Insurance

- Mitigation Division
- About Flood Insurance
- FloodSmart.gov
- Ask the Expert
- Flood Insurance Library
- Flood Insurance Site Map
- Flood Insurance Statistics
- Training & Workshops
- Publications
- Storm Watch
- Hazards

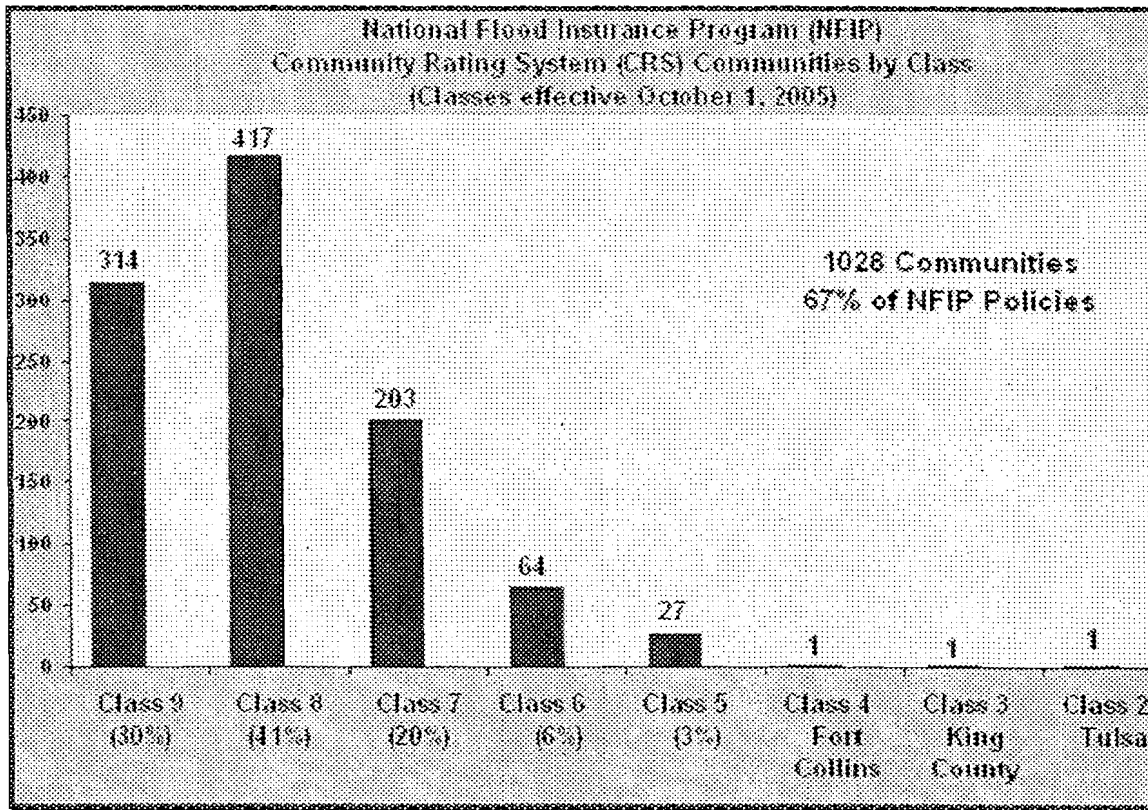


The CRS Resource Center is now available.

Credit points earned, classification awarded, and premium reductions given for communities in the National Flood Insurance Program Community Rating System.			
Credit Points	Class	Premium Reduction	
		SFHA*	Non-SFHA**
4,500+	1	45%	10%
4,000 – 4,499	2	40%	10%
3,500 – 3,999	3	35%	10%
3,000 – 3,499	4	30%	10%
2,500 – 2,999	5	25%	10%
2,000 – 2,499	6	20%	10%
1,500 – 1,999	7	15%	5%
1,000 – 1,499	8	10%	5%
500 – 999	9	5%	5%
0 – 499	10	0	0

\*Special Flood Hazard Area  
 \*\*Preferred Risk Policies are available only in B, C, and X Zones for properties that are shown to have a minimal risk of flood damage. The Preferred Risk Policy does not receive premium rate credits under the CRS because it already has a lower premium than other policies. Although they are in SFHAs, Zones AR and A99 are limited to a 5% discount. Premium reductions are subject to change.

There are now 1028 communities receiving flood insurance premium discounts based on their implementation of local mitigation, outreach, and educational activities that go well beyond minimum NFIP requirements. While premium discounts are one of the benefits of participation in CRS, it is more important that these communities are carrying out activities that save lives and reduce property damage. These 1028 communities represent a significant portion of the Nation's flood risk as evidenced by the fact that over 67% of the NFIP's policy base is located in these communities. Communities receiving premium discounts through the CRS cover a full range of sizes from small to large, and a broad mixture of flood risks including coastal and riverine. The following table shows the number of CRS communities by class as of October 1, 2005.



**CRS Communities by Class as of October 1, 2005**

- ✦ Class 9 = 314 (30%)
- ✦ Class 8 = 417 (41%)
- ✦ Class 7 = 203 (20%)
- ✦ Class 6 = 64 (6%)
- ✦ Class 5 = 27 (3%)
- ✦ Class 4 = 1 (Fort Collins, CO)
- ✦ Class 3 = 1 (King County, WA)
- ✦ Class 2 = 1 (Tulsa, OK)
- ✦ There are 1028 CRS communities as of October 1, 2005.

⚠ CRS Communities and their Classes -- 226 KB, text version -- 91 KB  
 These pages are from the most recent Flood Insurance Agent's Manual containing current and historical list of all CRS communities, their class, and insurance discount.



- Consumer campaign kicks off! Visit the new NFIP web site FloodSmart.gov

*Last Updated: Friday, 21-Oct-2005 14:45:09 EDT*

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# HAWAII POLICIES

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	<u>Policies</u>	<u>Premiums</u>	<u>Losses</u>
Hawaii	3634	\$1,636,357	\$6,611,351
Honolulu	29,348	\$9,336,859	\$13,643,664
Kauai	3837	\$1,989,012	\$35,433,089
Maui	11,721	\$3,269,093	\$2,362,721

AS OF 12/31/2004 THERE WERE 49,379 FLOOD INSURANCE POLICIES IN  
HAWAII ACCORDING TO THE NFIP

# REPORT OF THE COMMITTEE ON PUBLIC SAFETY

Gary H. Okino, Chair; Mike Gabbard, Vice-Chair  
Nestor R. Garcia, Ann H. Kobayashi, Barbara Marshall, Members

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Committee Meeting Held  
November 17, 2004  
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With nearly 30,000 flood insurance policies currently in effect in Honolulu, the State's NFIP coordinator estimates that even a 5% discount on annual premiums could save policy holders as much as \$400,000 per year.

Your Committee notes that participation in the CRS generally requires the designation of a full-time coordinator. As such, DPP indicated that additional resources to provide for a new full-time position within the department would likely be needed to fully participate in this program. In light of the premium savings to policy holders, as well as the improved flood awareness and protection CRS participation would provide, your Committee believes CRS participation is both desirable and warranted.

Your Committee on Public Safety is in accord with the intent and purpose of Resolution 04-330 and recommends its adoption. (Ayes: Okino, Gabbard, Garcia, Kobayashi, Marshall - 5; Noes: None.)

Respectfully submitted,

  
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Committee Chair

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**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ADOPTED ON

DEC 01 2004

COMMITTEE REPORT NO.

503