

LOOK UPSTREAM

FEBRUARY 2006

Are you aware of where you stand in the moving target of flood insurance protection on your home and personal belongings?

Another important update from the Cypress Creek Flood Control Coalition. The following news release was received on January 26th.

Multiple disasters threaten to sink flood insurance program

08:22 PM CST on Wednesday, January 25, 2006, by Tom Ackerman / 11 News Washington Bureau

It's something we're all too familiar with around here -- the nightmare of watching floodwaters seeping into our homes. The government-backed flood insurance paid out more than \$2.7 billion in Texas alone between 2000 and 2004. The flood insurance program seemed to be doing all right financially until last year. But the payout for 2005 losses will be \$23 billion--more than the total for the previous 40 years combined. Last year, floodwaters churned up by the busiest hurricane season in history overwhelmed the Gulf Coast. This month, heavy rain submerged parts of the Pacific Northwest. The latest floods now threaten to sink the 40-year-old national insurance program.

"First of all, the flood insurance program is not working, even if you left Katrina out," said Sen. Paul Sarbanes of Maryland. "And the program now stands bankrupt," said Sen. Richard Shelby of Alabama.

One reason: Too many homeowners in high-risk floodplains who keep collecting for repeated losses. Another is the premium charges on many houses -- including second homes and vacation homes -- that don't reflect the true risk, but do enjoy a taxpayer subsidy. "They imply about a thousand dollar subsidy -- a little bit more -- per property in the program," said Donald Marron with the Congressional Budget Office.

Meanwhile, FEMA -- which runs the program -- admits that many of its floodplain maps are inaccurate or badly outdated.

"Only 25 percent of 500-year floodplains have been mapped," said Sen. Elizabeth Dole of North Carolina. So neither the government nor homeowners may be aware of their actual risk. "There needs to be substantive and comprehensive reform, going forward with the program -- not just allow them to borrow more money," said David Walker, U.S. Comptroller General. That means Congress is looking at higher premiums for some homeowners, more coverage limits for others and tougher building restrictions.

Senators blasted FEMA Wednesday for long delays in handling claims appeals and for being nearly a year late in sending all insured homeowners a coverage and claims handbook.

Do you want to know more about what is happening now which effects both your neighborhood and the personal investment in your home? If it has to do with the risk of flood damage, new subdivision development just down the street, Harris County drainage requirements and/or the Cypress Creek Greenway initiative to preserve floodplain land and trees before it is lost to bulldozers, make a note to attend our Annual Meeting on March 15 (Wednesday), 7:30 p.m. at the Ponderosa Forest Fire Station, 17061 Rolling Creek (tel. 281-444-8465). Where we stand in our "We can do better" undertaking to overturn FEMA's denial of our appeal to correct inaccuracies in their soon-to-be-published flood maps of the Cypress Creek Watershed -- see last month's article -- will be discussed.

This *Look Upstream* article is one in a series published as a public service in the neighborhood news letters of communities served by the Cypress Creek Flood Control Coalition's municipal utility district and home owner association members. For more information visit their web site, www.ccfcc.org or e-mail floodalliance@ccfcc.org.

All meetings are open to the public.

