FEMA decision to review gives city breathing room

MOUNT VERNON — FEMA's decision to doublecheck the 100-year flood depth data used in the flood insurance program gives the City Council another variable with which to work in their decision.

Now, they can take a wait-and-see approach to the program, saving the final verdict for when the doublechecked flood depths return.

If the depths are "reasonable" — and that term has yet to be defined — they could join the program. But if they are unreasonable (Wiseman admitted the figures could come back showing the 100-year flood depth to be deeper than the Corps' claims), they could say no to the program.

While they are waiting for the doublechecked figures to return, the city could write an ordinance using the most reliable flood depth data available — perhaps nothing more than newspaper clippings from great flood years — and therefore receive all the benefits that go along with the federal flood insurance program.

However, Ron Maynock, city building official, said the city should not write any ordinance until the doublechecked figures return.

If the city's ordinance requires a citizen to build, for example, nine feet above the ground and later the doublechecked data shows a required elevation of only two feet, that citizen would be tempted to take some legal action, he explained.

But, as has come up often during this debate, if the city doesn't enforce some kind of floodplain ordinance it will be kicked out of the flood insurance program and both financing from federally-insured lending institutions and federal disaster aid for insurable items will dry up.

Noting these facts, Carl Cook, FEMA regional director of community affairs, predicted any decision against the flood insurance program sooner or later would be protested by the public.

The only other option, then, is for the city to buy its flood insurance from someone other than the federal government, someone who wouldn't require the controversial elevation of structures on the floodplain as part of the deal.

Cook said federally-insured lending institutions could give financing for structures covered by insurance "comparable" to the federal program.

However, the two insurance options, private insurance and self-insurance, have some substantial drawbacks.

With private insurance, the drawback is the premiums.

Because the federal insurance is subsidized, it can be offered at very low rates. But private flood insurers must charge anywhere from $1,000 to $3,000-a-year premiums for the insurance, according to Gordon South, assistant vice-president with the Fred S. James Co., an insurance brokerage in Seattle.

If private flood insurance is a expensive business, self-insurance seems to be a quite speculative business, Mike Woodmansee, city clerk-treasurer, said. He explained several difficult questions need to be answered before any self insurance program would work.

First, one would have to decide how much insurance is needed, he said.

Second, one must figure out what the odds of a 100-year flood really are, he said.

Third, one must decide who will pay into such a "flood-fund," he said.

Last, how does one make the program pay for a 100-year flood that happens before user contributions have raised it to a sufficient level, he asked.

Any such self-insurance program would have to include a $2 million deductible, he guessed.

Also, any sensible self-insurance program would have to include some kind of floodplain construction management, he said.

If continued building in high-risk areas is not controlled in some way, a self-insurance program could become a losing proposition, he said.

"You'd be setting yourself up for a substantial loss," he said.

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