

Bill could raise flood premiums

Targets those with repetitive loss claims

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and The Associated Press

Repeat flood victims who rebuild their property in the same flood-prone areas, including Skagit County, cost the federal government some \$200 million a year.

Now, Congress is moving to make sure that people who refuse to relocate or floodproof their homes will at least pay higher insurance premiums.

Proposed legislation passed the House Thursday on a 352-67 vote, extending for five years the National Flood Insurance Program, which was set up in 1968 to help people in flood-vulnerable areas get insurance coverage.

It also authorizes states and localities to present mitigation offers to policyholders with a record of repeated losses. Mitigation would

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include such measures as elevation, relocation, demolition and floodproofing.

Policyholders who reject the mitigation offer would be charged with standard actuarial rates for severe repetitive loss properties. One study found that current participants in the subsidized flood insurance program pay only about 38 percent of actuarial risk rates.

Hamilton Mayor Tim Bates said he's pleased to hear that some federal dollars might be forthcoming to possibly move many homes in flood-prone Hamilton and in other locales to higher ground.

"We need to get together with the towns and the county and state and federal government to find pieces of property that we can buy to relocate folks," Bates said. "I talked with the governor (Gary Locke) when he came here. He's tired of it and I'm tired of it."

Bates estimates that about 30 percent of Hamilton residents are repeat offenders who get money from the government to bail them out when the floods hit.

The only thing that might push people to relocate is not being able to get any more money to bail them out, Bates said.

Skagit County Commissioner Ken Dahlstedt said he and Commissioners Ted Anderson and Don Munks plan to make finding ways to relocate people in flood-prone areas, including Hamilton, a priority starting early next year.

Some people who raised their homes according to the federal

government's standards were still flooded, Dahlstedt said. What's needed is to reduce the risk completely by moving them to higher ground, he said.

"This has to be a no-nonsense process," Dahlstedt said. "If people are going to be obstinate, and not want to move, the public can't keep picking up the tab for them."

But Dahlstedt warned that the commissioners won't support any legislation that prohibits people from building in the flood plain, especially if those people do everything they can to meet state and federal flood mitigation measures.

"Carte blanche bills are dangerous," Dahlstedt said.

In Congress, Rep. Richard Baker, R-La., said that in his state a homeowner might pay \$300 a year for flood insurance. Under the new program, insurance premiums would increase 50 percent to \$450 the first time he failed to cooperate with a mitigation offer and another 50 percent on his next claim. He said the actuarial risk rate for that home might be \$3,400 a year.

The government would pay 90 percent of floodproofing costs under the plan, and the property owner 10 percent.

"It doesn't force them out of their homes, but it says that if they stay there, they are going to start paying a little bit more so that the rest of the people ... don't have to pay a disproportionate amount unnecessarily," said Rep. Earl Blumenauer, D-Ore., a chief sponsor.

The Senate is unlikely to take up the legislation until next year.

The National Flood Insurance Program, run by the Federal Emergency Management Agency, insures about 4.4 million policyholders in some 20,000 communities across the country. Communities that participate in the program must regulate new construction with stricter building codes and take other steps to reduce losses from future floods.

Among all the policyholders, about 48,000 properties have experienced within a 10-year period two or more flood claims that each exceed the deductible by \$1,000. These repetitive losses cost the federal government about \$200 million a year and account for 25 to 30 percent of flood insurance claims paid.

The sponsors of the bill, led by Rep. Doug Bercuter, R-Neb., wrote their colleagues that one property was valued at \$114,000 but had received \$806,000 in flood insurance payments over an 18-year period.

The new mitigation program would be aimed at about 10,000 policyholders with what is called severe repetitive loss properties. These are properties — not owners — with four or more separate flood insurance claims payments made prior to the bill becoming law, with the amount of each claim exceeding \$5,000. Also included are cases when claims payments cumulatively exceed the value of the insured property.

■ On the Net:

Congress:

<http://thomas.loc.gov/>

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