



# Proposed NFIP Changes for Agricultural Structures

ASFPM Early Bird Session

June 20, 2018

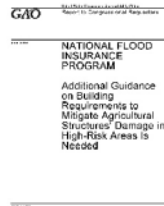
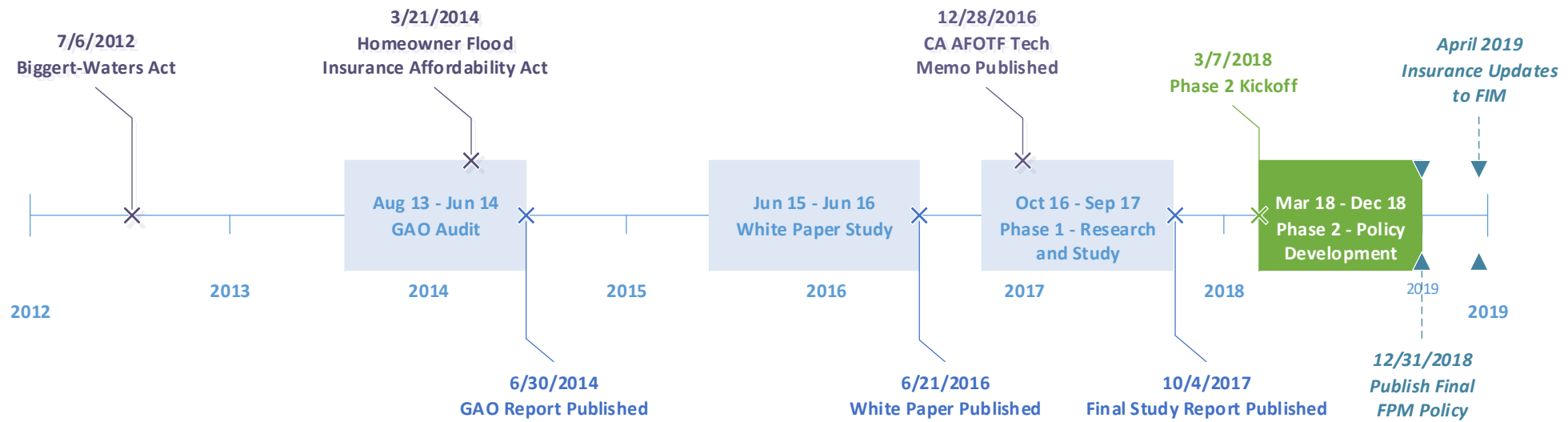
*Erin Cobb*

*Floodplain Management Division, FEMA*



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# Congress Directed GAO to Evaluate the Effects of NFIP on Agriculture



## Phase I: Stakeholder Engagement and Analysis

- ▶ **Study Achievements: technical foundation for proposed changes**
  - Engaged over 300 Stakeholders across 14 States
  - Analyzed stakeholder input to determine common themes
  - Analyzed changes in agriculture industry
  - Analyzed legislative, regulatory, and insurance requirements



What are recent trends in agricultural development?



What challenges do stakeholders have implementing NFIP construction standards?



What challenges do stakeholders have insuring agricultural structures?

## **Phase I : Observations**

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**There are varying interpretations of “Agricultural Structure”**

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**There are varying interpretations of “Insurable Agricultural Structure”**

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**The process and requirements to allow wet floodproofing for agricultural structures is unclear**

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**Agricultural structures may have a lower damage potential and current insurance rates may be too conservative**

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**Lending requirements drive the purchase of flood insurance**

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**Insurance policy fees and surcharges are a concern to stakeholders**

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## From Analysis to Implementation...

*FEMA aims to promote a culture of preparedness and resilience through smart development and mitigation for agricultural structures*

- ▶ **Floodplain Management** – *how* to meet NFIP standards for construction, especially in wide and deep floodplains.
- ▶ **Insurance** - Address required insurance and associated mitigation credits; reduce adverse effects of mandated insurance for low-cost, low-damage potential agricultural structures.



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# Floodplain Management of Agricultural Structures

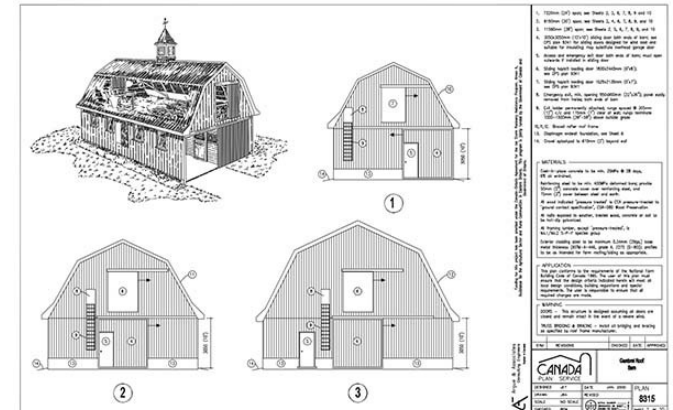
- ▶ Clarification of “Agricultural Structure”
- ▶ Clarification of construction standards for agricultural structures

## Proposed Actions

- Floodplain Management Policy for Agricultural Structures
- Floodplain Management Guidance for Agricultural Structures
- Update to Technical Bulletin 7 – Wet floodproofing

## Outcomes

*Enhanced policy and guidance will provide clarity and consistency for Floodplain Administrators and owners of agricultural structures*



## Insuring of Agricultural Structures

- ▶ Clarification of “Insurable Agricultural Structure”
- ▶ Development of Insurance Credits for Agricultural Structures

### Proposed Actions

- Agricultural Structure Risk Factor Rating Form
- Guidance in Flood Insurance Manual for using Risk Factor Rating Form



*Should this greenhouse be considered an insurable Agricultural Structure?*

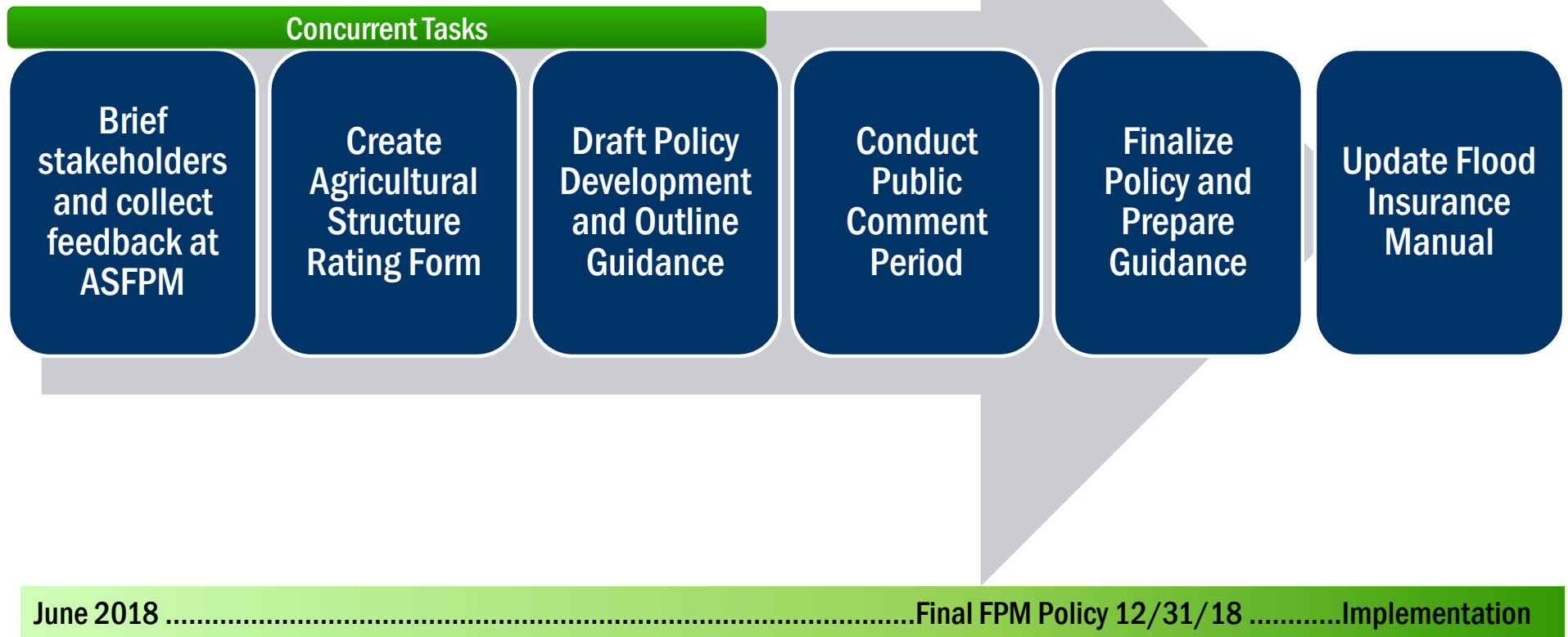


*Shed Value: \$8,000  
NFIP Coverage: \$9700*

### Outcomes

*Special rating options for agricultural structures address financial concerns from insurance requirements*

## Path Forward





# Questions and Discussion