

Alaska Legislature FEMA Flood Insurance Premium Analysis



Department of Commerce, Community & Economic Development
Division of Community and Regional Affairs

FEMA 1980-2017 Flood Plain Management and Insurance Report



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**

OFFICE OF THE COMMISSIONER

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October 1, 2018

The Honorable Bryce Edgmon
Speaker of the House
Alaska State Legislature
State Capitol Room 208
Juneau, Alaska 99801

The Honorable Pete Kelly
Senate President
Alaska State Legislature
State Capitol Room 111
Juneau, Alaska 99801

Dear Speaker Edgmon and President Kelly:

This special report from the Department of Commerce, Community & Economic Development, Division of Community and Regional Affairs to the Alaska State Legislature contains FEMA Flood Plain Management and Insurance data. The data includes Alaskan communities that participate in the National Flood Insurance Program, what has been paid into the program since 1980, how much has been paid for claims, and the average premium for a home in a flood area. Further, the report lists the top states that have received more in claims than were paid in premiums. We hope you find the information in this report useful. If you have any have any questions please feel free to contact us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Fred Parady".

Fred Parady
Acting Commissioner, Department of Commerce,
Community, and Economic Development

A handwritten signature in blue ink, appearing to read "Katherine Eldemar".

Katherine Eldemar
Director, Division of Community and Regional Affairs

Background

A number of Alaska communities, including Ketchikan, Sitka, and Juneau, have invited the Federal Emergency Management Agency (FEMA) to work with them on flood zone mapping of their community. As a result, FEMA has worked directly with the respective communities to develop flood zone maps so the community can further understand its respective potential flood risks.

As an unintended consequence, communities are now finding an increasing number of real properties are included in a designated flood zone. This designation creates challenges such as building restrictions and/or increased construction costs. Moreover, property owners are left to purchase federal flood insurance which can cost thousands of dollars per year.

The increased costs to Alaskans are concerning. With regard to insurance premiums, the data in this report shows that all Alaskan communities, with the exception of Galena, have paid more in premiums than they received in payments. The significant insurance premiums are of concern to Alaskans since the actual flooding resulting in insurance claims payments appears to be low.

The data shows the top sixteen listed states each received more in insurance claims payments than they paid in premiums. To further understand the FEMA insurance program this report to the Alaska Legislature provides the following:

- 1) The amount each community in Alaska that participates in the National Flood Insurance Program has paid into the program since 1980, how much has been paid out for claims, and the average premium for a home in a special flood hazard area; and
- 2) The top five states that have received more in funds paid out to them than they paid to FEMA in premiums since 1980, the amount paid into the program, the number of claims paid out of the program, and the average premium for a home in a special flood hazard area.

(Cover photo: Ice jams in Galena. Photo courtesy National Weather Service 2013)

1. What is the average premium rate in Florida and Texas for a home in a FEMA mapped special flood hazard area?

Single family homes within Florida and Texas rated V or A are quoted \$ 845.22 for coverage on average as of December 31, 2017.

2. What is the average premium rate in Ketchikan and Sitka?

\$1,441.36 for a policy and \$1,559.27 for a contract on average (119 policies and 110 contracts) as of December 31, 2017.

3. In the last 40 years, how much has been paid into the insurance program in Ketchikan and Sitka and how much has been paid out in claims?

\$2,771,173 collected in premium (1978 – 2017 excluding fees and surcharges)

\$119,167 in payments on claims (12 claims) as of December 31, 2017.

4. In the last 40 years, how much has been paid into the insurance program in Texas and Florida and how much has been paid out in claims?

Texas

\$5,859,681,325 collected in premium (1978 – 2017 excluding fees and surcharges)

\$14,528,224,067 payments on claims; and

Florida

\$17,733,694,952 collected in premium (1978 – 2017 excluding fees and surcharges)

\$4,855,755,250 payments on claims as of December 31, 2017.

Amount each community in Alaska that participates in the National Flood Insurance Program has paid into the program since 1980, how much has been paid out for claims, and the average premium for a home in a special flood hazard area.

Community	Premium 1980-2017 *	Payments	Average Premium Single Family homes rated A or V	Insured Single Family homes rated A or V
AKIAK, CITY OF	243.00	0.00	0.00	0
ANCHORAGE, MUNICIPALITY OF	4,329,553.00	313,648.21	821.22	116
ANIAK, CITY OF	1,213,820.00	235,208.52	1,077.70	50
BETHEL, CITY OF	2,219,807.00	67,008.58	939.68	31
CHIGNIK, CITY OF	915.00	0.00	0.00	0
CORDOVA, CITY OF	137,486.00	64,528.91	682.50	6
DELTA JUNCTION, CITY OF	47,700.00	0.00	0.00	0
DILLINGHAM, CITY OF	141,891.00	0.00	3,372.00	1
ELIN, CITY OF	190.00	0.00	0.00	0
EMMONAK, CITY OF	116,554.00	23,411.25	0.00	0
FAIRBANKS NORTH STAR BOROUGH	15,076,047.00	2,081,316.02	866.83	403
FORT YUKON, CITY OF	9875.00	0.00	0.00	0
GALENA, CITY OF	536,967.00	3,351,771.22	450.77	22
GOLOVIN, CITY OF	275.00	0.00	0.00	0
HAINES BOROUGH	9,538.00	0.00	0.00	0
HAINES, CITY OF	2,595.00	0.00	0.00	0
HOMER, CITY OF	153,970.00	28,030.54	509.80	5
HOONAH, CITY OF	98,875.00	0.00	0.00	0
JUNEAU, CITY AND BOROUGH OF	4,113,725.00	412,243.64	764.93	90
KENAI PENINSULA BOROUGH	2,908,325.00	569,583.04	632.91	161
KETCHIKAN GATEWAY BOROUGH	1,200,901.00	99,036.47	1,587.00	9
KODIAK, CITY OF	62.00	0.00	0.00	0
KOTZEBUE, CITY OF	345,443.00	3,625.62	789.40	10
KWETHLUK, CITY OF	35,991.00	14,600.57	0.00	0
MATANUSKA-SUSITNA, BOROUGH OF	5,893,614.00	1,721,570.79	1,328.21	141

MCGRATH, CITY OF	41,166.00	0.00	2,080.50	2
NENANA, CITY OF	543,583.00	45,509.95	986.13	24
NEW STUYAHOK, CITY OF	95.00	0.00	0.00	0
NOME, CITY OF	929,692.00	491,203.44	1,476.82	11
PETERSBURG, CITY OF	337,876.00	0.00	591.80	15
PILOT STATION, CITY OF	0.00	0.00	0.00	0
PORT HEIDEN, CITY OF	162.00	0.00	0.00	0
SAINT MARY, CITY OF	6,485.00	0.00	0.00	0
SAINT MICHAEL, CITY OF	761.00	0.00	0.00	0
SEWARD, CITY OF	69,097.00	0.00	0.00	0
SHISHMAREF, CITY OF	206,826.00	133,490.46	0.00	0
SITKA, CITY AND BOROUGH OF	1,560,928.00	20,130.27	1,314.81	27
SKAGWAY, CITY OF	91,876.00	0.00	0.00	0
TELLER, CITY OF	464.00	0.00	0.00	0
TOGIAK, CITY OF	26,753.00	0.00	0.00	0
VALDEZ, CITY OF	640,067.00	68,030.44	846.50	14
WRANGELL, CITY AND BOROUGH OF	632.00	0.00	0.00	0
YAKUTAT, CITY OF	208.00	0.00	0.00	0

** Average written premium excluding fees and surcharges for single family homes rated within the A and V zone as of December 31, 2017, all premium totals are current as of December 31, 2017.*

The top five states that have received more in funds paid out than premiums paid into the program since 1980, the amount paid into the program, the amount of claims paid out of the program, and the average premium for a home in a special flood hazard area.

Louisiana, Texas, New York, New Jersey, and Mississippi represent the program's loss leaders, the average premium for a single family home rated as being in an A or V flood zone in these states is \$881.34, \$1,002.34, \$1,733.91, and \$722.33 respectively. This is current December 31, 2017 and average premium does not include any fees, surcharges or endorsements modifying coverage.

State	State	Premium 1980-2017	Claims (as of 12/31/2017)	Difference
LOUISIANA	LA	\$ 5,535,869,217	\$ 19,530,967,144	\$ 13,995,097,926.77
TEXAS	TX	\$ 5,859,681,325	\$ 14,528,224,067	\$ 8,668,542,741.73
NEW YORK	NY	\$ 2,520,043,221	\$ 5,380,353,854	\$ 2,860,310,633.41
NEW JERSEY	NJ	\$ 3,337,880,947	\$ 6,001,666,974	\$ 2,663,786,026.57
MISSISSIPPI	MS	\$ 684,445,319	\$ 3,036,215,637	\$ 2,351,770,318.39
ALABAMA	AL	\$ 563,564,843	\$ 1,028,722,331	\$ 465,157,488.24
MISSOURI	MO	\$ 376,560,742	\$ 814,055,085	\$ 437,494,342.64
NORTH DAKOTA	ND	\$ 109,309,823	\$ 259,425,381	\$ 150,115,558.43
IOWA	IA	\$ 192,340,320	\$ 299,390,343	\$ 107,050,022.93
DELAWARE	DC	\$ 12,487,002	\$ 79,914,432	\$ 67,427,429.72
PENNSYLVANIA	PA	\$ 1,132,265,181	\$ 1,179,373,240	\$ 47,108,058.52
WEST VIRGINIA	WV	\$ 303,743,010	\$ 348,834,723	\$ 45,091,713.40
TENNESSEE	TN	\$ 309,174,924	\$ 348,520,220	\$ 39,345,295.69
VIRGIN ISLANDS	VI	\$ 42,489,260	\$ 58,726,767	\$ 16,237,507.33
KENTUCKY	KY	\$ 316,469,659	\$ 322,409,692	\$ 5,940,033.31
MINNESOTA	MN	\$ 141,496,557	\$ 142,063,147	\$ 566,589.57
AMERICAN SAMOA	AS	\$ 124,548	\$ 4,743	\$ -119,804.63
VERMONT	VT	\$ 67,573,518	\$ 63,651,297	\$ -3,922,220.63
GUAM	GU	\$ 6,053,986	\$ 1,792,150	\$ -4,261,836.33
OKLAHOMA	OK	\$ 207,255,681	\$ 199,792,671	\$ -7,463,009.78
SOUTH DAKOTA	SD	\$ 54,682,498	\$ 40,268,606	\$ -14,413,891.91
WYOMING	WY	\$ 33,578,454	\$ 2,995,224	\$ -30,583,230.13
ALASKA	AK	\$ 43,093,019	\$ 9,743,948	\$ -33,349,071.06
UTAH	UT	\$ 44,116,199	\$ 6,135,311	\$ -37,980,887.93
MONTANA	MT	\$ 54,572,657	\$ 10,630,231	\$ -43,942,425.77
ARKANSAS	AR	\$ 202,498,920	\$ 151,459,850	\$ -51,039,070.36
KANSAS	KS	\$ 156,162,583	\$ 96,072,930	\$ -60,089,652.93
IDAHO	ID	\$ 75,575,406	\$ 8,671,746	\$ -66,903,660.41
NEW HAMPSHIRE	NH	\$ 116,322,551	\$ 49,209,775	\$ -67,112,775.87
MAINE	ME	\$ 140,748,861	\$ 42,988,970	\$ -97,759,890.66

WISCONSIN	WI	\$	193,556,700	\$	84,629,072	\$ -108,927,627.65
NEVADA	NV	\$	166,880,210	\$	44,371,930	\$ -122,508,280.19
NEBRASKA	NE	\$	166,922,852	\$	43,600,048	\$ -123,322,803.71
INDIANA	IN	\$	405,128,006	\$	253,586,477	\$ -151,541,529.16
NEW MEXICO	NM	\$	173,987,396	\$	14,944,850	\$ -159,042,545.78
ILLINOIS	IL	\$	707,181,083	\$	528,090,435	\$ -179,090,648.36
RHODE ISLAND	RI	\$	302,591,095	\$	120,945,305	\$ -181,645,790.10
COLORADO	CO	\$	276,568,661	\$	86,282,200	\$ -190,286,461.38
CONNECTICUT	CT	\$	725,064,387	\$	502,235,592	\$ -222,828,794.58
WASHINGTON	WA	\$	499,137,553	\$	261,895,227	\$ -237,242,326.04
OHIO	OH	\$	550,415,812	\$	313,108,802	\$ -237,307,009.55
NORTH CAROLINA	NC	\$	1,484,319,801	\$	1,233,635,419	\$ -250,684,381.97
DISTRICT						
COLUMBIA	DE	\$	267,711,471	\$	3,687,313	\$ -264,024,158.33
OREGON	OR	\$	380,120,253	\$	98,703,112	\$ -281,417,141.30
MICHIGAN	MI	\$	371,075,212	\$	75,400,941	\$ -295,674,271.21
PUERTO RICO	PR	\$	436,944,453	\$	129,560,533	\$ -307,383,920.31
MARYLAND	MD	\$	605,233,201	\$	293,808,513	\$ -311,424,688.27
ARIZONA	AZ	\$	385,691,661	\$	48,612,841	\$ -337,078,820.32
HAWAII	HI	\$	516,671,025	\$	91,729,133	\$ -424,941,891.56
VIRGINIA	VA	\$	1,145,571,925	\$	717,107,625	\$ -428,464,300.34
GEORGIA	GA	\$	1,007,667,980	\$	404,989,606	\$ -602,678,374.08
MASSACHUSETTS	MA	\$	1,013,095,018	\$	360,590,844	\$ -652,504,174.04
SOUTH CAROLINA	SC	\$	1,954,369,678	\$	796,585,874	\$ -1,157,783,803.96
CALIFORNIA	CA	\$	3,925,937,448	\$	555,746,403	\$ -3,370,191,045.43
FLORIDA	FL	\$	17,733,694,952	\$	4,855,755,250	\$ -12,877,939,702.46