

Intro to the National Flood Insurance Program

Flooding in Southwestern PA

This factsheet is part of our Flooding in Southwestern PA series.

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The United States Congress passed the National Flood Insurance Program (NFIP) Act in 1968 to address the impacts of floods across the nation by:

- Transferring costs of flood losses from taxpayers to property owners in the floodplain
- Providing financial aid after floods
- Guiding development away from flood hazard areas
- Requiring new buildings to be constructed to minimize flood damage

The Federal Emergency Management Agency (FEMA) administers the NFIP with the goal to help communities increase their resilience to disaster through **risk analysis**, **risk reduction**, and **risk insurance**. The NFIP helps individual citizens recover from the economic impacts of flood events, while providing a mechanism to reduce exposure to flooding through compliance with building standards and encouraging sound land use decisions.

When a community enrolls in the NFIP, they enter into an agreement with the federal government, in which flood insurance is made available if the community regulates development in the floodplain by creating and enforcing a floodplain ordinance. Both governments work together towards successful floodplain management, reducing the risk of flooding for residents and harm to the natural environment. Three key elements to the NFIP are the creation of maps, availability and issuance of flood insurance, and the enforcement of floodplain development regulations.

Mapping:

For each NFIP community, FEMA creates a Flood Insurance Study (FIS), Flood Profile, Flood Hazard Boundary Map (FHBM), and a Flood Insurance Rate Map (FIRM) to represent the flood hazards. The date at which these studies and maps are published is important for grandfathering. The most current map is the “effective” map upon which insurance rates and regulations should be based.

Insurance:

Under the NFIP, FEMA requires insurance companies to require property owners with a federally-backed mortgage who live in the floodplain to obtain flood insurance. If the community is in the NFIP, residents do not have to live in the floodplain to obtain flood insurance. The community's FIRM is used to determine insurance rates, based on the floodplain boundary and elevation of the structure/property. To ensure accurate insurance rates, official elevation certificates completed by a surveyor are encouraged.

Regulations:

The community is required, under the NFIP, to create and enforce a floodplain ordinance, which is used to regulate development in the floodplain to reduce the risk of flood damage. The FIRM is used to determine where the floodplain is, and therefore, what buildings should have higher flood protection.



**For more information
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