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# Flooding in Miles City: It Could Happen Again!



## City of Miles City, Custer County

*Get Insurance Smart on the Biggert-Waters Flood Insurance Reform Act*

July 6, 2012 the President signed the Biggert-Waters Flood Insurance Reform Act of 2012. This caused multiple changes in how flood insurance is handled.

### **Biggert-Waters 2012**

The passing of this law encourages National Flood Insurance Program financial stability by eliminating some low rates and discounts. Most flood insurance rates will now move to full risk, and flood insurance rates will rise.

These new full risk insurance rates will require an Elevation Certificate at the policyholder's expense to determine the lowest floor of the insurable structure. This will include basements and crawlspaces.

It is highly recommended you talk to your insurance agent to see how and when this could affect your flood insurance premium.

### **Elimination of Subsidized Rates**

In the past, the National Flood Insurance Program (NFIP) issued flood policies at lower than actual risk premiums, also known as "subsidized rates." The elevation of the insured property was not taken into consideration.

To ensure future premiums reflect the full risk of a property, the subsidized rates are being eliminated. Elevation Certificates\* will be required to determine the actual risk premium:

- For renewals of all policies issued on or after July 6, 2012 (Date Biggert-Waters signed)
- For new policies on homes or businesses located in a flood zone purchased after October 1, 2013
- When a lapsed policy is reinstated
- For owners of severe repetitive loss properties
- For owners of properties that have incurred flood related damage

The Elevation Certificate will show the building's actual elevation and as a general rule premiums will be:

- Higher than subsidized rates if building is located below Base Flood Elevation
- Lower than subsidized rates if building is located above Base Flood Elevation

*\*Elevation Certificates must be purchased at the homeowner's expense and must be completed by a licensed professional (engineer, surveyor or architect).*

## Elevation Effect on Premium

The following examples demonstrate the effect of a property's elevation in proximity to the Base Flood Elevation (BFE)\* on insurance premium.



If a homeowner structure is located 4 feet below the BFE, your premium could be \$9,500/year.\*\*



If a homeowner structure is located at BFE, your premium could be \$1,410/year.



If a homeowner structure is located at 3 feet above BFE, your premium could be \$427/year.

\* Base Flood Elevation (BFE): The water surface elevation of the base flood adopted by the community.

\*\*Estimated cost per FEMA brochure *Build Back Safer and Stronger*

\*\*\$250,000 building coverage only (does not include contents). AE zone, single-family, one story structure without a basement. Rating per FEMA flood insurance manual, October 1, 2012. Illustration above is based on a standard NFIP deductible.

## What is the City of Miles City doing to help you?



2013 Flood Awareness Day in Miles City at MCC.

The City has been working hard on finding ways to help lower the flood insurance premium cost that affect home and business owners.

- Miles City is currently part of the Community Rating System (CRS) which helps lower premiums. Currently we are a CRS Class 9 Community which gives a 5% discount on premiums.
- Miles City started a Program for Public Information (PPI) committee, which is made up of local realtors, insurance agents, and lenders to find ways to continue to improve the CRS Community Rating.

Miles City is also looking into improving our Flood Insurance Rate Map (FIRM) by first completing a flood assessment study to determine our best option to help reduce the amount of the floodplain.

Please feel free to contact your Mayor, Local Councilperson, or the Floodplain Administrator to see what is being done, and how important it is to continue the flood assessment and help insure our community stays safe and flourishing.

Mayor-C.A. Grenz—234-7901

### Councilpersons-Ward 1

Bill Melnik—234-5396  
Sue Galbraith—234-9288

### Ward 2

John Uden—234-1995  
Jerry Partridge—234-0321

### Ward 3

John Hollowell—234-9326  
Mark Ahner—234-0302

### Ward 4

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### Floodplain Administrator

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