



**Agenda Item No. 13.**

**Staff Report**

**Date:** October 8, 2020

**To:** Mayor McMillan and Council Members

**From:** Richard Simonitch, Public Works Director/Floodplain Administrator

**Subject:** Assessment by the Town Floodplain Administrator regarding Flood insurance coverage on structures within the Special Flood Hazard Areas in the Town of Ross.

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**Recommendation:**

Town Council consider and discuss the information presented by the Floodplain Administrator regarding the assessment of flood insurance policies on residential and commercial structures within the 100-year Special Flood Hazard Areas (SFHA) in the Town of Ross.

**Background and discussion:**

The purpose of this presentation is to provide information to the Town Council and the community about the importance of having adequate flood insurance coverage, and to provide a current assessment of flood insurance coverage of the homes and other buildings in Ross that reside within the SFHA.

Some property owners may not be aware that flood insurance is available, and many of those who are aware may not see a need to insure their property. As a method of protecting people from the consequences of flooding, staff believes that promoting flood insurance should be as much a community responsibility as building flood control projects or regulating new development in the SFHA and floodplain. Communities such as Ross who participate in FEMA's Community Rating System (CRS) have a special opportunity to promote the availability of flood insurance and its importance as a preparedness measure.

Town staff began this process with the intent of learning how the flood insurance policies were distributed and what would need to be done to try and increase the awareness of the importance of protecting properties in the SFHA with flood insurance. To determine the level of flood insurance coverage in the Town of Ross, staff acquired the most recent Insurance Zone and Insurance Occupancy flood insurance policy data from FEMA. With the assistance of TRAKiT, the Town's new permit tracking system, and Marin Map, Marin County's primary GIS resource, staff was able to develop the analysis being presented in this staff report.

The current number of habitable and commercial structures in Ross within the FEMA mapped Special Flood Hazard Area (SFHA) is 221. With 182 policies in force, approximately 82% of the buildings located in the SFHA are covered by flood insurance. Flood insurance coverage of properties in the SFHA by occupancy can be found in Table 1 and by flood zone in Table 2:

**TABLE 1  
INSURANCE POLICIES BY OCCUPANCY**

As of 09/30/2019

Community: ROSS, TOWN OF		State: CALIFORNIA				
County: MARIN COUNTY		CID: 060179				
	Policies in Force	Premium	Insurance in Force	Number of Closed Paid Losses	\$ of Closed Paid Losses	Adjustment Expense
Single Family	171	\$256,371	\$48,980,300	190	\$8,585,171.62	\$273,865.94
2-4 Family	0	\$0	\$0	2	\$22,105.78	\$1,700.00
All Other Residential	0	\$0	\$0	0	\$0.00	\$0.00
Non Residential	11	\$35,205	\$4,039,300	14	\$875,940.77	\$23,135.89
<b>Total</b>	<b>182</b>	<b>\$291,576</b>	<b>\$53,019,600</b>	<b>206</b>	<b>\$9,483,218.17</b>	<b>\$298,701.83</b>

	Policies in Force	Premium	Insurance in Force	Number of Closed Paid Losses	\$ of Closed Paid Losses	Adjustment Expense
Condo	0	\$0	\$0	1	\$350,000.00	\$7,350.00
Non Condo	182	\$291,576	\$53,019,600	205	\$9,133,218.17	\$291,351.83
<b>Total</b>	<b>182</b>	<b>\$291,576</b>	<b>\$53,019,600</b>	<b>206</b>	<b>\$9,483,218.17</b>	<b>\$298,701.83</b>

**TABLE 2  
INSURANCE POLICIES BY FLOOD ZONE**

As of 09/30/2019

Community: ROSS, TOWN OF		State: CALIFORNIA				
County: MARIN COUNTY		CID: 060179				
	Policies in Force	Premium	Insurance in Force	Number of Closed Paid Losses	\$ of Closed Paid Losses	Adjustment Expense
A01-30 & AE Zones	97	\$206,553	\$25,561,700	29	\$1,525,943.55	\$45,113.09
A Zones	8	\$19,898	\$2,561,000	60	\$1,791,527.87	\$55,560.17
AO Zones	37	\$41,399	\$11,180,000	89	\$4,977,597.82	\$160,640.80
AH Zones	0	\$0	\$0	0	\$0.00	\$0.00
AR Zones	0	\$0	\$0	0	\$0.00	\$0.00
A99 Zones	0	\$0	\$0	0	\$0.00	\$0.00
V01-30 & VE Zones	0	\$0	\$0	0	\$0.00	\$0.00
V Zones	0	\$0	\$0	0	\$0.00	\$0.00
D Zones	0	\$0	\$0	0	\$0.00	\$0.00
B, C & X Zone						
Standard	26	\$17,970	\$8,816,900	12	\$717,507.37	\$19,363.91
Preferred	14	\$5,756	\$4,900,000	7	\$337,299.19	\$14,743.86
<b>Total</b>	<b>182</b>	<b>\$291,576</b>	<b>\$53,019,600</b>	<b>197</b>	<b>\$9,349,875.80</b>	<b>\$295,421.83</b>

Staff also looked at the number of paid claims to policy holders. Note from Table 2 that the number of paid losses exceeds the number of policies in force. This is because several properties in Ross have experienced repetitive flood-related losses on their policy. There are 13 Repetitive Loss properties in Town, including 2 “severe repetitive loss” properties. A Repetitive Loss property is any insurable building for which two or more claims of more than \$1,000 were paid by the National Flood Insurance Program (NFIP) within any rolling ten-year period, since 1978. A severe repetitive loss property is one that has incurred flood-related damage for which four or more separate claims payments have been made, with the amount of each claim exceeding \$5,000, and with the cumulative amount of such claims payments exceeding \$20,000; or for which at least two separate claims payments have been made under such coverage, with the cumulative amount of such claims exceeding the market value of the building. In both instances, at least two of the claims must be within 10 years of each other.

With 82% of the buildings in the 100-year floodplain insured and over 200 paid claims since the Town joined the NFIP in 1981, the importance of having flood insurance appears to be well established with our community. There are, however, approximately 40 structures within the floodplain that either do not have flood insurance or maintain private, non-NFIP flood insurance policies. To close the insurance gap, and ensure that new property owners and their real estate agents who do business in Ross stay informed, staff is involved with various outreach projects geared toward increasing the awareness of the hazards of living within the SFHA and promoting the purchase of flood insurance for property protection. Since joining the CRS program in 2014 those projects have included:

- 1) Direct mailings to residents in the SFHA done with informative letters or brochures.
- 2) Direct contact with homeowners and realtors who do business in the SFHA through community and neighborhood events.
- 3) Using social media, our website, and other digital media for outreach
- 4) Use of Billboards and reader boards displayed in flood-vulnerable neighborhoods.

**Fiscal, resource and timeline impacts:**

Flood insurance premiums can be reduced as a direct result of the Town’s participation in the CRS program. Ross currently has a CRS rating of eight, which provides for a 10% discount to qualifying NFIP insurance premiums. This year, through increased flood plain management efforts, Town staff is looking to improve the CRS rating which would provide a 15% discount to policy holders. With annual premiums totaling \$291,576 a 15% discount could result in an annual savings of \$43,736 for our residents.

**Alternative Actions**

None.