

Presentation on Incoming FEMA Flood Insurance Rate Increases Given at Latest PABI Luncheon

PLAQUEMINES ASSOCIATION OF BUSINESS AND INDUSTRY

By Justin Walton reporter@plaqueminesgazette.com

The March 16 Plaquemines Association of Business and Industry monthly luncheon saw local business leaders— alongside a handful of elected officials—receive an update on a very controversial issue that will have major impacts on Plaquemines Parish: new FEMA flood insurance rates.

With the April 1 deadline for the implementation of new FEMA flood insurance standards (known as “Risk Rating 2.0”) fast approaching, PABI executive director Bobby Thomas felt it was prudent to have individuals knowledgeable on the subject provide information to the local business community. Giving presentations on the subject were local insurance agent Bill Bubrig, president of the home builders association Dan Mills, and Plaquemines Parish Government Certified Floodplain Manager Zach Smith.

There was one general message from all of these presentations that all residents throughout the parish—whether living within the federal levee system in Belle Chasse or in south Plaquemines where there is scarcely any flood protection at all—should know: the price of flood insurance is about to increase drastically. Due to a variety of factors (such as coastal erosion, climate change making hurricanes more common, and tidal flooding intensifying), structures in coastal Louisiana —no matter their elevation—are becoming increasingly at risk to flood damage.

“The new methodology being used by FEMA to determine flood insurance rates has determined that flood insurance needs to go up,” Bubrig stated in an interview after the meeting. “There hasn’t been much in the information provided by FEMA. So, I can’t really say how this methodology was created or how it measures flood risk.”

As mentioned in previous articles on FEMA flood regulations, this means that in areas below sea level and with less flood protection infrastructure, FEMA is requiring new structures—or structures that need a significant amount of rebuilding after a hurricane—must elevate to meet new “base flood elevations levels” to receive a permit. In some parts of the southern end of the parish, this means elevating structures and homes up to 15 feet up in the air.

For flood insurance, this means it will cost more to have a home or business covered against flood damage.

“For people who have insurance now, this means that, starting April 1st, flood insurance rates will start to increase by 18 percent per year until they’re paying the new amount,” Bubrig stated, explaining that those who waited to buy flood insurance until after the new regulations were put in place will be paying the full amount immediately. “It’s a significant increase from what people have been paying. People who have been around \$600 per year for flood are about to be paying \$4,500 inside the levee system and up to \$12,000 outside of it [at the end of the yearly 18 percent increase].”

It should be noted that flood “risk zones” have “no bearing” on the new flood insurance rates, Bubrig explained. Instead, each home was supposedly analyzed on an individual basis, and the new flood insurance rates from FEMA are based on that analysis. But Bubrig, and others speaking on the issue, have little knowledge of the process beyond that basic fact.

“Apparently, FEMA had a private company create a system that determines what people’s flood insurance rates will be. And due to some [Non-Disclosure Agreement] they made with that company, they can’t share any details on the system,” Bubrig stated. “It’s made the whole thing incredibly frustrating because no one can get any information that explains why insurance rates are increasing so much.”

New FEMA flood insurance regulations and rates already have many people within Plaquemines on edge. Some residents down the road (including district 8 council member Richie Blink) have emphasized that the cost of raising homes to meet new base flood elevations will already be too expensive for people to afford. This will lead, Blink and others have said, to the lower end of the parish “completely emptying out.” The increased price of flood insurance will only worsen this reality.

The added stress of not knowing how their homes are being analyzed for flood by a private company—the name of which no one knew—has only increased residents’ stress level. “People are understandably upset,” Bubrig stated, explaining that residents that are only paying the 18 percent increase at the moment are still being shown what the total amount they will eventually pay.

“People are confused, frustrated, and mad. Every day, I have clients calling me asking for an explanation and there isn’t much I can tell them.”

“All of this happened within FEMA too. These rate increases, and how a private company was used to do it, were determined without consulting any elected officials. So, neither the public nor the people that were elected to represent the people knew anything,” Bubrig added. “It’s created this terrible environment around the issue because no one knew what was going on. It was just kind of thrust onto people one day and they had to accept it.”