



NATIONAL FLOOD INSURANCE PROGRAM

Bureau and Statistical Agent

W-02015

MEMORANDUM TO: Write Your Own (WYO) Principal Coordinators and the NFIP Servicing Agent

FROM: WYO Clearinghouse

DATE: February 27, 2002

SUBJECT: Community Probation
Unincorporated Monroe County, Florida;
Community Number 125129

FEMA has notified unincorporated Monroe County, FL, Community Number 125129, that probation will be imposed on May 31, 2002, if remedial measures are not taken. The Mayor has already been informed of the County's failure to meet the minimum requirements of the NFIP, and the required actions to avoid probation.

A notice to all policyholders has been mailed informing them of the impending community probation. A sample of the letter is attached.

The Probation Surcharge of \$50.00 should be added to any policyholder's premium charge, if the community fails to comply with the requirements to avoid probation by the indicated date. Included is a list of all currently active policies for your company in the captioned community (if any). As always, feel free to contact your Program Coordinator with any questions.

Attachment

cc: Vendors
Suggested Routing: Data Processing, Underwriting



National Flood Insurance Program



NATIONAL
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National Flood Insurance Program Policy Holder Notice: Possible Community Probation of Unincorporated Monroe County, Florida

Your flood insurance policy, issued by your insurance company, is authorized under the National Flood Insurance Act of 1968, a federal law that established the National Flood Insurance Program (NFIP). In order to be eligible for the NFIP and for flood insurance to be sold, your community must adopt and enforce floodplain management regulations that meet the minimum NFIP requirements.

The purpose of this notice is to advise you that the Federal Emergency Management Agency (FEMA) has notified the Mayor of Monroe County that the unincorporated areas of Monroe County will be placed on probation from the NFIP effective May 31, 2002, unless, prior to that date, the County begins to take the necessary actions to become compliant with NFIP minimum requirements. Again, community eligibility to participate in the NFIP is based upon the adoption and enforcement of local floodplain management regulations that meet the criteria of the NFIP. Communities that do not adequately administer and enforce their floodplain management ordinances can be placed on probation or suspended from the NFIP unless required remedial measures are taken prior to the effective date of probation. Unincorporated Monroe County has been found to be inadequately enforcing its floodplain management regulations.

For the unincorporated areas of Monroe County, FEMA has identified deficiencies in the administration and enforcement of the County's floodplain management ordinance that have resulted in a large number of noncompliant enclosures being constructed under elevated buildings in special flood hazard areas. Under Monroe County's floodplain management ordinance, enclosures below elevated buildings may only be used for parking, building access, or limited storage and must meet other requirements to minimize flood damages. If the County does not begin to take corrective measures, NFIP probation will become effective May 31, 2002.

Probation serves as a formal notice to Monroe County that its implementation of the local floodplain management program is regarded as noncompliant with the minimum criteria of the NFIP. During the probation period, flood insurance coverage will still be available. **However, a \$50 surcharge will be added to each new or renewed flood insurance policy sold within unincorporated Monroe County for a period of at least one year.** Without adequate community administration and enforcement of local floodplain management regulations, there is an added liability to the NFIP because of increased exposure to flood damage.

In order to avoid probation, Monroe County must take the actions necessary to demonstrate to FEMA that it complies with the minimum requirements of the NFIP. These actions include participating in an enclosure inspection procedure developed jointly by the County and FEMA. The County Board of Commissioners must pass a resolution committing to the inspection procedure and begin implementation of the inspection procedure. The County must also prepare an implementation plan that will address violations of the County's Flood Damage Prevention Ordinance and obtain approval of the plan by FEMA.

If Monroe County chooses not to take the necessary steps to avoid probation, it will be placed on probation effective May 31, 2002. If the County does not comply with program requirements while on probation, it will become subject to suspension from the NFIP. If your community is suspended from the NFIP, then Federal flood insurance will not be available. In such a situation, the Flood Disaster Protection Act of 1973 prohibits federal agencies from making grants, loans, or guarantees for the acquisition or construction of insurable structures located in an identified special flood hazard area. This restriction applies to assistance from the Federal Housing Administration (FHA), Veterans Administration (VA), and the Small Business Administration (SBA), among others. At their own discretion, lending institutions insured or regulated by a Federal agency may, however, continue to make conventional loans that are not Federally insured, in the unincorporated areas of the County. If a flood disaster occurs in a suspended community, federal disaster assistance for the acquisition, construction, or repair of insurable structures within the special flood hazard area identified by FEMA is not available. Furthermore, individual and family grant assistance for housing and personal property located in a special flood hazard area is also not available.

Community adoption and enforcement of flood damage prevention ordinances is central to the federal/local partnership established through the NFIP. Flood insurance is made available through the NFIP only in exchange for community implementation of a floodplain management program to reduce future flood damages. In addition to reducing flood damages, an important benefit of the NFIP is that an effective floodplain management program also supports and contributes to the public health and safety goals of a community.

Your community officials are encouraged to take the necessary action to avoid this impending probation action and possible subsequent suspension from the NFIP. For further information, you may wish to contact the appropriate Monroe County officials. FEMA will continue to work with the County to assist it in becoming compliant with minimum NFIP requirements.