



State of North Carolina

Department of State Treasurer

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Memorandum #1042

September 7, 2005

To: Local Government Officials
School Superintendents
Certified Public Accountants

From: Vance Holloman
Director, Fiscal Management

Subject: Flood Insurance

Flood risk management is an issue for all units of government in North Carolina. As you are aware, some local governments in our State have experienced severe flood damage in recent years. The Federal Emergency Management Agency (FEMA) and the US Army Corps of Engineers, federal agencies responsible for all flood mapping in the U.S., determine if a unit of government can obtain flood insurance coverage and the type of coverage available.

Mapping

The US Army Corps of Engineers draws flood plan maps upon the request of FEMA. Currently FEMA has allocated all of its North Carolina resources to remapping eastern North Carolina as a result of Hurricanes Floyd and Fran. There are some areas of the State, particularly in the west, that remain unmapped.

To obtain flood maps, a unit must request them of FEMA and grant permission for FEMA to map the area. A municipality can request mapping regardless of the county's decision in the matter.

Coverage

For mapped areas, the Plan limits losses to the first \$500,000 per building. A unit of government with property designated "A" or "V" in the chart below can get coverage from the Plan for the first \$500,000 in losses and private coverage for amounts greater than \$500,000. Governments located in "B", "C", and "X" areas are eligible for coverage under the Plan, but can also purchase private coverage. Governments located in unmapped areas ("D") are not eligible for coverage. School assets may be insured through a program administered by the North Carolina Department of Public Instruction. (State sponsored school plan)

Summary of available coverage:

Areas	Municipalities/Counties/ Authorities	Municipalities/Counties/ Authorities	Public Schools	Public Schools
Coverage	\$25,000-\$500,000	Greater Than \$500,000	\$25,000- \$500,000	Greater Than \$500,000
“A” represents the land areas around rivers, streams, creeks, ponds, oceans and lakes. (100 years flood plan)	National Insurance Flood Plan	Private	National Insurance Flood Plan	State or Private
“V” is the actual beach front property on the coast.	National Insurance Flood Plan	Private	National Insurance Flood Plan	State or Private
“B” represents the land not in the 100 year flood plan but in the 500 year plan.	National Insurance Flood Plan or Private	Private	National Insurance Flood Plan, State Plan or Private	State or Private
“C” designates the land that is located in a 500 year or better plan.	National Insurance Flood Plan or Private	Private	National Insurance Flood Plan, State Plan or Private	State or Private
“X” is for all other mapped areas.	National Insurance Flood Plan or Private	Private	National Insurance Flood Plan, State Plan or Private	State or Private
“D” is for areas that have not been mapped.	No Coverage	No Coverage	No Coverage	No Coverage

If you have any questions regarding this memorandum, please contact Dean Cunningham with the Local Government Commission at (919) 807-2390 or dean.cunningham@netreasurer.com

Insurance can be obtained by contacting the following:

For Towns and Cities

Lisa Kinsey
North Carolina League of Municipalities
lkinsey@nclm.org
Telephone 1.800.228.0986

For Counties

Susan Klakoff
North Carolina Association of County Commissioners susan.klakoff@ncacc.org
Telephone 1.919.719.1100

For Public Schools:

Eileen Townsend
North Carolina Department of Public Instruction etownsend@dpi.state.nc.us
Telephone 1.919.807.3522

or your local insurance agent

To obtain FEMA flood insurance, you must go to FEMA's web site at www.floodsmart.gov.