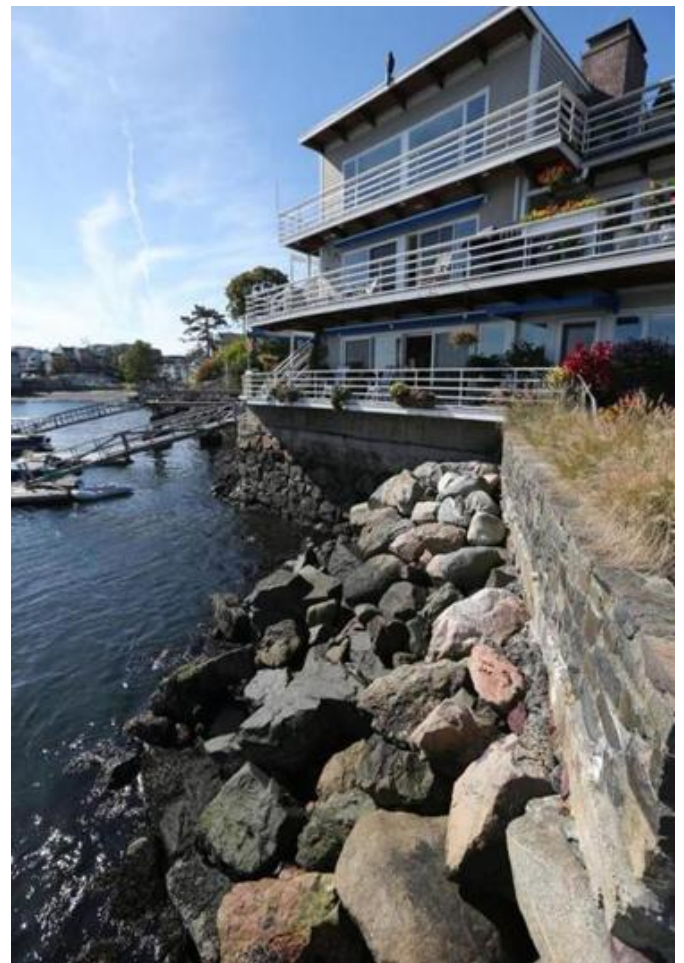


Changes to flood insurance mean higher costs

By [Deirdre Fernandes](#) | GLOBE STAFF OCTOBER 16, 2013

Changes to the federal flood insurance program are raising fears in communities from Salem to Scituate to Brockton that the costs of protecting homes and businesses from water damage are about to skyrocket as the government redraws flood zone maps and phases out subsidies.

The controversial changes, which have spurred protests in coastal communities, could require thousands of Massachusetts homeowners to buy flood insurance for the first time and raise average premiums of existing customers by as much as 25 percent annually, or about \$300 a year.



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The new flood insurance rules are causing anxiety. In Marblehead, for example, the annual premium for Harborside Condominiums will soar, according to one condo owner there.



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“The premium is not reflective of the risk,” said Joyce Raymond, standing with resident Don Nowland of Harborside.

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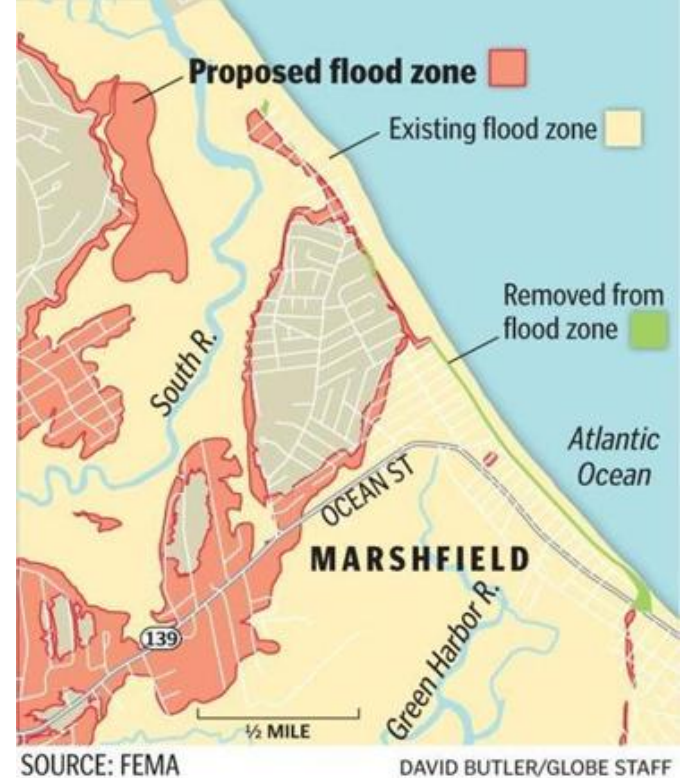
For some seaside home and business owners, premiums will jump by thousands or even tens of thousands of dollars a year as map revisions place their properties into higher risk flood zones or they lose government subsidies. In Marblehead, for example, the annual premium for Harborside Condominiums will soar from \$4,300 to \$45,000 next year and then climb in subsequent years to an estimated \$600,000 because the 27-unit complex was moved into a high risk coastal zone, said Joyce Raymond, one of the condo owners.

In the past 13 years, she said, the condominium association has never made a flood insurance claim. “The premium is not reflective of the risk,” she said. “Because we had weathered so many storms, we thought there must be an error.”

Such staggering increases are leading communities such as Marshfield, Scituate, and Duxbury to challenge the new maps and state officials and lawmakers to urge Congress to further study changes to the National Flood Insurance Program before letting them go into effect.

Attorney General Martha Coakley said the Federal Emergency Management Agency, which administers the program, needs to revise the maps and consider measures that communities have undertaken to prevent flooding, such as installing berms. Coakley added that FEMA also should do a financial impact study on eliminating some of the subsidies.

“This is going to have a devastating impact,” she said.



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FEMA officials said they are updating flood maps nationwide and phasing out subsidies after a series of devastating storms, including Hurricanes Sandy, Irene, and Katrina, have left the insurance program \$24 billion in debt. In Massachusetts, the maps and data are 20 years old and in many cases not available digitally, said Kerry Bogban, a senior engineer with FEMA for the New England region.

FEMA is using more sophisticated modeling to pinpoint which neighborhoods could suffer significant flood damage in the next storm, using lasers to map towns and taking into account variables such as what happens when a wave crashes into a seawall or bluff.

As a result, additional neighborhoods in low-lying and flat areas are being mapped below the base flood elevation level, which triggers a requirement that property owners carry flood insurance on top of homeowner insurance to get a bank mortgage, Bogban said.

“It’s more precise science,” she said. “We are bringing the maps up to today’s technology.”

In Massachusetts, the federal program issues about 59,000 policies, with an average premium of about \$1,200. It is unclear exactly how many more Massachusetts property owners would need to buy flood insurance under the upcoming changes, but

state Department of Conservation and Recreation estimates thousands.

In Scituate, about 500 additional homes, businesses, and garages will be included in flood zones, under the new map, which start to take effect next summer. In Marshfield, 1,300 additional homes will be added to 2,500 already in the flood zone.

In Hingham, hundreds of additional homes are being included in the redrawn flood plains, and some homeowners will be excluded from subsidies for flood insurance, said Town

Administrator Ted Alexiades. Local officials are concerned that residents “will be getting bills that will be too costly to stay in their homes,” Alexiades said. “Right now there’s a lot of fear and anticipation.”

Real estate agents say the changes in the flood insurance program threaten to undermine the state’s housing recovery as prospective buyers balk at taking on hundreds of dollars in additional annual expenses on top of homeowner insurance, taxes, and mortgage payments. Some agents say pending sales have fallen through at the last minute because of uncertainty over long-term costs of flood insurance.

Carol Conway Bulman, the president of Jack Conway Real-Estate in Norwell, said she receives at least one e-mail a week from realtors reporting deals unraveling because of flood insurance.

Making flood insurance so expensive will encourage only the wealthy to move into coastal communities because they often don’t need a bank mortgage or the flood insurance to obtain one, Bulman said. “Only people with cash are going to be able to avoid the flood insurance entirely,” she said.

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Bob Alves hopped on the dock at Harborside Condominiums in Marblehead. Premiums for the property will rise to \$45,000 from \$4,300, one resident estimates.

