Sutter Supervisors Concerned About Flood Insurance Overcharges

YUBA CITY—There is growing concern in Sutter County about property owners being overcharged for flood insurance.

The Sutter County Division of Water Resources reported Wednesday that it had determined that at least 12 different property owners have been overcharged for insurance from the National Flood Insurance Program.

“It’s beginning to look like an epidemic of incorrect flood zone determinations,” Board of Supervisors Chairman Stan Cleveland said. “The Board is very concerned because it appears local insurance companies who provide flood insurance on behalf of the NFIP are relying in good faith on data from a third party vendor that has been wrong in a number of instances.”

“We encourage property owners, especially those in south Yuba City, to verify their flood zone status by contacting the Sutter County Division of Water Resources,” Cleveland said. “That division maintains an official set of NFIP flood insurance rate maps and there are three people in that office who are certified to understand and interpret the maps.”

Daniel Peterson, chief of the Division of Water Resources, said that many local mortgage and insurance companies rely upon a professional service provider, National Flood Services (a division of StoneRiver), to provide flood zone determinations for parcels within Sutter County.

“National Flood Services/StoneRiver bases its flood zone determinations upon a third-party database prepared by Kroll Factual Data, a private company that provides flood zone determinations to mortgage lenders, consumer lenders, and other businesses.”

The County has identified nine different property owners whose mortgage companies, based upon information provided by National Flood Services/StoneRiver, are
incorrectly requiring them to purchase flood insurance at either moderate or high risk rates for their homes in south Yuba City.

However, contrary to the flood zone determinations provided to the local mortgage and insurance companies, none of the nine homes are located in a special flood hazard area as mapped by FEMA.

“We believe there are errors in the data these insurance companies are relying on, and we have contacted StoneRiver and FEMA about the issue,” Mr. Peterson said. “In the meantime, those who live north of Starr Street, or north of the midpoint between Stewart and Bogue roads, who are paying more than $370 per year for flood insurance should contact our office and their insurance agent.”

The County will supply a letter to property owners with correct flood zone determination information, Mr. Peterson said. The contact number is 530-822-3299. Flood insurance rate maps are also available on the county’s website: [www.suttercounty.org](http://www.suttercounty.org).

In December of 2008, one-third of Sutter County was re-mapped by FEMA into high risk flood zones requiring expensive flood insurance. Although the onset of the higher insurance rates were postponed until after Jan. 1, 2010 for those properties that purchased insurance prior to Dec. 2, 2008, Mr. Peterson said the county has discovered at least three instances where property owners in the new flood zone were charged the higher rates.

“If your flood insurance was renewed prior to Jan. 1, 2010 and you are paying the higher rate, please contact your insurance agent, or our office, to determine if you are being charged correctly.”

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