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**National Flood Insurance Program in Vermont**  
Mad River Valley Case Study

Abstract:

With much of the recent devastation caused by Hurricane Irene in Vermont due to flooding, there is a need to study a potential source of relief for many families – the National Flood Insurance Program (NFIP), which provides federally backed flood insurance to properties in designated flood plains. The recent changes made to the program by the passage of the Biggert-Waters Act also provide an impetus for research. We seek to examine the effect of NFIP rate increases on property values, issues surrounding the NFIP, and how the NFIP operates in Vermont. The time period studied in this research is from 1993 to 2013 and uses the Mad River Valley as the regional area for the case study. We use three research strategies: (1) a quantitative analysis of assessed property values in the Mad River Valley, (2) research interviews conducted with local actors in the Mad River Valley, and (3) a literature review of research concerning the NFIP. Due to the lack of ability to control for exogenous variables and limited time and resources, the quantitative analysis did not yield definitive results. The literature review revealed many issues with the NFIP with regards to the solvency of the program, especially expected increases in flooding due to climate change. The research interviews raised several concerns with the effectiveness of the program in Vermont. We encourage further research on how the NFIP premium rates affect property values and its effectiveness in the state of Vermont.