Flood Insurance 101
The Basics

Diana B. Herrera, CFM
Region 8 Sr. Regional Flood Ins. Liaison
EVERY BUILDING IS IN A FLOOD ZONE PURCHASED IN ANY FLOOD ZONE – NOT JUST HIGH-RISK FLOOD ZONES.

BUILDING AND CONTENTS USUALLY PURCHASED SEPARATELY.

FEDERAL DISASTER DECLARATION IS NOT REQUIRED FOR A INSURANCE CLAIM.

SFIP NOT A GUARANTEED REPLACEMENT COST POLICY.

LIMITED COVERAGE FOR BASEMENTS EXCLUDES TIME-ELEMENT EXPOSURES.
Insurance Terms and Concepts

- Actual Cash Value (ACV)
- Replacement Cost Value (RCV)
- Market Value
- Risk
- Spreading the Risk
- Peril

- Insurance Agent
- Underwriter
- Actuarial Rating
- Subsidized Rating
- Claims Adjuster
Flood Insurance 101

• In the National Flood Insurance Program (NFIP), a flood:
  – Is surface water from any source
  – Occurs in at least 2 acres or two or more properties
  – Can include a mudflow:
    • River of liquid and flowing mud
Who Writes Flood Insurance?

- State Licensed Insurance Agents, Brokers, Carriers:
  - Can write property and casualty policies
  - Is in good standing with the state licensing department
  - Must meet any mandatory training requirements

- Points of contact are:
  - www.FloodSmart.gov
## WriteYour Own (WYO) & NFIP Direct

<table>
<thead>
<tr>
<th>WYO Program</th>
<th>NFIP Direct Servicing Agent</th>
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<tbody>
<tr>
<td>Allows participating insurance companies to write and service NFIP policies in their own names</td>
<td>Allows agencies to write flood insurance coverage with the Government</td>
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<td>Operates as part of the NFIP and is subject to its rules and regulations</td>
<td>Provides assistance and advice to Direct program agents and adjusters via the NFIP Direct Servicing Agent</td>
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<tr>
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<td>Allows agencies to create quotes, submit applications, and view policy information</td>
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General Rules of NFIP Flood Insurance

Topics:

- Community Participation
- Nonparticipating communities
- Lender Requirement

GENERAL RULES

1. COMMUNITY ELIGIBILITY
   A. Participating (Eligible) Community
      Flood insurance may be written only in those communities that have been designated as participating in the National Flood Insurance Program (NFIP) by the Federal Emergency Management Agency (FEMA).
   B. Emergency Program
      The Emergency Program is the initial phase of a community’s participation in the NFIP. Limited amounts of coverage are available.
   C. Regular Program
      The Regular Program is the final phase of a community’s participation in the NFIP. In this phase, a Flood Insurance Rate Map is in effect and full limits of coverage are available.
   D. Maps
      Maps of participating communities indicate the degree of flood hazards in that actual premium rates can be assessed for insurance coverage on properties at risk.
      1. Flood Hazard Insurance Rate Map (FIRM) - Usually the initial map of a community. Some communities preferring the Regular Program will continue to use Preliminary Flood Insurance Rate Maps (PFRM), if there is a minimum flood hazard.
      2. Flood Insurance Rate Map (FIRM) - The official map of the community containing detailed flood risk premiums.
   E. Probation
      Probation, imposed by the FIRM Regional Director, occurs as a result of noncompliance with NFIP floodplain management criteria. A community is placed on probation for 1 year or may be extended, during which time a 50% surcharge is applied to all NFIP policies, including the Preferred Risk Policy, issued on or after the probation surcharge effective date. Probation is terminated if deficiencies are corrected. However, if a community does not take corrective measures while on probation, it can be suspended.
   F. Suspension
      Flood insurance may not be sold or renewed in communities that are suspended from the NFIP when a community is suspended, coverage remains in effect until expiration. These policies cannot be renewed.
   G. Non-Participating (Non-eligible) Communities
      When FEMA provides a non-participating community with a Flood Hazard Insurance Rate Map (FIRM) or Flood Insurance Rate Map (FIRM) designating its floodplain areas, the community is allowed 1 year in which to join the NFIP. If the community chooses not to participate in the NFIP, flood insurance is not available.
   H. Coastal Barrier Resources Act
      Flood insurance may not be available for buildings and contents located in coastal barrier areas as defined in the Coastal Barrier Resources Act. See the Coastal Barrier Resources System section for additional information.

II. Federal Land
    Buildings and/or contents located on land owned by the Federal government are eligible for flood insurance if the Federal agency having control of the land has met floodplain management requirements. All Federal land is inspected under the local community number even if it does not currently exist.

III. POLICIES AND PRODUCTS AVAILABLE
    A. Standard Flood Insurance Policy
       The standard flood insurance policy (SFIP) consists of the dwelling form, the General Property Form, and the Residential Condominium Building Association Policy (RCBAP) Form. The three SFIP forms are reproduced in the Policy section of this manual.

The table on the next page shows how agents can use the SFIP forms to issue a variety of residential and nonresidential building and contents risks.

May 1, 2008
## Community Participation

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<tr>
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<td>- FEMA authorizes the sale of flood insurance up to the Emergency Program limits.</td>
<td>- FEMA authorizes the sale of additional flood insurance in the community up to the Regular Program limits.</td>
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<tr>
<td>- No Flood Mapping to identify risk</td>
<td>- Flood Insurance Rate Map issued.</td>
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<td>- The community s and implements floodplain management measures.</td>
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## Coverage Limits

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Community Status List

The National Flood Insurance Program Community Status Book

This page lists National Flood Insurance Program (NFIP) community status reports by state, territory, or nation.

Please select the state, territory or nation to see the report. These documents are now provided in Adobe PDF, comma separated values (CSV) text file, and HTML formats.

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### Federal Emergency Management Agency
#### Community Status Book Report
#### NORTH DAKOTA

**Communities Participating in the National Flood Program**

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Nonparticipating Communities

Communities receiving flood maps for the first time have 1 year to join the NFIP or face sanctions:

- No NFIP flood insurance
- Limited Federal disaster assistance
- An inability to meet mortgage/loan requirements for flood insurance
- No Federal loans and grants
The lender requirement applies to properties in SFHAs.

– Insurance is a prerequisite to receive a loan from Federally regulated and insured lenders

– The requirement is triggered when a loan is:
  • Made
  • Increased
  • Renewed
  • Extended

– The insurance must be in effect for the life of the loan

– Lenders may still require flood insurance for Non-SFHA

– *Refer lenders to their regulators*

Flood Fact: In SFHA there is a 26% chance of flood loss over a 30-year period.
NFIP Policy Forms, Products, and Eligibility Requirements
Standard Flood Insurance Policy

• Three policy forms:
  – Dwelling (one- to four-family and single-family condominium units)
  – General Property (other residential and commercial)
  – Residential Condominium Building Association (RCBAP)
## Other Insurance Products

### Preferred Risk Policy (PRP) & Newly Mapped
- Individual policy
- Residential - dwelling form; nonresidential - general property form
- Lower premium due to minimal loss history, lower risk zone
- Provides building & contents coverage together
- PRP - B, C, X zones
- Newly Mapped – B, C, X to SFHA

### Group Flood Insurance Policy
- Provided to Federal disaster assistance recipients
- 3-year certificate of coverage
- Issued by NFIP Direct Servicing Agent
- Letters sent before expiration
- Continued flood coverage required for future disaster assistance eligibility
- At expiration of certificate, recipient must obtain a new policy through insurance agent
- Certificate holder can get own coverage at anytime through insurance agent.
## Building Eligibility

**Building**

- Two or more outside rigid walls and roof
- Manufactured (mobile) home or travel trailer, if affixed to a permanent foundation and anchored
- Single-family, two to four-family, other residential, nonresidential (business & other non-residential)
- Includes additions and extensions
- Principally above ground
- Not entirely over water
## Contents Eligibility

### Eligible Contents
- Located inside a fully enclosed building, or secured to prevent flotation out of the building
- Can be in a silo, grain storage building, or cistern

### Eligible Vehicles and Contents
- Located inside the building at the described location
- Used to service the location
- Used to assist the handicapped
- Unlicensed
Examples of Eligible Risks

- Building
- Contents
- Condominiums
Ineligible property includes:

- Building issued Sec. 1316
- Gas/liquid storage tank
- Building entirely over water
- Building >50% below ground
- Most finishes and contents in basements or enclosures
Activity: Eligible?
Activity: Eligible?
Essential Elements of Rating

- Community Name CID
- Coverage/Deductible
- Pre-FIRM/Post-Firm
- CRS class
- Flood Zone
- BFE
- LFE
- Building Occupancy

- Foundation Type
- Building Type
- Number of Floors
- Basement/Enclosure
- Emergency vs. Regular Program
- Machinery/equipment location
Defining Pre-FIRM and Post-FIRM

Pre-FIRM
Built before initial FIRM

Post-FIRM
On or After the initial FIRM
Full-Risk Rates vs. Subsidized Rates

**Subsidized**
- Do not represent the building’s true flood risk.
- Determined with limited underwriting information.
- Discounted rates that have traditionally been available for Pre-FIRM buildings in A or V zones.

**Full Risk Rates**
- Represent the building’s true flood risk.
- Premium reflects the risk assumed by the program and all administrative expenses.
- Takes into account the full range of possible flood losses.
### Community Participation

**Federal Emergency Management Agency**

**Community Status Book Report**

**NORTH DAKOTA**

**Communities Participating in the National Flood Program**

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</thead>
<tbody>
<tr>
<td>380012A</td>
<td>BOWMAN, CITY OF</td>
<td>BOWMAN COUNTY</td>
<td>03/29/74</td>
<td>07/04/88</td>
<td>04/05/16</td>
<td>07/04/88</td>
<td>No</td>
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<tr>
<td>380260</td>
<td>BRADDOCK, CITY OF</td>
<td>EMMONS COUNTY</td>
<td>03/29/99(E)</td>
<td></td>
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<tr>
<td>380622#</td>
<td>BRANDENBURG, TOWNSHIP OF</td>
<td>RICHLAND COUNTY</td>
<td>01/03/83</td>
<td>04/01/86</td>
<td>12/18/09(M)</td>
<td>04/01/86</td>
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<tr>
<td>380651A</td>
<td>BRIARWOOD, CITY OF</td>
<td>CASS COUNTY</td>
<td>09/27/85</td>
<td>01/16/15</td>
<td>09/27/85</td>
<td></td>
<td>No</td>
</tr>
</tbody>
</table>
Building Types

- Building types are key to both FPM and flood insurance

- The type of building determines where the LFE is measured, depending upon:
  - Non-elevation design requirements
  - Flood zone
  - Lowest Flood Guide
Condominiums

- Different types of condominium coverage are available. The coverage can be:
  - Through a building association.
  - Obtained by a unit owner.
  - For residential units or buildings.
  - For nonresidential units or buildings.
- Unit owners must provide acceptable proofs of insurance to the condominium building association.
- The total amount of coverage desired on the entire building must not exceed $250,000 (Regular Program limit) times the total number of units in the building.
Building Types

- Single family
- 2-4 family
- Other residential
- Non-residential (Business & Other)
- Condominium
- Manufactured Home
## NFIP Limits of Coverage

<table>
<thead>
<tr>
<th>The Insured</th>
<th>NFIP Coverage Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Buildings</strong></td>
<td><em>Emergency Program</em></td>
</tr>
<tr>
<td>Single Family</td>
<td>$35,000</td>
</tr>
<tr>
<td>Other Residential</td>
<td>$100,000</td>
</tr>
<tr>
<td>Nonresidential</td>
<td>$100,000</td>
</tr>
<tr>
<td><strong>Contents</strong></td>
<td></td>
</tr>
<tr>
<td>Residential</td>
<td>$10,000</td>
</tr>
<tr>
<td>Nonresidential</td>
<td>$100,000</td>
</tr>
</tbody>
</table>
Deductibles

- Minimum deductibles on NFIP policies are:

<table>
<thead>
<tr>
<th>PROGRAM TYPE</th>
<th>RATING</th>
<th>MINIMUM DEDUCTIBLE FOR COVERAGE OF $100,000 OR LESS</th>
<th>MINIMUM DEDUCTIBLE FOR COVERAGE OVER $100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMERGENCY</td>
<td>All</td>
<td>$1,500</td>
<td>$2,000²</td>
</tr>
<tr>
<td>REGULAR</td>
<td>All Pre-FIRM Subsidized³ zones: A, AE, A1–A30, AH, AO, V, VE, and V1–V30, AR/AR Dual zones without Elevation Data</td>
<td>$1,500</td>
<td>$2,000</td>
</tr>
<tr>
<td></td>
<td>All Full-Risk⁴ zones: A, AE, A1–A30, AH, AO, V, VE, and V1–V30, AR/AR Dual zones with Elevation Data and B, C, X, A99, and D</td>
<td>$1,000</td>
<td>$1,250</td>
</tr>
<tr>
<td></td>
<td>Tentative and Provisional</td>
<td>$1,000</td>
<td>$1,250</td>
</tr>
</tbody>
</table>

- Maximum Deductible on NFIP Policies is:
  Residential: $10,000
  Non-Residential: $50,000
Increased Cost of Compliance (ICC)

- ICC coverage (up to $30,000; no deductible) is available to help property owners pay for mitigation measures to bring NFIP insured structures into compliance

- ICC Eligible structures:
  - NFIP insured and in an SFHA
  - Are noncompliant with floodplain ordinance at time of loss
  - Are substantially flood damaged
  - Have suffered repeat flood losses and community ordinance requires compliance
Increased Cost of Compliance (ICC)

- ICC Mitigation Measures:
  - Floodproofing (non-residential only)
  - Relocation
  - Elevation
  - Demolition
  - Combination
When does an NFIP Policy become Effective?

- 30 - Day Waiting Period
- Exceptions
When does an NFIP policy become effective?

- There is a 30 day waiting period before new or modified flood insurance policies go into effect.

- Exceptions are provided for:
  - Insurance in connection with a loan transaction. (MIRE)
  - Insurance purchased within 13 months of a map revision (1-day wait)
  - Wildfire Exception

For detailed information, please see the General Rules section of the Flood Insurance Manual.
B. We do not insure a loss directly or indirectly caused by a flood that is already in progress at the time and date:

1. The policy term begins; or

2. Coverage is added at your request.
Topics include:

- Lowest Floor Determination
- Use of Elevation Certificate
- Specific Building Drawings
- Floodplain Management

- Lowest Floor not the same as Lowest Floor for Rating
- Different measurements for BFE/LFE
LFE/BFE Considerations

- Enclosure/crawlspace
- Attached garage
- Basement
- Hanging enclosures
- Rounding
- Loss of CRS discount
What is meant by Elevation?

Lowest Floor Elevation

Elevation Difference
Elevation difference refers to the height of a structure relative to BFE.

- A structure above BFE is less likely to experience flood damage.

Less Risk = Lower Premiums
What is a Base Flood Elevation?

- Anticipated floodwater rise
- Regulatory requirement for elevation or floodproofing
What is a Base Flood Elevation?

- Base flood is a flood that has a 1% chance of being equaled or exceeded.
- BFE is the expected height of that 1% chance of flood
Lowest Flood Elevation
For non-elevated buildings:
- Top of slab
- Floor of basement

For elevated buildings:
- AE Zone - top of elevated floor
  - If enclosure meets non-elevation design requirements
  - Parking, Storage, Access
Enclosure Implications

- Encouragement of non-compliance
- Increased flood insurance costs
- Increased disaster assistance
- Increased flood claims
- Conflicts between floodplain management officials and flood insurance policyholders
- Increased debris
Why are Elevation Certificates used?

See building diagrams in the NFIP Flood Insurance Manual or the EC instructions.
How are Elevation Certificates used?

An Elevation Certificate:
- Determines Policy Rates and Premium
- Certifies Building Elevation
- Documents Community Compliance
- Supports Map Revisions and Amendments
Who Completes an Elevation Certificate?

- A surveyor, engineer, or architect must certify the building elevation
- Insurance agents use this information for rating
Where to find an Elevation Certificate?

Where to locate an Elevation Certificate for a building:

- Ask the Local Floodplain Manager
- Ask the Sellers
- Ask Developer/Builder
- Check the Property Deed
- Hire a Licensed Land Surveyor, Professional Engineer Or Certified Architect
Use of Elevation Certificates

- **Pre-FIRM Construction (SFHAs)**
  - Not Required: Pre-FIRM subsidized rating
  - Required: Full-risk rating approach

- **Non-SFHA zones (B, C, D, and X)**
  - Elevation certificates not required

- **Post-FIRM Construction (SFHAs)**
  - Elevation Certificates ARE REQUIRED!
Community Rating System (CRS)

- CRS discounts the flood insurance premium rates of communities that exceed the minimum NFIP requirements
- The three goals of the CRS are to:
  - Reduce flood losses
  - Facilitate accurate insurance rating
  - Promote the awareness of flood insurance
- Communities must be in full compliance with the NFIP and be in the Regular phase of the program
CRS Classifications

- CRS premium class discounts in 5% increments
- A Class 1 community premium discount 45%; Class 9 premium discount 5%
- CRS classes are based on creditable activities, organized under four categories:
  - Public Information
  - Mapping and Regulations
  - Flood Damage Reduction
  - Flood Preparedness
Elevation Certificate

- Must be completed by a licensed surveyor, professional engineer or architect
- Some can be done by a local official or even the homeowner (AO and A (w/o BFE).
- New EC form just released 1-2016
- Must include two photos from two sides of the home
- BFE: Base Flood Elevation
- If LAG is at or above the BFE, can apply for a LOMA except for unnumbered A zones
Rating Topics

- **Elevation Rounding Rule:** the difference between the LFE and the BFE are rounded up or down to the nearest whole foot

- **Contents Location:** For rating purposes, contents in single-family dwelling are considered to be located throughout entire building

- **Floodproofed Buildings:** To qualify for floodproofing credit, buildings in AE, A1-A30, AH, and AO Zones must be floodproofed to at least 1 foot higher than their BFEs
<table>
<thead>
<tr>
<th>Floodproofing Height</th>
<th>Flood Insurance Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 feet above BFE</td>
<td>+1 above BFE</td>
</tr>
<tr>
<td>1 foot above BFE</td>
<td>At BFE rating</td>
</tr>
<tr>
<td>To BFE</td>
<td>Elevation difference based on Lowest Floor Elevation and BFE</td>
</tr>
</tbody>
</table>
Other Rating Situations

- Tentative Rates
- Provisional Rates
- Submit-for-Rate
- Building in More Than One Flood Zone
  - Highest Risk Zone
- Grandfathering
- PRP & Newly Mapped
Grandfather Rules

Continuous Coverage vs. Built-in Compliance

- Lock into the previous flood zone or base flood elevation
If policy was obtained prior to the effective date of the map change:

- Rates can be based on prior zone/BFE
- Continuous coverage must be maintained
Built-in Compliance

If building was built in compliance with FIRM in effect at time of construction:

• Use old map’s zone or BFE
• Submit proof to carrier
• Continuous coverage not required
Flood Insurance 101

Grandfather Rules

Built-in Compliance

- Locate Historic Flood Maps

[Image of the FEMA Flood Map Service Center website]

Visit [Search All Products](https://msc.fema.gov/portal/) to search for products for your community.

https://msc.fema.gov/portal/
Map Changes

FEMA

The 'FLOOD' WILL NEVER HAPPEN! NOAH HAS BEEN WARNING US OF THIS 'JUDGEMENT FROM GOD' FOR DECADES NOW...

One message you never want to receive from God is, 'I told you so'!
Map Change Scenarios

1. Newly mapped into a high risk area
2. Removed from the high risk area
3. Change in type of high risk area
4. Change in BFE
5. No change
1. Newly Mapped into a High-Risk Area

- Flood zone D, B, C, X to A or V
- Increased flood risk
- Mandatory purchase applies
- Newly Mapped Procedure
2. Change in Type of High-Risk Area

- Flood zone AE to VE

- Changed risk

- Mandatory purchase applies

- Grandfathering
  - Continuous Coverage
  - Built in Compliance
3. Change in Base Flood Elevation

- Flood zone remains the same
- Increased/decreased flood risk
- Mandatory purchase applies
- Grandfathering
  - Continuous Coverage
  - Built In Compliance

AE (or VE)

3 feet

5 feet
4. Removed from the High-Risk Area

- Flood zone A or V to B, C, X
- Low risk does not mean no risk
- Flood insurance optional, but recommended
- Convert to the Preferred Risk Policy
5. No Change

- Flood zone remains the same
- No change in flood risk
- Review Coverage
Newly Mapped Procedure

▪ Buildings *mapped into* a SFHA from non-SHFA like zones B, C, X and D as a result of a recent FEMA flood map change

▪ Also for Buildings in an AR or A99 Zone *mapped into* a different SFHA

▪ Must Meet Specific Loss Eligibility Requirements
• Properties newly mapped into SFHA may be eligible to receive a “preferred risk premium” for the first year after map revision*
• Eligible Properties newly mapped into an SFHA from B, C, X, D, AR and A99 zones
• Premium charged is at a lower cost preferred risk approach
• Same fee structure as a standard rated policy
• Annual premium increase multiplier added
• After the first year, policies will begin transitioning to full-risk rates

*Preferred Risk Policy premium before:
  • Reserve Fund Assessment
  • Federal Policy Fee
  • After first year, policies begin transition to full-risk rates

• Effective April 1, 2015
Newly Mapped into SFHA on or after April 1, 2015

- Eligible for Newly Mapped procedure:
  - If coverage effective within 12 months of map revision

- Not eligible for Newly Mapped procedure:
  - If coverage not effective within 12 months of map change
  - Post-FIRM buildings may qualify for built-in-compliance grandfathering
  - Pre-FIRM buildings may qualify for Pre-FIRM subsidized rates

**NOTE:** All Properties must meet Preferred Risk Policy loss requirements to be eligible for Newly Mapped Procedure.
New Rating Structure for PRP and Newly Mapped

- Policies on Newly Mapped Structures as of April 1, 2016
- Preferred Risk Policies and PRP Eligibility Extension
- Rollovers and Transfers under Newly Mapped Procedure
- Ineligible Properties for Newly Mapped.

**TABLE 6C. NEWLY MAPPED MULTIPLIER FOR POLICIES EFFECTIVE JANUARY 1, 2018 THROUGH DECEMBER 31, 2018**

<table>
<thead>
<tr>
<th>MAP EFFECTIVE DATE</th>
<th>ELIGIBLE TRANSACTION</th>
<th>MULTIPLIER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct 2008-Dec 2014</td>
<td>1. Renewal of a policy written, in its prior term, as a Newly Mapped policy</td>
<td>1.325</td>
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<tr>
<td>Jan 2015-Dec 2015</td>
<td>1. Renewal of a policy written, in its prior term, as a Newly Mapped policy</td>
<td>1.325</td>
</tr>
<tr>
<td>Jan 2016-Dec 2016</td>
<td>1. Renewal of a policy written, in its prior term, as a Newly Mapped policy</td>
<td>1.150</td>
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<tr>
<td>Jan 2017-Dec 2017</td>
<td>1. New business if policy effective date is within 12 months of map effective date 2. Renewal of a policy written, in its prior term, as a PRP 3. Renewal of a policy written, in its prior term, as a Newly Mapped policy</td>
<td>1.000</td>
</tr>
<tr>
<td>Jan 2018-Dec 2018</td>
<td>1. New business if policy effective date is within 12 months of map effective date 2. Renewal of a policy written, in its prior term, as a PRP</td>
<td>1.000</td>
</tr>
</tbody>
</table>
What are examples of accessory buildings?
Accessory Buildings

- Insurance implications:
  - Risk-rated accessory buildings
  - Insured separately for coverage to apply
  - Exception: Detached garages
The following data must be submitted for risks requiring an in-depth underwriting analysis:

- Completed application
- Photos
- EC
- Copy of variance
- Square footage of enclosure(s)
- List of machinery and equipment/value
- Applicant’s statement of year built (enclosure)

- Masonry walls – signed letter from community official
- List of machinery and equipment in basement and value
- Signed elevation determination form
- V zone certificate
Cancellation/Nullification

- Flood insurance policy may be cancelled/ nullified for limited list of valid reasons, **but**
- Maintenance of flood insurance is important
- Verify required documentation
Insurance Benefits of Higher Standards

- Higher standards win CRS points
- CRS points result in lower flood insurance premiums for the entire community
- Individuals can lower rates by incorporating higher standards when building or remodeling
- Community can lower flood insurance rates by incorporating higher standards in new development in their floodplain management ordinance
What’s the best rate?

- **OPTION 1** Buy Insurance **BEFORE** map changes
- **OPTION 2** Use **OLD** zone or BFE at time of construction
- **OPTION 3** Use **NEW** Zone or/BFE

**REMEMBER** that Zone X may not be the best rate!
## Insurance Progression

<table>
<thead>
<tr>
<th>MAP EFFECTIVE DATE</th>
<th>ELIGIBLE TRANSACTION</th>
<th>MULTIPLIER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 2015 – Dec 2015</td>
<td>1. Renewal of a policy written, in its prior term, as a Newly Mapped Policy</td>
<td>1.550</td>
</tr>
<tr>
<td>Jan 2016 – Dec 2016</td>
<td>1. Renewal of a policy written, in its prior term, as a Newly Mapped Policy</td>
<td>1.350</td>
</tr>
<tr>
<td>Jan 2017 – Dec 2017</td>
<td>1. Renewal of a policy written, in its prior term, as a Newly Mapped Policy</td>
<td>1.170</td>
</tr>
<tr>
<td>Jan 2018 – Dec 2018</td>
<td>1. Renewal of a policy written, in its prior term, as a Newly Mapped Policy</td>
<td>1.100</td>
</tr>
<tr>
<td>Jan 2019 – Dec 2019</td>
<td>1. New business if policy effective date is within 12 months of map effective date</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>2. Renewal of a policy written, in its prior term, as a Newly Mapped Policy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Renewal of a policy written, in its prior term, as a PRP</td>
<td></td>
</tr>
<tr>
<td>Jan 2020 – Dec 2020</td>
<td>1. New business, if policy effective date is within 12 months of map effective date</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>2. Renewal of a policy written, in its prior term, as a PRP</td>
<td></td>
</tr>
</tbody>
</table>

- **Pre-Map Change**: B, C, to SFHA PRP
- **Mapped into A Zone**: $540
- **1-2 years at PRP then Newly Mapped**: $590
- **Grandfathered Standard X Zone Target**: $2,512
Discounts, Fees and Surcharges

- Higher Deductibles
- Increased Cost of Compliance
- Risk Assessment Fund (18%)
- HFIAA Surcharge
  - Single Family and Primary Residence-$25
  - All other-$250
SFIP Claims

– Statutory limit of coverage is:
  • $250,000 for residential buildings; $100,000 contents
  • $500,000 for other residential; $100,000 contents
  • $500,000 for nonresidential buildings; $500,000 contents
  • Total claim, including ICC, cannot exceed statutory limit

– The claim procedure is:
  • Report any flood loss to insurance agent/company
  • File a “proof of loss” within 60 days of date of loss
  • A claims adjuster will be assigned to adjust loss
Key Takeaways - Mitigation

- Understand the Risk
- Buy Down the Risk
- Build Safer, Stronger & Smarter
- Collaborate & Communicate
Tools and Resources
Flood Insurance Rate Map (FIRM)

SFHAs appear as dark shading on a Flood Insurance Rate Map (FIRM)
Digital Flood Insurance Rate Map (DFIRM)
Accessing FIRM Maps

- Map Service Center is the source for map information
  - [http://msc.fema.gov/portal](http://msc.fema.gov/portal)
- Tutorial on how to use the website is available under MSC Products and Tools
- How To...

FEMA Flood Map Service Center: Welcome!

Looking for a Flood Map? 📈

Enter an address, a place, or longitude/latitude coordinates:

Looking for more than just a current flood map?
Visit [Search All Products](#) to access the full range of flood risk products for your community.

About Flood Map Service Center

The FEMA Flood Map Service Center (MSC) is the official public source for flood hazard information produced in support of the National Flood Insurance Program (NFIP). Use the MSC to find your official flood map, access a range of other flood hazard products, and take advantage of tools for better understanding flood risk.

FEMA flood maps are continually updated through a variety of processes. Effective information that you download or print from this site may change or become superseded by new maps over time. For additional information, please see the [Flood Hazard Mapping Updates Overview Fact Sheet](#).
Training

- FEMA/NFIP classroom seminars
- You can find additional training via online classes through the FEMA Emergency Management Institute (EMI) Independent Study Program
- Sign up at: https://service.govdelivery.com/accounts/USDHSFEMA/subscriber/new?topic_id=USDHSFEMA_212
- You must obtain a student ID at: https://cdp.dhs.gov/femasid
- 14 courses available with several videos
- Listings available at:
  - FloodSmart.gov
  - http://content.govdelivery.com/accounts/USDHSFEMA/bulletins/114f3a5
  - Regional Webinars
FREE Online CE Training:

FEMA Registration Assistance:

301-447-1200
email: Independent.Study@fema.dhs.gov

<table>
<thead>
<tr>
<th>Course Code</th>
<th>Course Title</th>
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<tbody>
<tr>
<td>IS-1100</td>
<td>Increased Cost of Compliance</td>
</tr>
<tr>
<td>IS-1101</td>
<td>Basic Agent Tutorial</td>
</tr>
<tr>
<td>IS-1102</td>
<td>Theory of Elevation Rating</td>
</tr>
<tr>
<td>IS-1103</td>
<td>Elevation Certificate for Surveyors</td>
</tr>
<tr>
<td>IS-1104</td>
<td>NFIP Claims Review for Adjusters</td>
</tr>
<tr>
<td>IS-1105</td>
<td>EC Made Easy: Elevation Certificate Overview</td>
</tr>
<tr>
<td>IS-1106</td>
<td>FEMA Mapping Changes</td>
</tr>
<tr>
<td>IS-1107</td>
<td>Adjuster Customer Service</td>
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<tr>
<td>IS-1108</td>
<td>Insuring Condominiums</td>
</tr>
<tr>
<td>IS-1109</td>
<td>Understanding Basement Coverage</td>
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<tr>
<td>IS-1110</td>
<td>Writing Commercial Exposures</td>
</tr>
<tr>
<td>IS-1111</td>
<td>Introduction to Commercial Claims</td>
</tr>
<tr>
<td>IS-1112</td>
<td>Introduction to Flood Claims</td>
</tr>
<tr>
<td>IS-1113</td>
<td>Coastal Barrier Resources Act</td>
</tr>
</tbody>
</table>
Resources

- FloodSmart for Consumers - www.FloodSmart.gov
Life is not waterproof
 Contacts

Diana Herrera
303-235-4988
Diana.Herrera@fema.dhs.gov

Erin May
Regional Manager
Cell: 571-422-7630
erin.may@associates.fema.dhs.gov
THE COST OF FLOOD INSURANCE IS A DROP IN THE BUCKET COMPARED TO THE COST OF FLOOD DAMAGE.

$700/YEAR AVERAGE FLOOD INSURANCE POLICY | $39,000 AVERAGE FLOOD INSURANCE CLAIM

FEMA