


Impact of the National Flood Insurance

Mapping Program

Where does your flood coverage begin?

simply flood

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Flood Insurance Rate Maps

Uses:

- Risk Assessment/Identification
- Flood insurance Rating

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Where are we?

- Preliminary Map Release
- 90-day Appeal & Comment Period
- Letter of Final Determination
- Effective Maps

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Impacts of Mapping Changes on Rating Options



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Getting the Message

"In many instances, insurance agents did not correctly apply the NFIP grandfathering procedure, newly mapped procedure, or Preferred Risk Policy (PRP) eligibility."
- Office of the Flood Insurance Advocate (2016 Annual Report)

- PRP and map changes
- Newly Mapped vs. Grandfathering
- Rating Options – which one is the best?





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Rating Options

Grandfathering

Allows a property owner to:

- “Lock” in a previous Flood Zone
- “Lock” in a previous Base Flood Elevation



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Rating Options

Grandfathering – Continuous Coverage

- For policy in effect prior to map change date, maintain prior zone and BFE
- Coverage must be continuous



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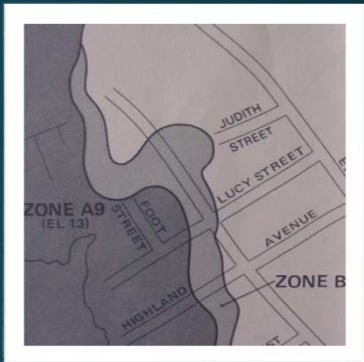
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7

7

Rating Options

Grandfathering – Built in Compliance



- If building was constructed in **compliance** with a specific FIRM, use that map's zone and BFE
- Continuous coverage not required
- Submit proof to carrier

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8

8

Newly Mapped




1 Year Preferred Risk Policy premium

The multipliers are tied to the date the property was newly mapped into the SFHA and the date of the renewal

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Newly Mapped Multipliers



1 Year Preferred Risk Policy premium

PRP + X



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Examples

PRP Before Map Effective Jan 2016–Dec 2016	Within 12 months After Map Effective
• Year 1 = PRP = \$386*	• Year 1 = PRP \$386 x 1.000
• Year 2 = PRP \$386 x 1.000 = \$386	• Year 2 = \$386 x 1.150 = \$444
• Year 3 = \$386 x 1.150 = \$444	• Year 3 = \$386 x 1.325 = \$511
• Year 4 = \$386 x 1.325 = \$511	

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*SF \$250K/\$100K Bldg Does not include policy fees

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Map Messaging



Newly Mapped into SFHA

- “The area your building is in has been newly identified as a high-risk area for flooding.”
- “Most lenders require flood insurance in these areas.”
- “Even without a mortgage, you should still purchase flood insurance. You are more likely to experience a flood than a fire.”
- “Purchase and have a PRP in effect before the new maps become effective to maximize your savings and reduce your financial risk now.”
- “The NFIP offers options to help you save on flood insurance. Let’s explore all your options.”

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What Is Covered by Flood Insurance—and What Is Not

Physical damage to your building or personal property “directly” caused by a flood is covered by your flood insurance policy. For example, damages caused by a sewer backup are covered if the backup is a direct result of flooding. If the backup is caused by some other problem, the damages are not covered.

The following charts provide general guidance on items covered and not covered by flood insurance. Refer to your policy for the complete list. (For information on flood insurance coverage limitations in areas below the lowest elevated floor and in basements, see page 3 of this document.)

General Guidance on Flood Insurance Coverage

What is insured under BUILDING PROPERTY coverage:

- The insured building and its foundation.
- The electrical and plumbing systems.
- Central air-conditioning equipment, furnaces, and water heaters.
- Refrigerators, cooking stoves, and built-in appliances such as dishwashers.
- Permanently installed carpeting over an unfinished floor.
- Permanently installed paneling, wallboard, bookcases, and cabinets.
- Window blinds.
- A detached garage (up to 10 percent of Building Property coverage); detached buildings (other than detached garages) require a separate Building Property policy.

What is insured under PERSONAL PROPERTY coverage:

- Debris removal.
- Personal belongings such as clothing, furniture, and electronic equipment.
- Curtains.
- Portable and window air conditioners.
- Portable microwave ovens and portable dishwashers.
- Carpets not included in building coverage (see above).
- Clothes washers and dryers.
- Food freezers and the food in them.
- Certain valuable items such as original artwork and furs (up to \$2,500).

What is NOT insured under either Building Property or Personal Property coverage:

- Damage caused by moisture, mildew, or mold that could have been avoided by the property owner.
- Currency, precious metals, and valuable papers such as stock certificates.
- Property and belongings outside of a building such as trees, plants, wells, septic systems, walks, decks, patios, fences, seawalls, hot tubs, and swimming pools.
- Living expenses such as temporary housing.
- Financial losses caused by business interruption or loss of use of insured property.
- Most self-propelled vehicles such as cars, including their parts (see Section IV.5 in your policy).

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6/13/2017 20

TIPS

- Take photos of everything before and after
- Save 2x2 ft squares of carpet/flooring
- Dry everything out
- Save receipts

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What is Covered? GENERAL GUIDANCE

General Guidance on Flood Insurance Coverage Limitations in Areas Below the Lowest Elevated Floor and in Basements

Flood insurance coverage is limited in areas below the lowest elevated floor (including crawlspaces) depending on the flood zone and date of construction (refer to Part III, Section A.8 in your policy) and in basements regardless of zone, or date of construction. As illustrated below, these areas include 1) basements, 2) crawlspaces under an elevated building, 3) enclosed areas beneath buildings elevated on full-story foundation walls that are sometimes referred to as “walkout basements,” and 4) enclosed areas under other types of elevated buildings.

What is insured under BUILDING PROPERTY coverage:

- Foundation walls, anchorage systems, and staircases attached to the building.
- Central air conditioners.
- Cisterns and the water in them.
- Drywall for walls and ceilings (in basements only).
- Non-flammable insulation (in basements only).
- Electrical outlets, switches, and circuit-breaker boxes.
- Fuel tanks and the fuel in them, solar energy equipment, and well water tanks and pumps.

What is insured under PERSONAL PROPERTY coverage:

- Furnaces, water heaters, heat pumps, and sump pumps.
- Washers and dryers.
- Food freezers and the food in them (but not refrigerators).
- Portable and window air conditioners.

What is NOT insured under either Building Property or Personal Property coverage:

- Paneling, bookcases, and window treatments such as curtains and blinds.
- Carpeting, area carpets, and other floor coverings such as tile.
- Drywall for walls and ceilings (below the lowest elevated floor).
- Walls and ceilings not made of drywall.
- In certain cases staircases and elevators.
- Most personal property such as clothing, electronic equipment, kitchen supplies, and furniture.

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6/13/2017 21

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8

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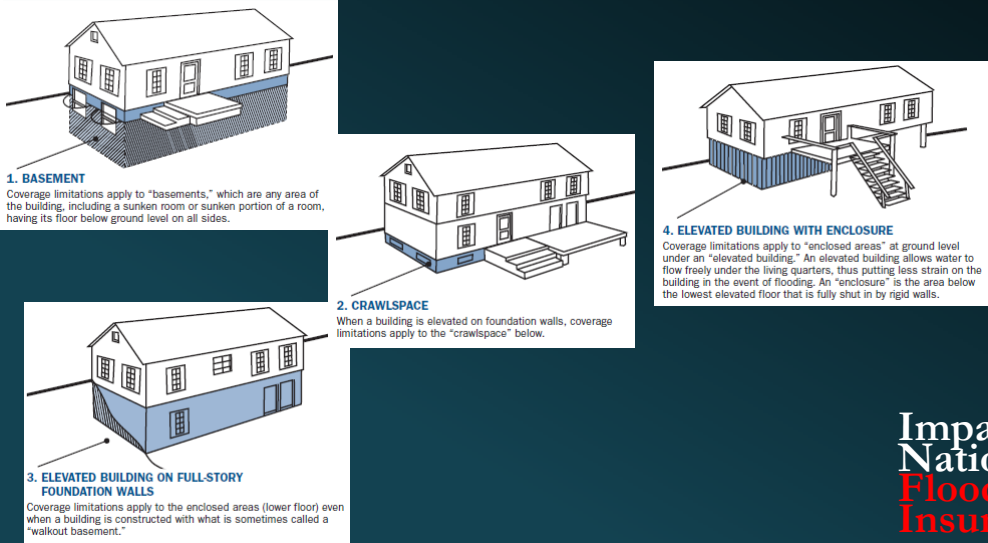


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Enclosures/Basements and Limitations



1. BASEMENT
Coverage limitations apply to "basements," which are any area of the building, including a sunken room or sunken portion of a room, having its floor below ground level on all sides.

2. CRAWLSPACE
When a building is elevated on foundation walls, coverage limitations apply to the "crawl space" below.

3. ELEVATED BUILDING ON FULL-STORY FOUNDATION WALLS
Coverage limitations apply to the enclosed areas (lower floor) even when a building is constructed with what is sometimes called a "walkout basement."

4. ELEVATED BUILDING WITH ENCLOSURE
Coverage limitations apply to "enclosed areas" at ground level under an "elevated building." An elevated building allows water to flow freely under the living quarters, thus putting less strain on the building in the event of flooding. An "enclosure" is the area below the lowest elevated floor that is fully shut in by rigid walls.

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6/13/2017 23

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- ✓ Know the Flood Zone
- ✓ Buy the insurance
 - ✓ Flood & Wind and Hail
 - ✓ Homeowner's
- ✓ Plan ahead to move items from lower levels
- ✓ Have an evacuation Plan
- ✓ Communicate with Family & Friends



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