



FEMA



Levee Information for Insurance Professionals

Levee Systems: Risk Reduction, Not Risk Elimination

The United States has thousands of miles of levee systems, usually earthen embankments, designed and constructed in accordance with sound engineering practices to provide protection from temporary flooding along rivers, lakes, and coastlines. Many levee systems were first built to protect agricultural areas from frequent flooding, some were built almost 150 years ago. Other levees were designed to protect urban areas and were typically built to higher standards. However, whether built for agricultural or urban areas, no levee system provides full protection from flood events.

All levee systems are designed and constructed to provide a specific level of flood protection, but they can be overtopped during larger flood events, with sometimes catastrophic results that often can be more significant than if the levee had not been built.

For these reasons, insurance professionals must understand the flood risks associated with levee systems when recommending the appropriate insurance protection for their clients.

Flood Hazard Maps Identify Risks

Flood risks are identified on Flood Insurance Rate Maps (FIRMs). FIRMs display high-risk areas as Special Flood Hazard Areas (SFHAs). Flood insurance is required in SFHAs as a condition of any mortgage that is federally backed, regulated, or insured. FIRMs also show low-to-moderate-risk areas, where flood insurance is optional, but encouraged. Floodproofing and other mitigation measures are also recommended.

Levee Systems and Risk MAP

The Federal Emergency Management Agency (FEMA) updates FIRMs to reflect current flood risk data. As part of the process, FEMA collects data and documentation from community officials and levee system owners to determine whether levee systems meet National Flood Insurance Program (NFIP) requirements for providing 1-percent-annual-chance flood protection. Eligible levee system owners are allowed up to 24 months to submit the required data and documentation, during which the levee system is shown on the FIRM as provisionally accredited and the impacted area is shown as having a moderate flood risk. If a levee system cannot show it meets NFIP criteria within 24 months, the levee-impacted area will be shown as an SFHA and flood insurance requirements will apply.

Levee Systems—an Insurance Professional's Role

Your customers rely on you to keep their homes and businesses protected financially. If your customer's property is shown as being in a high-risk SFHA on a new or updated flood map make sure he or she understands the flood risk and the need for flood insurance protection.

Areas impacted by levee systems that no longer meet NFIP regulations are designated as high-risk SFHAs and flood insurance is required in these areas once the map becomes effective.

FEMA does not build, maintain, or certify levee systems. While FEMA is not responsible for levee systems or their maintenance it is granted the authority through the NFIP to recognize levee systems as "accredited." Accredited levees are shown on FIRMs as providing protection from the base (1-percent-annual-chance) flood, where flood insurance purchase requirements apply.

For more detailed information about levee systems and the flood insurance risk zones shown on FIRMs, please visit the FEMA Web site at

www.fema.gov/plan/prevent/fhm.

The gateway to the levee system information provided by FEMA can be found by visiting www.fema.gov/plan/prevent/fhm/lv_intro.shtm.

More information and marketing tools for agents are available online at <https://agents.floodsmart.gov/mageagent/pages/agent/index.jsp>

RiskMAP
Increasing Resilience Together

Protecting Every Property – The Insurance Professional’s Role

When a FIRM shows a property located in an SFHA, lenders are responsible for notifying affected clients of the flood insurance requirement. Flood insurance is strongly encouraged for property owners in *all levee-impacted areas*. It is important to remind customers impacted by accredited or provisionally accredited levee systems that their risk is reduced, not removed, and that Preferred Risk Policies, where applicable, can start as low as \$150 or less per year.

The following steps can help customers reduce the impact of flood events:

- **Understand the risk.** Local officials can provide more information about the flood risk for the property.
- **Plan for evacuation.** Plan and practice a flood evacuation route and ask someone out of state to be your emergency contact.
- **Consider purchasing flood insurance.** Flood insurance can protect a home or business financially and is available regardless of the accreditation status of the levee system.

The chart below shows how FEMA designates risks on FIRMs as well as the requirements and options for flood insurance in levee-impacted areas.

IF THE LEVEE SYSTEM...	THE NFIP FLOOD MAP SHOWS THIS FLOOD RISK AS...	AND THESE FLOOD INSURANCE REQUIREMENTS AND OPTIONS APPLY
Is not currently shown as providing protection from the 1-percent-annual-chance flood. (Not Accredited)	High flood risk with levee-impacted areas shown as being in an SFHA (labeled as Zones A, AE, AH, AO, AR, or A99) on the map.	Flood insurance is required in high-risk areas as a condition of any mortgage that is federally backed, regulated, or insured. Your customers should be aware that insurance rates may rise to reflect higher flood risk in these areas.
Provides protection from the 1-percent-annual-chance flood. (Accredited)	Moderate flood risk with levee-impacted areas shown as being in Zones B, C, X, or X (shaded) on the map.	The mandatory flood insurance purchase requirements of the NFIP do not apply in Zones B, C, X, or X (shaded), but flood insurance is strongly recommended. Lower-cost Preferred Risk Policies (PRPs) are available for most buildings in Zones B, C, X, or X (shaded).
No longer meets the minimum standards to be shown as providing protection from the 1-percent-annual-chance flood. (De-Accredited)	High flood risk with levee-impacted areas shown as being in an SFHA (labeled as Zones A, AE, AH, AO) on the map.	Flood insurance is required in high-risk areas as a condition of any mortgage that is federally backed, regulated, or insured. Grandfathering can save your customers money. Buildings covered by flood insurance before the effective date of new maps can be grandfathered in at the current flood insurance risk zone designation as long as there is no lapse in coverage. Note: This coverage can be transferred.
Is temporarily shown as providing protection from the 1-percent-annual-chance flood while additional data and documentation are gathered. (Provisionally Accredited)	Moderate flood risk with levee-impacted areas being shown as being behind a Provisionally Accredited Levee, or PAL (shown as a Zone X (shaded) on the map pending accreditation of the levee system).	The NFIP mandatory flood insurance purchase requirements do not apply in Zones B, C, X, or X (shaded), but flood insurance is strongly recommended. Lower-cost PRPs are available for most buildings in Zones B, C, X, or X (shaded).