INSURANCE PROFESSIONAL FACT SHEET – rISK iDENTIFICATION AND REGULATORY uPDATE pHASES

[Red] text indicates sections you can customize to fit your area and mapping project. You may also change or delete other sections to make them more locally relevant.

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FLOOD RISKS ARE CHANGING –  
WHAT INSURANCE PROFESSIONALS NEED TO KNOW

Important changes to the [Community Name] flood hazard maps are underway. As floodplain boundaries change, clients will likely turn to their insurance agents to help make decisions about insuring their properties and other assets. The changes may affect agents as well; therefore, it is essential to stay informed.

[Community Name] Flood Maps Are Changing

In [month, year], [community name] and FEMA will release new *preliminary* flood hazard maps, known as Flood Insurance Rate Maps (FIRMs), [for specific watersheds/all of County Name]. The new FIRMs will show which areas of the [community/county] now have a high risk of flooding.

The remapping is part of FEMA’s nationwide flood Risk Mapping, Assessment, and Planning (Risk MAP) effort. The flood hazard and risk information on the previous maps needed to be updated. Detailed studies of some areas were more than [years] old. Since then, drainage patterns have changed and land has been developed. Also, the mapping and modeling technology has improved significantly.

Know the Effects and the Flood Insurance Options

The FIRMs may not become effective for another [number] months or more. However, insurance professionals need to understand the effects these map changes may have on flood insurance requirements and what options are available for their clients. Properties may be newly identified to be at high risk, have changes in their Base Flood Elevations (BFEs)[[1]](#footnote-2), be newly identified to be at moderate or low risk, or remain in the same zone. Insurance professionals need to properly educate property owners about these changes, how they affect the flood insurance requirements, and the insurance options available.

NFIP RATING OPTION Could Save Clients Money

If a building is newly identified to be in a high-risk zone (noted on the flood maps with a letter beginning with A or V) and there is a federally backed mortgage on the property, flood insurance will be required. The National Flood Insurance Program (NFIP) has a lower-cost flood insurance rating option to help reduce the financial impact. Buildings newly identified to be in a high-risk area may be eligible for a first-year discount if a policy is purchased within the first 12 months after the flood maps become effective. Premiums will then increase by no more than 18% a year until they reach their full-risk rate. This is known as the Newly Mapped Discount.

Property owners are encouraged to purchase flood insurance before the new flood maps become effective, even if there is no lender requirement. This helps to ensure the building is financially protected.

NFIP flood insurance rating does not use flood zones or BFEs as rating variables. Consequently, properties with a change in BFE or a change from Zone A to Zone V will not see a change in premium due to a new flood map becoming effective. However, they still are at a high risk of flooding and are strongly encouraged to carry flood insurance.

Likewise, because NFIP rating does not use flood zones as a rating variable, there will be no change in premium due to a map change when a property goes from a high-risk area (e.g., Zone A or Zone V) to a moderate-low risk area (Zone X). When that change does occur, property owners with mortgages are no longer federally required to carry flood insurance. However, flood insurance is recommended. The risk of flooding has only been reduced, not removed. About 40% of all flood claims occur in areas of moderate to low flood risk. Note that mortgage lenders may still require flood insurance.

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| **If Flood Maps Show…** | **These Requirements, Options and Savings Apply** |
| **Change from moderate or low flood risk to high risk (flood Zone B, C, or X to Zone A, AE, AH, AO[, V or VE])** | **Flood insurance is mandatory.** Flood insurance will be federally required for most mortgage holders. Insurance costs may rise to reflect the true (high) risk.  **Rating Options can offer savings**. The NFIP provides savings by providing a Newly Mapped discount if a policy is in place within 12 months after a new flood map becomes effective. Premiums will then increase no more than 18% each year. |
| **[Change from high-risk Zone A or AE to higher-risk Zone V or VE; increase in BFE]** | [Flood zones and BFEs are not used in rating an NFIP policy; this means there would be no change in premium when the map changes.] |
| **Change from high flood risk to moderate or low risk (e.g., flood Zone [V, VE,] A, AE, AH, AO, to Zone X or shaded X)** | **Flood insurance is optional but recommended. The risk has only been reduced, not removed.** While there may be no change in premium because flood zones are not used in rating, maintaining flood insurance should be strongly encouraged. About 40% of all flood insurance claims and 1/3 of flood disaster claims come from moderate-to low-risk areas.  Note that lenders always have the option to require flood insurance in these areas. |
| **No change in risk level** | **No change in insurance rates. However, this is a good time to review coverage and ensure buildings and contents are adequately insured.** |

STAY INFORMED

Knowing when and where map changes are occurring allows insurance professionals to properly educate clients about flood insurance options available. Prepare by staying in contact with local officials and periodically visiting the [community or county name website at web link or if no website then [www.fema.gov/about/organization/region-6](http://www.fema.gov/about/organization/region-6)]. When released, the preliminary maps can be viewed at [community or county name website at web link or if no website then [MSC.FEMA.gov](https://msc.fema.gov/)]. [The maps will also be available for viewing at (put building location and times it is open). Questions can be directed to the (identify where) by calling (phone number) during business hours (days and times)].

For specific information about flood insurance rating, visit:   
[www.fema.gov/flood-insurance/work-with-nfip/manuals](http://www.fema.gov/flood-insurance/work-with-nfip/manuals).   
To learn more about FEMA’s Region 6 mapping program, visit: [www.fema.gov/about/organization/region-6](http://www.fema.gov/about/organization/region-6).

MAPPING MILESTONES

[DATE] — Preliminary flood maps released  
[DATE] — Open House held; public review  
[DATE] — Start of [90-day] Public Comment Period (for filing of appeals and comments)  
[Target Date, Month or Season – e.g., fall 2024]\*   
— New flood maps take effect; new flood insurance requirements also take effect

Visit**:**[www.fema.gov/about/organization/region-6](http://www.fema.gov/about/organization/region-6) to learn more about the mapping process and where and when meetings may be held.

**For General Information Call**The [name of local call center or contact number] at [phone #].  
Open [enter hours of operation].

\* Date subject to change pending completion of review process

1. The Base Flood Elevation (BFE) is the level, in feet above sea level, that flood waters have a 1%-annual chance of reaching or exceeding in any given year. [↑](#footnote-ref-2)