

## Is my home or business in a FEMA regulated floodplain?

As a homeowner or business owner it is important for you to know whether your property is within a regulated floodplain. To determine if you are in the floodplain you can visit The Federal Emergency Management Agency's (FEMA) flood map website. This website provides Flood Insurance Rate Maps (FIRMs) for all National Flood Insurance Program (NFIP) communities throughout the Country. See the back panel of this brochure for more information on where to find floodplain mapping information.

## Has Something Changed?

FEMA is currently updating and modernizing the nation's flood maps. Communities also regularly perform new studies or construct projects which may change the floodplain. These changes to the floodplain drive changes in flood insurance requirements.

### ***I was just told I am no longer in the floodplain, can I stop carrying flood insurance?***

Owners of properties that have had continuous flood insurance coverage that move from a high-risk zone to a low- or moderate-risk zone may be eligible for reduced insurance rates by converting to a Preferred Risk Policy (PRP). A PRP covers both a structure and its contents, and offers substantial savings. A PRP can be obtained for as little as \$112 a year. **Considering that many flood claims each year come from outside the high-risk area, a property owner who has recently been placed in a low- or moderate-risk zone should carefully consider continuing coverage under the NFIP.**

### ***I was just told I am now in the floodplain (high-risk zone), what do I do?***

Existing policyholders may be able to use the rate charged for the lower-risk zone through a process known as grandfathering. The NFIP's grandfathering provision offers savings for structures that were built before a flood map was issued by FEMA, or that were built in compliance with the flood map in effect at the time of construction even if you don't currently carry a flood insurance policy. **The simplest way to grandfather is to purchase a flood insurance policy before the new map takes effect and maintain coverage without a lapse.**

If a structure was built in compliance with the requirements in place at the time of construction, the flood zone and Base Flood Elevation (BFE) that was in effect can be used for rating purposes, if either is affected due to a map change. Sometimes using the new zone can provide a better rate than using the older one, so property owners should always ask their agent to look at both options.

The chart below provides details on specific map situations, and how the grandfathering rule can apply.

### ***But I don't think the new floodplain map accurately represents where the floodplain is on my property.***

If you believe that you have incorrectly been included in a high-risk zone on the flood map, FEMA has established procedures for property owners to have the mapping re-evaluated. Property owners interested in having FEMA examine the high-risk zone designation for their property can submit technical data and supporting documentation to FEMA in support of a map change referred to as a map amendment. If the documentation supports it, FEMA will issue a formal decision in the form of a Letter of Map Amendment (LOMA), removing the high-risk zone designation from the property. The LOMA will amend the current effective map, thereby removing the federal mandatory flood insurance purchase requirement; however, lenders may still opt to require flood insurance as a condition of any mortgage.

FEMA has a similar process for properties that have been elevated by the placement of earthen fill. The document issued by FEMA for these cases is called a Letter of Map Revision Based on Fill (LOMR-F).

Additional information about map changes, including the current fee schedule for map change requests, is available by calling the FEMA Map Assistance Center, toll free, at 1-877 FEMA MAP (1-877-336-2627) or visiting:

[www.fema.gov/plan/prevent/fhm/fmc\\_main.shtm](http://www.fema.gov/plan/prevent/fhm/fmc_main.shtm)

### **YOU NEED TO KNOW:**

There is usually a 30-day waiting period after applying for coverage and paying the premium before the flood insurance policy becomes effective. Ask your insurance agent if there are any exceptions in your case. A newly purchased flood insurance policy does not cover a flood loss in progress, i.e. before the policy becomes effective.

If the new map shows your structure is in...	...these flood insurance requirements apply...	...and these cost saving options are available.
Zones A, AE, AH, AO	Flood insurance is mandatory for structures with mortgages from a federally regulated lender, and is strongly recommended for all structures.	If the previous flood map shows the structure outside the high-risk zone, it may be eligible to be grandfathered in at the current zone's rate.
Zones X or shaded X	Flood insurance is not required, but is recommended.	If the previous map shows the structure in a high-risk zone, low-cost Preferred Risk Policies (PRP) may be available when a new map becomes effective. Standard insurance rates in this zone are also lower than in high-risk zones.



### **OBTAINING INFORMATION ON FLOOD INSURANCE**

To search for an insurance agent by your zip code, contact the National Flood Insurance Program.

*Via Phone*

**888-4 FLOODS (888-435-6637)**

*Or on the web*

**WWW.FLOODSMART.GOV**

### **OBTAINING FLOOD MAP INFORMATION**

You may view Flood Insurance Rate Maps (FIRMs) for all National Flood Insurance Program (NFIP) communities throughout the Country at the Federal Emergency Management Agency's (FEMA) map service center website:

**[www.msc.fema.gov](http://www.msc.fema.gov)**

You can also access the National Flood Hazard Layer (NFHL) on the same website. The NFHL contains FEMA's flood hazard data, and provides all effective digital flood hazard data in a format that can be applied to applications like Google Earth™. For detailed instructions on using the NFHL, follow the links on the map service center web page.

### **HOW TO REACH SEMSWA**

*On the Web*

Visit SEMSWA online at : [www.semswa.org](http://www.semswa.org)

*Via Phone or Fax*

Phone : 303.858.8844

Fax : 303.649.2149

*Via Email*

[semswa@semswa.org](mailto:semswa@semswa.org)

*Our Office Location*

76 Inverness Drive East, Suite A  
Englewood, CO 80112



## **FLOOD INSURANCE**

### **A POCKET GUIDE FOR PROPERTY OWNERS IN OR ADJACENT TO THE FLOODPLAIN**



## **SEMSWA Education Series**

## What is a Flood?

Flood insurance covers direct physical loss caused by a “flood.” In simple terms, a flood is an excess of water on land that is normally dry. The official definition used by the National Flood Insurance Program (NFIP) is provided below:

A flood is “A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is your property) from:

- Overflow of inland or tidal waters;
- Unusual and rapid accumulation or runoff of surface waters from any source;
- Mudflow\*; or
- Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining cause by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above.”

\*Mudflow is defined as “A river of liquid and flooding mud on the surfaces of normally dry land areas, as when earth is carried by a current of water...”

## What is the NFIP?

The National Flood Insurance Program (NFIP) is administered by the Federal Emergency Management Agency (FEMA), which works closely with nearly 90 private insurance companies to offer flood insurance to property owners and renters.

### YOU NEED TO KNOW:

Your homeowners insurance policy does not cover flood damage. Flood insurance is only offered by the NFIP. Homeowners, business owners, and renters can purchase insurance protection through the NFIP for both their buildings and the contents within the building.

## Isn't there Disaster Assistance?

Following a disaster, such as flooding, the Federal Government chooses to make disaster assistance funds available. However, prior to a community being eligible for disaster assistance, it must be declared a federal disaster area. Federal disaster assistance declarations are issued in less than 50 percent of flooding events. Even if disaster assistance is made available, **such assistance is provided to individuals in the form of a loan rather than a grant.** Furthermore, if you are uninsured and receive federal disaster assistance after a flood, you must purchase flood insurance to remain eligible for future disaster relief.

## Insurance Requirements

Congress mandates federally regulated or insured lenders to require flood insurance on properties that are located in areas at high risk of flooding. However, it is important to note that a lender can require flood insurance, even if it is not federally required. Lenders should notify borrowers, prior to closing, that their property is located in a high-flood-risk area, and that National Flood Insurance is required.

### Residents of High-Risk Zones

Homes and businesses in high-risk flood areas with mortgages from federally regulated or insured lenders are required to have flood insurance. These areas have a 1% or greater chance of flooding in any given year, which is equivalent to a 26% chance of flooding during a 30-year mortgage.

### Residents of Moderate-to-Low Risk Zones

Homes and businesses located in moderate-to-low risk areas that have mortgages from federally regulated or insured lenders are typically not required to have flood insurance. However, flood insurance is highly recommended because many flood claims occur in moderate-to-low risk flood areas (Zone X or shaded Zone X on FIRM map).

## YOU MAY NOT BE COVERED

Many people do not realize that basic homeowners insurance does not include protection from flood damage. Often, homeowner policyholders mistakenly believe that if a flood occurs, standard homeowners insurance would cover the cost to restore or replace structures or belongings. IT DOESN'T.

The standard homeowners policy excludes property damage to structures and personal property from:

- Floods, including, but not limited to, surface water, waves, tidal water or overflow of any body of water, or spray from any of these, whether or not driven by wind.
- Water or any substance that backs up through sewers or drains.
- Water or any substance that overflows from a sump pump, sump pump well or other system designed to remove subsurface water which is drained from the structure's foundation.
- Water or any other substance on or below the surface of the ground, regardless of its source. This includes water or any other substance which exerts pressure on, or flows, seeps, or leads through any part of the residence premises.

## WHAT IS COVERED BY FLOOD INSURANCE (EXCLUDING BASEMENTS & CRAWL SPACES)

### What is insured under **Building Property** coverage

- The insured building and its foundation
- The electrical and plumbing system
- Central air conditioning equipment, furnaces, water heaters, heat pumps, and sump pumps
- Refrigerators, cooking stoves, and built-in appliances such as dishwashers
- Permanently installed carpeting over unfinished flooring
- Permanently installed paneling, wallboard, bookcases, and cabinets
- Window blinds
- Detached garages (up to 10% of Building Property Coverage). Detached buildings (other than garages) require a separate Building Property policy.
- Debris Removal

### What is insured under **Personal Property** coverage

- Personal belongings such as clothing, furniture, and electronic equipment
- Curtains
- Portable and window air conditioners
- Portable microwaves and dishwashers
- Carpeting that is not already included in property coverage
- Clothing washers and dryers
- Food freezers and the food in them
- Certain valuable items such as original artwork and furs (up to \$2,500)

## Some things are not covered...

The following items are not covered by 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, 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

## Basements and Crawl Spaces

Flood insurance coverage is limited in areas below the lowest elevated floor such as basements, crawl spaces, walkout basements and other enclosed areas beneath structures (see table below).

## Maximum Coverage

Single-Family Residential Buildings: \$250,000

Condominiums (each unit): \$250,000

Contents Coverage (all buildings): \$100,000

Commercial Structures: \$500,000 (\$500,000 for contents)

## INSURANCE COVERAGE FOR AREAS BELOW THE LOWEST ELEVATED FLOOR AND BASEMENTS

### 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 wall and ceilings (basements only)
- Nonflammable insulation (basements only)
- Electrical outlets, switches, and circuit breaker boxes
- Fuel tanks and the fuel in them, solar energy equipment, well water tanks and pumps
- sump pumps

### What is insured under **Personal Property** coverage

- Washers and dryers
- Food freezers and the food in them (not refrigerators)
- Portable and window air conditioners

### What is not insured

- Paneling, bookcases, and window treatments
- Carpeting, area carpets, and floor coverings
- Drywall for walls and ceilings (below lowest elevated floor)
- Walls and ceilings not made of drywall
- Most personal property such as clothing, electronic equipment, kitchen supplies, and furniture.