

# Frequently Asked Questions Regarding the Effect That Revised Flood Hazards Have on Existing Structures

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## **What factors determine flood insurance premiums?**

A number of factors determine premiums for the National Flood Insurance Program (NFIP) flood insurance coverage. Major factors include the amount of coverage purchased, the deductible, the location, age, occupancy and type of building. For newer structures in floodplains, the elevation of the lowest floor relative to the elevation of the 1% annual chance flood (Base Flood Elevation or BFE) will also be used to rate the policy.

## **My house is not in a floodplain according to the current map, but the new map will show it as being in a floodplain. Will I have to purchase flood insurance when the new map officially takes effect?**

If you have Federal or federally related financing for the property in question and you do not already have flood insurance, your lender may contact you once the new map takes effect and require that you purchase flood insurance. If you do not purchase the insurance within 45 days after being informed that flood insurance is required, the lender is required to place the insurance and charge you for the cost of it. If you dispute the lender's determination that your property is located in a floodplain, you and your lender can jointly request a Letter of Determination Review from the Federal Emergency Management Agency (FEMA) within 45 days of being informed by your lender that your property is located in a floodplain. If you have insurance before the new maps take effect, the basis for rating that policy remains unchanged (i.e., you can use the zone rating that was charged to you when your property was located outside the floodplain). If you do not have Federal or federally related financing, you are not required by Federal regulations to have flood insurance, although it is available to you.



**I have flood insurance, and my house is in a floodplain according to the current map. The new map, however, will show my house as being outside the floodplain. Will I have to continue carrying flood insurance when the new map officially takes effect?**

If you have Federal or federally related financing for the property in question, you will no longer have a Federal requirement to purchase flood insurance when the new maps take effect; however, lenders retain the prerogative to require flood insurance, even for property that is not in a floodplain. If you wish to continue coverage once the new maps take effect, you become eligible for lower rates. You should contact your insurance agent or company to have your policy re-rated using the new maps. Even if you are not required to purchase flood insurance, we encourage property owners to continue coverage because you may be flooded by an event greater than the 1% annual chance event.

**The new flood map will show that my property will be in a floodplain. I have an older property that was built before any flood maps or local floodplain management regulations existed. What effect does this have on the cost of my flood insurance?**

Under the NFIP, the date of construction is a major factor used to determine the cost of flood insurance on the property as well as any local floodplain management requirements. For flood insurance purposes, the start of construction or substantial improvement used is the date that a building permit was issued provided the start of construction, repair, reconstruction or improvement was within 180 days of the permit date. If your property was built prior to the local floodplain management requirements, the NFIP subsidizes your premium. If you can show that you purchased a flood insurance policy prior to the floodplain designation, as long as the coverage is continuous, the policy will be rated based on the structure being outside of the floodplain. If the policy is purchased after the new flood maps become effective, the higher subsidized premium will be charged. In some instances, older structures have shown that their property may meet the local floodplain management requirements for new construction. This means that the lower premiums can be charged. A FEMA Elevation Certificate, completed by a registered professional land surveyor, civil engineer, or architect, as regulated by the State, can be sent to your insurance agent or company who will evaluate the effects on the rating of the flood insurance policy.



**My property was built to the base flood elevation shown on the current map (or a previous map). On the new map, my house will remain in the floodplain but the flood elevation will increase. What will happen to my insurance premium when the new map officially takes effect?**

If you can show that your house was built in compliance with local floodplain management regulations and the flood map in effect at the time of construction, the basis for rating your policy does not change. If you cannot show that your house was built in compliance at the time of construction, your policy be rated using the new flood map, which may result in a higher premium.

**My property was built to the flood elevation shown on the current map (or a previous map). On the new map, my house will remain in the floodplain, but the elevation will decrease. What will happen to my insurance premium when the new map officially takes effect?**

You should contact your insurance agent or company to ensure that the policy is re-rated when the new map officially takes effect. The lower flood elevation may result in a lower premium.

**My property was built in Zone AE to the flood elevation in effect at the time of construction. On the new map, my house will remain in the floodplain, but the zone designation will be changed to Zone VE. What will happen to my insurance premium when the new map officially takes effect?**

If you can show that your house was built in compliance with local floodplain management regulations and to the flood map in effect at the time of construction, the basis for rating your policy does not change and your premium will be the same when the new map officially takes effect. If you cannot show that you house was built in compliance at the time of construction, your policy will be re-rated when the new map takes effect using the new flood zone designation and flood elevations, which will raise your premium. However, if you can show that your home has been continuously insured since before the map change, your premium will not be affected.

**My property is shown as being in Zone VE on the current map. On the new map, my property will remain in the floodplain, but the zone designation will be changed to AE. What will happen to my insurance premium when the new**



## map officially takes effect?

You should contact your insurance agent or company to ensure that policy is re-rated when the new map officially takes effect. The change to a Zone AE designation will likely lower your premium.

## **My property is in a floodplain according to the current map. On the new map my property will remain in the floodplain, but the flood elevation will be increased. Will my property be considered to be in violation of NFIP regulations when the new map officially takes effect?**

Any structure that can be shown to have been built in compliance with local floodplain management regulations and the flood map at the time of construction will continue to be considered compliant, even if the new maps will show an increase in flood elevation or a change to a more restrictive zone designation. However, should your house be substantially damaged (damage that is 50% or more of the pre-damage market value) and you wish to repair it, you will be required to bring the entire structure into compliance with the zone designation and flood elevations in effect at the time the repairs take place. If the structure is less than substantially damaged, you do not need to refer to the flood map when repairing damages. Please note, however, that there may be more stringent or local requirements that take precedence over those stated here. Regardless of whether your building is substantially damaged, you will likely need a permit to make repairs and need to contact your local building official.

## **My property is in a floodplain. What do I do if I want to build an addition or otherwise improve it?**

If the value of the addition or improvement to the structure is less than 50% of the market value of the existing structure, you need only make sure that the improvement meets or exceeds the standards that were used in constructing the existing structure (assuming the existing structure was built in compliance at the time it was constructed). Additions or other improvements valued at 50% or more of the market value of the existing structure are considered substantial improvements. In such cases, the entire structure must be brought into compliance with the elevations of the map in effect at the time the improvement begins. Under certain circumstances only the addition needs to be elevated to flood elevations shown on that map. Please note, however, there may be more stringent state or local requirements that take precedence over those stated here.



Regardless of whether your buildings is substantially improved, you will likely need a permit to make the improvement and need to contact your local building official.



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