

WHEN LEVEES NEED IMPROVEMENT AND FLOOD INSURANCE WILL BE REQUIRED

Levee protection always comes with risk

- No levee can completely reduce flood risk. Levees are designed to provide protection from a certain level of flooding. In more serious flood events, levees can breach or be overtopped. And as levees age, their level of protection can change. Erosion, seepage, or decay can increase the risk of flooding around levees.
- When levees do fail, the flooding that follows can be catastrophic.
- Because of the continuing flood risk in all areas protected by levees, the flood maps¹ that show these areas now carry a note from FEMA that flood insurance is recommended.
- It's important to understand your level of risk and protect against the personal and financial consequences of levee-related flooding.

Some levees no longer meet protection standards

- Areas of high and moderate risk are shown on flood hazard maps (also known as Flood Insurance Rate Maps) issued by FEMA. If the levee provides protection from a flood with a one-percent chance of occurring in a given year (as certified by the levee owner or a Federal agency such as U.S. Army Corps of Engineers) flood maps typically show the areas protected by the levee as areas of moderate risk. However, there may be some high-risk areas as well due to other factors.
- When a levee no longer meets Federal standards for protection from the one-percent-annual-chance flood, the area protected by the levee will change to a high-risk designation. Flood hazard maps will show this change when they are updated.
- In a high-risk area, homeowners with a mortgage from a federally regulated lender will be required to carry flood insurance.
- Recently, levees in your community have been identified as needing improvement before they can be certified to provide protection from one-percent-annual-chance flood.

Saving money on flood insurance

- The process of issuing new maps takes time. This process has the added benefit of providing home and business owners an opportunity to save money on their flood insurance coverage.
- By purchasing flood insurance before the new maps go into effect, you can retain the current moderate-risk flood zone designation for the life of the policy, as long as you do not let it lapse.
- Until the new maps become effective, many property owners can save even more by purchasing a lower-cost Preferred Risk Policy (PRP). You will save on coverage now,

¹ FEMA issues flood hazard maps that indicate areas likely to be affected if major flooding occurs. These maps, also known as Flood Insurance Rate Maps (FIRMs), are used to identify the high-risk flood areas, known as Special Flood Hazard Areas, and which is where flood insurance is required for mortgages from federally regulated lenders.

and you will be able to retain their moderate-risk zone designation when the new maps go into effect. However you need to understand that the lowest-cost “preferred” rate will no longer apply when the area becomes a high-risk zone. At renewal, the policy will be priced using the standard rates for a moderate-risk zone. However, the savings can still be significant over the standard rates for a high-risk zone.

- There may be other ways to save as well. If your home is elevated, for example, lower rates may apply. Higher deductibles can also be used to lower premiums. You will want to call your insurance agent to discuss these options.
- The benefits of a lower-cost policy can be transferred. If you sell your property, your flood insurance policy can be transferred to a new owner and the new owner can continue to be rated using the earlier flood zone designation, as long as there is no lapse in coverage.

If you are being mapped into a high-risk area

If your Home or Business ...	Before the New Maps Go into Effect ...	Once the New Maps Become Effective ...
Currently has a mortgage and is <i>NOT</i> protected by flood insurance	Purchase a Preferred Risk Policy (PRP) now. You will be required to carry flood insurance when the maps become effective, so lock in today’s moderate-risk zone for future rating.	Keep coverage in force and you will retain the moderate risk zone for rating once new maps are in place. Call your agent. There may be further ways to save.*
Currently has a mortgage and <i>IS</i> protected by flood insurance	Renew your policy. You will be required to carry flood insurance when the maps become effective and renewing locks in today’s moderate risk zone for future rating.	Continue to renew your policy to retain the moderate risk zone for rating once new maps are in place. And call your agent. There may be further ways to save*
Currently does <i>NOT</i> have a mortgage and is <i>NOT</i> protected by flood insurance	While you are not required to carry flood insurance, <u>levee protection comes with risk.</u> Purchase a Preferred Risk Policy (PRP) now and lock in that zone for future rating.	Renew your policy each year to retain the moderate risk zone for rating once new maps are in place. And call your agent. There may be further ways to save *

*After the maps go into effect, the PRP rates will convert at the policy’s next renewal to standard NFIP rates for a moderate-risk zone. Talk to your insurance agent about elevation ratings and higher deductibles to lower the standard NFIP rates.

For more information about flood insurance, contact your insurance agent or visit www.floodsmart.gov. For more information about levees, visit the levee section of FEMA’s website at <http://www.fema.gov/plan/prevent/fhm/lvintro.shtm>.

Annual Coverage Comparison* for Older (Pre-FIRM**) Homes

Single Family Home with Basement

Coverage Amount	PRP Rates for X, B, C Zones <i>(Includes Contents)</i>	Standard Rates for X, B, C, AR Zones <i>(Structure only)</i>	Standard Rates for X, B, C, AR Zones <i>(With Contents)</i>	Standard Rates for AE, A Zones <i>(Structure only)</i>	Standard Rates for AE, A Zones <i>(With Contents)</i>
\$20,000 structure \$8,000 contents	\$144	\$219	\$328	\$272	\$349
\$50,000 structure \$20,000 contents	\$221	\$486	\$758	\$515	\$707
\$100,000 structure \$40,000 contents	\$287	\$636	\$994	\$910	\$1,264
\$250,000 structure \$100,000 contents	\$388	\$1,084	\$1,700	\$2,080	\$2,920

Single Family Home without Basement – one floor

Coverage Amount	PRP Rates for X, B, C Zones <i>(Includes Contents)</i>	Standard Rates for X, B, C, AR Zones <i>(Structure only)</i>	Standard Rates for X, B, C, AR Zones <i>(With Contents)</i>	Standard Rates for AE, A Zones <i>(Structure Only)</i>	Standard Rates for AE, A Zones <i>(With Contents)</i>
\$20,000 structure \$8,000 contents	\$119	\$197	\$293	\$262	\$339
\$50,000 structure \$20,000 contents	\$196	\$431	\$671	\$490	\$682
\$100,000 structure \$40,000 contents	\$257	\$536	\$850	\$760	\$1,146
\$250,000 structure \$100,000 contents	\$348	\$849	\$1,385	\$1,555	\$2,523

*Based on May 2008 rates and including \$35 fee and Increased Cost of Compliance coverage. Rates assume the standard deductible. PRP federal policy fee is \$13.

**Pre-FIRM homes are those that are built before the community's first Flood Insurance Rate Maps were issued. Lower rates may be available in high-risk zones for newer (Post-FIRM) homes built in compliance with flood protection standards. Homeowners should talk to their insurance agent about possibly lower premiums using elevation rating or higher deductibles. Agents can also help determine if a home is Pre- or Post-FIRM.