FEMA Fact Sheet

Updated Flood Maps and Flood Insurance

When a community gets an updated flood map, many property owners find that their flood zone has changed and reflects a higher or lower risk. When this occurs, floodplain managers get a lot of questions about flood insurance. Local floodplain officials can use this document to help frame their messaging and answer these questions.

Flood Insurance Changes

Under the National Flood Insurance Program's (NFIP) new pricing approach, the flood insurance message and options have changed. Let's take a closer look.

The Newly Mapped Discount

The revised flood map can show that a building is newly mapped into a high-risk flood zone from a low- to moderate-risk flood zone. When this happens, the National Flood Insurance Program (NFIP) offers a lower-cost, one-time discount option called the Newly Mapped Discount (NMD).

If the property owner has a federally backed loan, they are required to buy flood insurance. This means that most lenders require flood insurance when a building used for loan collateral is located in a high-risk flood zone, also known as a Special Flood Hazard Area (SFHA). SFHAs are shown on the Federal Emergency Management Agency's (FEMA) Flood Insurance Rate Maps (FIRMs) as any flood zone beginning with the letter "A" or "V" (including A99 and AR). You can view historical, current, and future FIRMs here: https://msc.fema.gov/portal/home.

To be eligible for the one-time NMD, property owners and renters must meet all criteria below:

- The building was previously in a low- to moderate-risk flood zone (zones B, C, X, D, A99 or AR) and the updated flood map now shows the structure in a SFHA; AND
- NFIP policy coverage is *IN EFFECT* (not just purchased) within 12 months of the revised map effective date.
  - Usually, there is a 30-day waiting period before a new NFIP policy goes into effect. However, a 1-day waiting period may apply when the NFIP revises a map to show that a building is now in the SFHA when it was not previously. The 1-day waiting period only applies if the insurance carrier receives the completed application form and full premium within 13 months of the revised map effective date. Otherwise, the standard 30-day waiting period will apply.

Policy rates go up by 15% each year from the first policy renewal until the full risk premium is reached. Continuous coverage is required to keep the NMD. In general, a lapse in coverage for more than 30 days will result in the loss of the NMD. The NMD can be transferred to a new building owner.

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Map Change Talking Points – What to Say to Property Owners?

To help you explain map changes, here are sample talking points.

Moving From Low- to Moderate-Risk Into High-Risk - The Newly Mapped Discount

- Flood hazards change. The causes can be changing weather patterns, land erosion or construction. Updated maps use the latest modeling and technology to give property owners a more accurate picture of flood risk.
- Updated flood maps show that your property has a higher chance of flooding—you are in the high-risk flood zone, also known as the SFHA.
- If you have a federally backed loan and any part of your building touches the SFHA, your lender legally must require you to buy flood insurance. If you do not have a federally backed loan, you should still think about protecting your home or business with flood insurance due to the increased risk. You may also want to look into structural flood mitigation options. To learn more, go to ReduceFloodRisk.org or floods.org.
- Talk to your insurance agent to see if you qualify for the one-time NMD. Property owners and renters are eligible if their flood policy is in effect (not just purchased) within 12 months of the revised flood map's effective date. After the first year, the annual premium gradually goes up to the full risk premium.
  - You can find the full risk premium for your building by asking your insurance agent for a quote. It is also located on your NFIP policy declarations page; this is issued after you buy the policy.
- Don't forget to renew your policy on time. If your policy lapses for more than 30 days, you will lose the discounted policy. The full risk premium will apply.
- If you sell your building, you can transfer your discounted policy to the new owner.

Moving From One SFHA to Another (A to V or reverse)

- If you have a federally backed loan, your lender legally must require you to buy flood insurance.
- If you don't have a federally backed loan, you should still think about protecting your home or business with flood insurance due to the high risk of flood damage. You may also want to look into structural flood mitigation options. To learn more, go to ReduceFloodRisk.org.
- Under NFIP's new pricing approach, your premium will not change just because your flood zone changes. Premium calculations do not take flood zones or base flood elevations into account. Instead, premiums are based on insurance industry models and advanced actuarial science.

Moving From High-Risk to Low- or Moderate-Risk

- If your building is no longer in a high-risk flood zone, lenders may choose not to require you to buy flood insurance.

- Under NFIP's new pricing approach, your premium will not change just because your flood zone changes. Premium calculations do not take flood zones or base flood elevations into account. Instead, premiums are based on insurance industry models and advanced actuarial science.
- You should still think about maintaining flood insurance. More than 40% of NFIP flood claims come from low- to moderate-risk flood zones.

More Resources

- General NFIP Information: The National Flood Insurance Program | FloodSmart
- Find a NFIP Insurance Agent: Flood Insurance Provider View | FloodSmart
- NFIP Publications Order Form (downloadable or hard copy): NFIP Publications Order Form | FloodSmart
- FEMA Map Service Center: Flood Map Service Center | FEMA.gov
- Flood Maps and How to Change Your Flood Zone: Flood Maps | FEMA.gov
- NFIP New Pricing Approach Technical Information: Risk Rating 2.0: Equity in Action | FEMA.gov