



FLOOD INSURANCE AND FLOOD MAPS

BACKGROUND

When the State of Georgia embarked on its Flood Map Modernization Program, 20% of the State did not have flood maps and 32% of the State had flood maps 15 years or older. Nationwide, about 70% of the flood maps were ten years or older. The Federal Emergency Management Agency (FEMA) embarked on an aggressive 5-year initiative to update the Nation's flood hazard maps and continues that today with its Risk MAP effort. Infused with funds provided by the President and Congress, FEMA has been transforming the way flood maps are created and accessed. Map Modernization entails providing flood maps and data for communities nationwide that are more accurate, easier-to-use, and readily available. The State of Georgia has teamed with FEMA to produce updated flood maps more quickly, in a digital format, and provide users easier access to the flood hazard data. The objective of the Georgia Flood Mapping, Assessment and Planning (M.A.P.) Program is to update digital flood maps for all 159 counties in the State. As a result, community and county officials will have more current flood risk information to work with, resulting in a safer state to live and work in.

NEW MAPS MEAN A SAFER STATE

By showing the extent to which areas of each county and individual property are at risk for flooding, the new maps will help guide financial protection, planning, investment, building, development and renovation decisions.

- **Residents and business owners** will understand their *current* flood risk and be able to make better decisions about insuring and protecting their property against floods.
- **Builders and developers** can use the updated map data to determine where and how to build structures more safely and how high to build to reduce the risk of flood damage.
- **Real estate agents** will be better able to inform clients of the risk factors that may affect the property they are buying or selling as well as any flood insurance requirements.
- **Insurance agents** will know their clients' current flood risk and can provide more informed recommendations regarding flood insurance coverage options.

HOW RESIDENTS AND BUSINESS ARE AFFECTED

With the release of the new flood maps, some property owners will learn that their risk is higher, or lower, than they thought or that the current base flood elevation¹ by their building will change. Some property owners with mortgages will then face new flood insurance requirements while others may find that the requirement has been lifted. Flood insurance is a federally

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. In order to meet federal standards for protection from a major flood, a property's first floor should be at or above the base flood elevation.

underwritten program that can help property owners repair or replace their structure and belongings after a flood.

To help reduce the cost to property owners affected by map changes, the National Flood Insurance Program (NFIP) provides different rating options. For buildings being mapped into a high-risk zone, the NFIP “grandfather” rating rules could offer savings compared to what may result from rating based upon the new maps. For buildings being mapped into a moderate or low-risk zone, the NFIP’s rule of converting an existing policy to a lower-cost Preferred Risk Policy will provide continued protection and a refund to the property owner. An insurance agent can help determine the best option.

If New Maps Show...	These Requirements, Options And Savings Apply
Change from low or moderate flood risk to high risk (flood zone B, C, or X to zone A, AE, AH, AO, A99, AR, V or VE)	<p>Flood insurance is mandatory. Flood insurance will be federally required for most mortgage holders. Insurance costs may rise to reflect the true (high) risk.</p> <p>“Grandfathering” can offer savings. The National Flood Insurance Program has “grandfathering” rules to recognize policyholders who built in compliance with the flood map in effect at the time of construction or who maintain continuous coverage. Sometimes, though, using the new flood maps can actually result in a lower premium, especially if the home is high enough above the BFE.</p>
Change from high flood risk to low or moderate risk (e.g., flood zone A, AE, AH, AO, A99, AR to X or shaded X)	<p>Flood insurance is optional but recommended. The risk has only been reduced, not <i>removed</i>. Flood insurance can still be obtained, and at lower rates. About 25 percent of all flood insurance claims come from moderate-to-low-risk areas.</p> <p>Conversion offers savings. An existing policy can be easily converted to a lower-cost Preferred Risk Policy, if the building qualifies. Note that lenders always have the option to require flood insurance in these areas.</p>
Increase in the Base Flood Elevation (BFE)	<p>An increase in BFE can result in higher premiums; however, “grandfathering” can offer savings. The National Flood Insurance Program grandfathering rules allow policyholders who have built in compliance with the flood map in effect at the time of construction to keep the earlier base flood elevation to calculate their insurance rate. This could result in significant savings.</p>
No change in risk level	<p>No change in insurance rates. However, this is a good time to review your coverages and ensure that your building and contents are adequately protected.</p>

WHERE CAN I GET FURTHER INFORMATION?

- If you have any questions regarding the effects of map changes on insurance requirements, please contact the FEMA Map Assistance Center at 1-877-FEMA MAP (1-877-336-2627).
- For more information about flood insurance or to find an insurance agent, visit www.FloodSmart.gov.
- To learn more about FEMA’s Map Modernization effort and Risk MAP, visit www.fema.gov/plan/prevent/fhm/index.shtm.
- To learn more about Georgia’s Map Modernization Project, visit www.GeorgiaDFIRM.com.