



FANS 5 AND 6 FREQUENTLY ASKED QUESTIONS

FOR HOMEOWNERS NEWLY MAPPED INTO THE FLOODPLAIN

DO I NEED TO CARRY FLOOD INSURANCE?

Your structure has been identified as being in a special flood hazard area (SFHA) and may be at risk of flooding. It is recommended that you purchase a policy as protection for your investment.

Individuals whose home is in a floodplain and who have a federally-backed or federally-insured mortgage are required to carry flood insurance. Shortly after July 20, 2021, your mortgage lender will likely notify you that you are required to carry flood insurance.

You have the option to purchase a flood insurance policy before your mortgage lender notifies you. Typically, mortgage lenders contract with flood map determination companies to ensure they are alerted when the mortgage notes they hold have undergone map changes. When mortgage companies learn that a mortgage note they hold has been added to a special flood hazard area, lenders typically require the property owner obtain flood insurance for the structure.

Your mortgage lender may contact you when the map change takes effect, but they typically make contact within the first couple of months after a map change. On rare occasions, it takes a year or more to be notified about the need for flood insurance.

Please note, if you wait to be contacted by your lender you may miss an opportunity to get the lowest premiums for your policy. Keep reading for information on preferred rate policies.

HOW CAN I GET THE BEST RATE FOR FLOOD INSURANCE?

The National Flood Insurance Program (NFIP) offers two types of policies for individuals whose homes are being mapped into new floodplains: Preferred Risk Policy and Newly Mapped Policy.

The Preferred Risk Policy (PRP) typically provides the lowest premiums for structures and is for structures located outside of a special flood hazard area when the policy is originally purchased, provided the policy owner has not made any previous flood insurance claims.

You can take advantage of PRP premiums if your structure is currently shown in a SFHA Zone X AND you purchase a flood insurance policy prior to the floodplain maps becoming effective on July 20, 2021.

If you wait until July 20, 2021, you can still take advantage of lower premiums with the Newly Mapped Policy. Newly Mapped Policies need to be in place within one year of the map change. Therefore, individuals will need to purchase a policy 30 days prior to July 20, 2022.

If you purchase flood insurance after July 20, 2022, standard policy rates will apply.