



# FANS 5 AND 6 REDELINEATION



Insurance Q&A Session

# Presentation Outline

What is a flood map?

Why does the District perform Floodplain Delineation Studies?

Changes to the Fans 5 and 6 floodplain

How can the changes impact development requirements?

How can these changes impact your flood insurance requirements?

- Having insurable structures added to the floodplain
- Having insurable structures removed from the floodplain
- Having insurable structures remaining within the floodplain but with a different flood zone designation

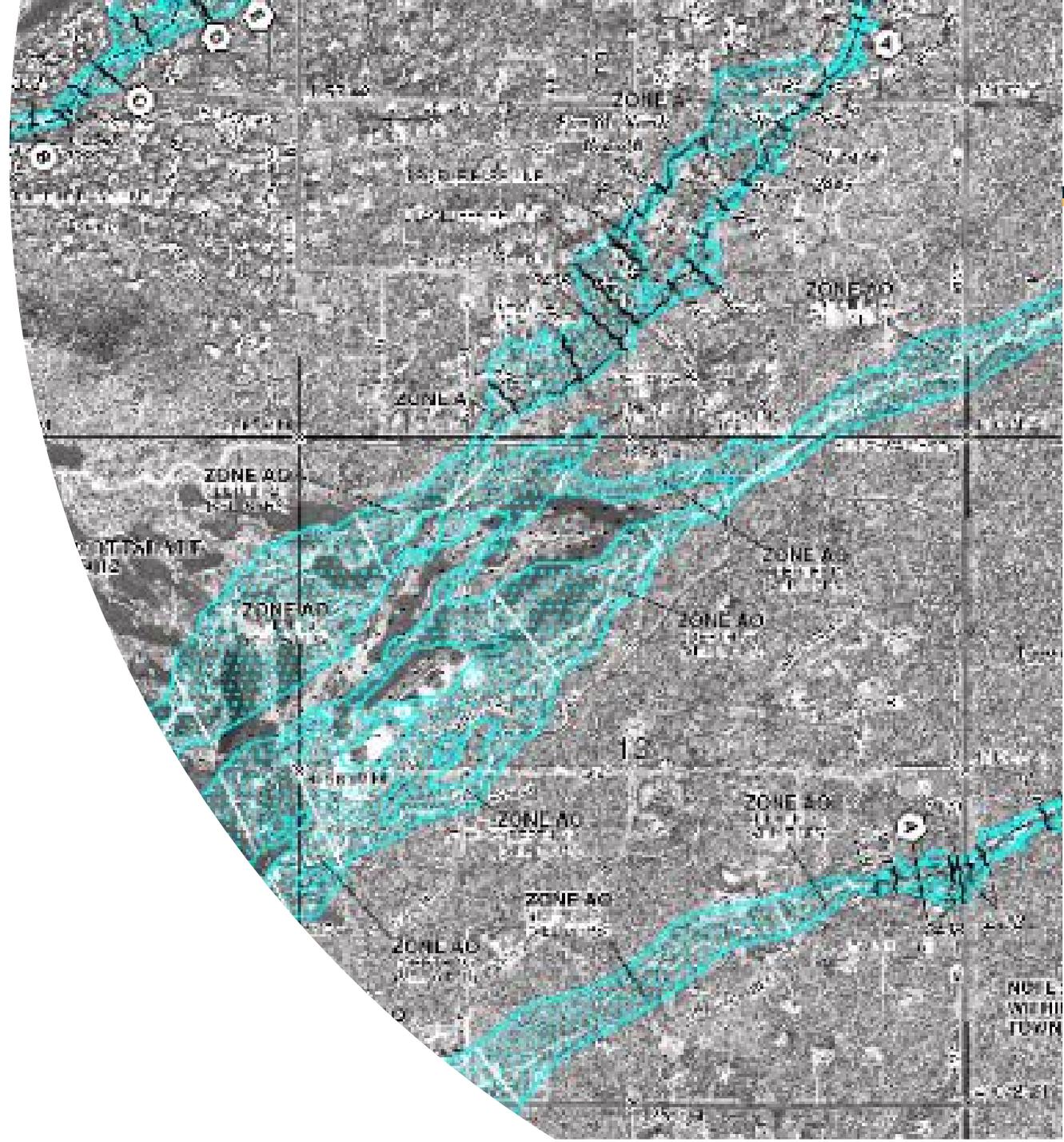
# What is a flood map?

- Flood maps are used for floodplain management, flood insurance rating and flood insurance requirements. Flood maps generally show a community's flood zones, regulatory requirements for the elevation or flood-proofing of structures and floodplain boundaries
- They show the risk of flooding:
  - **High-risk zones**, known as Special Flood Hazard Areas or SFHAs, show where floodwaters will be in a flood that has a one percent chance of happening in any given year.
  - **Moderate- to low-risk zones** are where the risk of that level of flooding is less than one percent per year. No matter where you live or work, some risk of flooding exists.

# How do flood maps show flood risk?

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- Flood maps show the different flood zones.
  - **Moderate- to low-risk** areas are labeled Zone X (or Zones B and C on older maps)
  - **High-risk** areas begin with the letter A
  - Areas where the risk is not known are shown with the letter D
  - Base Flood Elevations displayed on flood maps show the lowest height that floodwaters can be expected to reach during a major flood



# How are flood maps used?

## Community officials use flood maps

- To understand and communicate the local flood risk
- To manage their floodplains and require new and substantially-improved buildings to be built more safely from future floods

## Mortgage lenders use them

- To help determine a property's flood risk and decide whether to require flood insurance as a requirement for a loan

## Insurance professionals use them

- To determine a property's flood risk and insurance cost

## Developers and builders use them

- To determine their location siting and construction decisions

## Residents and business owners use them

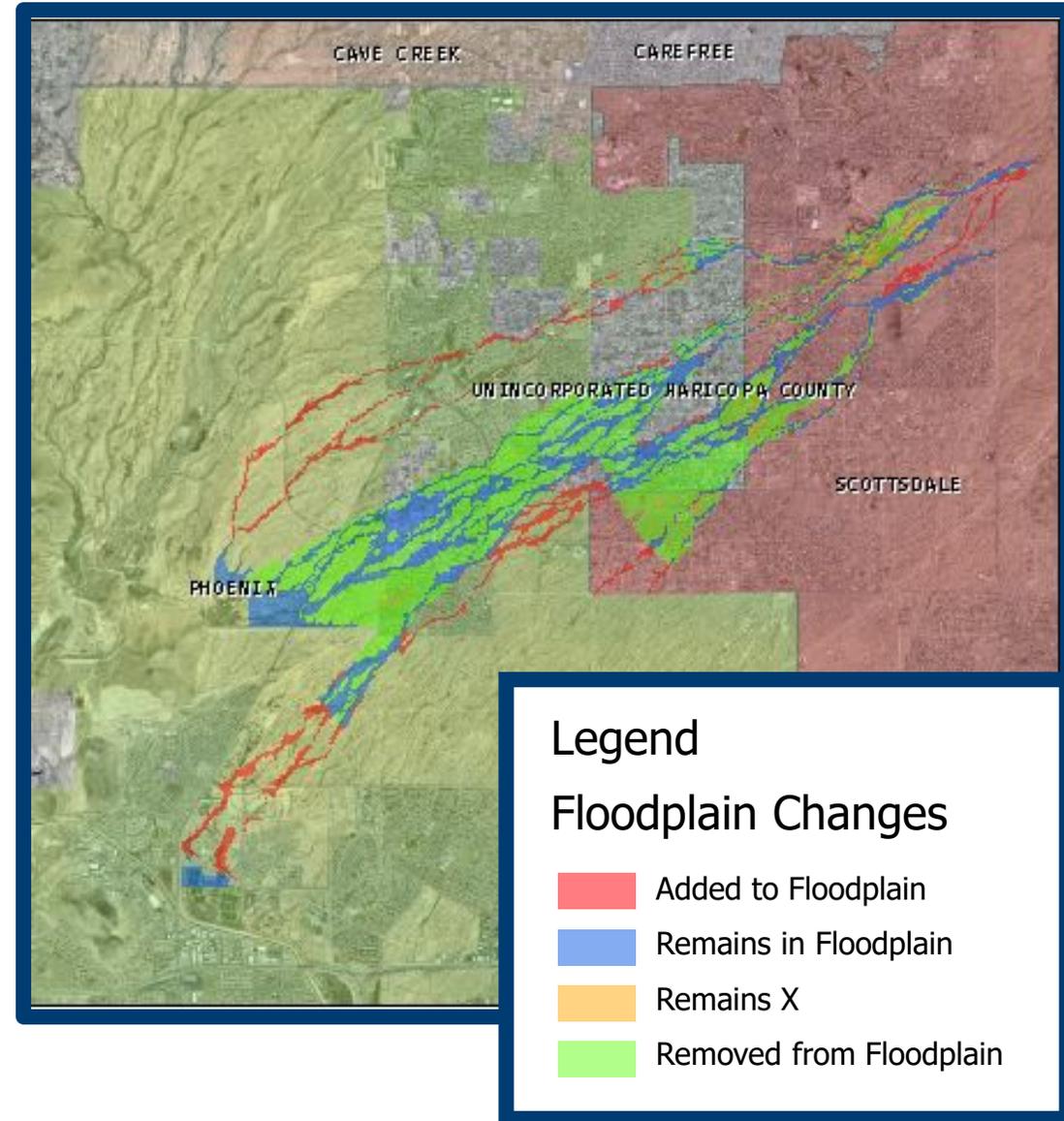
- To learn about flood risk as they purchase property and investigate how to protect their property from flooding

# Why do flood maps change?

1. Flood hazards change over time. How water flows and drains can change by community development or by natural forces such as changing weather and terrain changes.
2. Local Communities or FEMA update the floodplains based on new information.
3. FEMA publishes new flood maps nationwide to aid communities, property owners and other stakeholders in taking steps to address flood risks.

# Fans 5 and 6 Floodplain Changes

- Most of the area will change from FEMA Zone AO to FEMA Shaded X
- Some areas will remain in the floodplain changing FEMA Zone AO to AE
- Some areas are newly added to the floodplain changing FEMA Shaded X to FEMA Zone AE
- These changes will result in changes in local regulation and flood insurance requirements



# How Floodplain Changes Affect Floodplain Regulations

- If your property has been identified as being within a floodplain or has additional floodplain
  - Should you choose to make improvements to your property within the floodplain, a floodplain use permit will be needed along with the other standard development permits
  - You will be required to meet local floodplain elevation requirements for any structures proposed

# How Floodplain Changes Affect Floodplain Regulations

- If your property has been fully removed or has portions removed from the floodplain
  - Should you choose to make improvements to your property outside of the floodplain a floodplain use permit will not be required
  - Keep in mind that local drainage ordinances will still apply which may have elevation requirements for smaller washes crossing the parcel
- For specific requirements, please reach out to your local jurisdiction

# Jurisdiction Contacts



City of Scottsdale

<https://www.scottsdaleaz.gov/stormwater/floodplain-management>

480-312-7740



City of Phoenix

<https://www.phoenix.gov/streets/floodplain-management>

602-262-4960



Unincorporated  
Maricopa County

<https://www.maricopa.gov/797/Planning-Development>

# How Floodplain Changes Affect Flood Insurance

- Changes to floodplains will result in changes to your flood insurance
  - Moderate or Low Risk to High Risk
    - May now be required to carry flood insurance
  - High-Risk to Moderate or Low Risk
    - May no longer be required to carry flood insurance
  - Remaining within a High-Risk Zone but with a different zone designation
    - Will still be required to carry flood insurance
    - Different zone designations come with different insurance premiums

Low - Moderate Risk  
→ High Risk

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# LOW - MODERATE RISK → HIGH RISK

- Individuals who have a federally-backed, or federally-insured, mortgage on their home or insured structure are required to carry flood insurance when located within the 100-year floodplain. Shortly after July 20, 2021, your mortgage lender will likely notify you that you are required to carry flood insurance.
- Policies can be obtained through the National Flood Insurance Program
- Your insurance agent may be able to write the policy for you or you may go to [Floodsmart.gov](https://www.floodsmart.gov) to find an agent in your area
- Flood insurance premiums are set by the NFIP and will not be different between insurance companies

# LOW - MODERATE RISK → HIGH RISK

- Types of policies for homeowners newly mapped into the floodplain
  1. Preferred Risk Policies (best rates to start but have deadlines to purchase)
  2. Grandfathered Policies
  3. Standard Rate Policies

# LOW - MODERATE RISK → HIGH RISK

- FEMA offers lower cost policies to property owners whose insurable structures are being newly mapped into the floodplain with a Preferred Risk Policy
- Two types of Preferred Risk Policies
  - General – prior to being mapped into the floodplain
  - Newly Mapped – after the map change has taken effect up to 11 months after the map change (June 20, 2022)

# GET THE LOWEST PREMIUM BY PURCHASING A POLICY PRIOR TO THE MAP CHANGE EFFECTIVE ON JULY 20, 2021

- It is recommended that Property owners presently in a low to moderate risk area that is becoming a high-risk area purchase a lower-cost **Preferred Risk Policy (PRP)** prior to July 20, 2021 before the new flood map goes into effect
- Upon renewal, the policy will change to a NEWLY MAPPED policy.

**AFTER JULY 20, 2021 YOU CAN STILL GET A  
LOWER PREMIUM BY PURCHASING A POLICY  
PRIOR TO JULY 20, 2022**

- You can still secure a lower-cost flood insurance policy. Property owners or renters who purchase flood insurance within the first 12 months after a map update are eligible to purchase a lower-cost **PRP-NEWLY MAPPED** policy for either their property, contents or both.

# OTHER OPTIONS

- **Standard Flood Rates**

- Standard Flood Insurance Rates will apply after July 20, 2022 if a policy is not in place but it may be also be beneficial to check and see if Standard Rates might provide a better premium than the Preferred Risk policy
- An Elevation Certificate is required for Standard Flood Rates

- **Grandfathering**

- Grandfathering can also be applied after July 20, 2022
- Grandfathering allows homeowners who built in compliance with the flood map at the time of construction to purchase flood insurance based on the previous, lower-risk zone at any time.

# ELEVATION CERTIFICATES

- If your home is in a high-risk area, your insurance agent will likely need an Elevation Certificate to determine your flood insurance premium.
  - Includes important information for determining a flood insurance premium rate
- Insurance agents will use it to compare your building's elevation to the Base Flood Elevation shown on FEMA maps.
  - Base Flood Elevation – The elevation that floodwaters are estimated to have a 1% chance of reaching or exceeding in any given year.

# LOW - MODERATE RISK → HIGH RISK

- What documents do I need to provide to my insurance agent?
  - **Preferred Risk Policies** will need to provide a copy of the flood map in the vicinity of their property
  - **Newly Mapped Policies** will need to provide a copy of the previous flood map before the change took place and a copy of the newly changed flood map
  - **Grandfathered policies** will need a copy of the flood map that was in effect at the time of construction
  - **Standard rate policies** will need a copy of an Elevation Certificate reflecting the latest map information

LOW - MODERATE RISK  
→ HIGH RISK

How do I get a copy of the latest flood map?

- FEMA has a tutorial that guides you through the process of creating a copy of the latest flood map for your area
  - [https://www.fema.gov/sites/default/files/2020-07/fema\\_find-flood-map-make-FIRMette\\_tutorial.pdf](https://www.fema.gov/sites/default/files/2020-07/fema_find-flood-map-make-FIRMette_tutorial.pdf)
- You can also ask for assistance from your local community or the Flood Control District

# LOW - MODERATE RISK → HIGH RISK

## How do I get an Elevation Certificate?

- As part of the outreach for the Fans 5 and 6 map changes, the Flood Control District is offering surveys for new elevation certificates or updates to previous Elevation Certificates.
- You can check with your local community to determine if an Elevation Certificate is on file
- An Elevation Certificate Request form was provided to you in your mailing and the form is also available on the project page
- If you have a copy of your elevation certificate you can submit the form with a copy of your elevation certificate

Remaining In The  
High-Risk Area

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# REMAINING IN THE HIGH-RISK AREA

- Premiums are different depending on the type of Flood Zone Designation (AO, AE, or A)
- Zone AO has two rates (compliant or non-compliant)
- Zone AE rates are based on the difference between the flood elevation and the lowest floor of the structure
- This may result in either increases or decreases in your current premium
- Your options:
  - Grandfather to your current AO rated policy
  - Be rated on the AE Zone with the use of an Elevation Certificate

# REMAINING IN THE HIGH-RISK AREA

- What Types of Policies are Available?
  - Grandfathered Policy
    - You can be rated to the flood zone in effect at the time of construction of the house
      - Zone X or Zone AO (compliant/non-compliant)
  - Standard Rate Policy
    - Be rated on the AE Zone with the use of an Elevation Certificate

# REMAINING IN THE HIGH-RISK AREA

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High Risk → Low -  
Moderate Risk

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# HIGH RISK → LOW - MODERATE RISK

- Your flood risk has been reduced, but not removed. While property owners in the low- to moderate- risk flood area are not required to have flood insurance, it is strongly recommended to continue to carry flood insurance to protect your investment. Over 20% of flood insurance claims come from outside of high-risk flood areas.
- You have the choice to convert your policy to a lower cost Preferred Risk Policy (PRP) or to cancel your policy. By converting to a lower-cost policy, your policy will also automatically include contents coverage at no additional cost.
- The PRP provides the same effective coverage as a Standard Flood Insurance Policy (SFIP), and it includes contents coverage. After switching to a PRP, you will be refunded the difference in premium. There will be no gaps in coverage and no additional money up front.

HIGH RISK →  
LOW - MODERATE RISK

How do I convert my policy to a Preferred Risk Policy?

- Contact your insurance agent and let them know that you have been mapped out of the floodplain. You may have to provide a copy of the latest flood map that shows your property out of the floodplain.

How do I get a copy of the latest flood map?

- Ask for assistance from your local community or the Flood Control District

# HIGH RISK → LOW - MODERATE RISK

- How do I cancel my flood insurance policy?
  - Although it is not recommended to cancel a flood insurance policy, you first must contact your lender. Your lender must provide you with a letter releasing you from the mandatory purchase of flood insurance. You will need to provide a copy of this letter to the insurance agent in order to cancel your policy.
  - You will need to provide a copy of the flood map showing your house out of the floodplain to your lender in order for them to release you from the federally-mandated insurance requirement.
  - Your lender can still require flood insurance even if located outside of the floodplain

# OTHER THINGS TO THINK ABOUT

- Federal disaster assistance is not always available for flooding. Disaster assistance alone, if it's available, may not be enough to cover your costs. Also, assistance typically comes in the form of a loan that must be repaid – with interest! The average disaster assistance grant is about \$5,000 per household. By comparison, the average flood claim in 2017 was more than \$90,000.

# OTHER THINGS TO THINK ABOUT

- Flooding is the most common natural disaster. Floods can happen anywhere and are more common than you might think. You don't need to live in a high-risk area or near a body of water to be at risk for flooding. Anywhere it can rain, it can flood.
- Flood insurance can save you money. Just one inch of water can cause \$25,000 in damage to your home and wipe out your personal savings or have devastating effects on your business. Protect the life you built. Convert your policy to a PRP and renew it each year.

# HOW CAN I REDUCE MY RATES?

- Mitigate. Lowering your property's exposure to flooding may make you eligible for lower premium rates. For example, you can fill in a basement or install flood vents in the crawlspace beneath the lowest level of your building; these actions help reduce the chance that your building's foundation will be damaged during a flood and may lower your insurance premium.
- When remodeling or rebuilding, you can consider elevating your entire structure. Also, something as simple as raising heating and cooling systems, water heaters, the electrical panel, and other mechanical items so that they are less likely to be damaged or destroyed in a flood may offer some premium savings.
- Consider a higher deductible. Just as with automobile or homeowner's insurance, increasing your deductible—the amount you pay out of your pocket to cover a claim before coverage is applied—will lower your premium. Selecting the maximum deductible of \$10,000 will result in up to a 40 percent discount from the base premium. However, using the maximum deductible might not be appropriate in every financial circumstance, and some lenders might not allow that option for meeting the mandatory purchase requirements.

# Contacts



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480-312-7740



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602-262-4960



The Flood Control District  
of Maricopa County

<https://www.maricopa.gov/floodcontrol>

602-506-2419