

Discounted Flood Insurance Option for Properties Newly Identified as High-Risk

When new Flood Insurance Rate Maps (FIRMs) are released, residents and business owners may find that their property is at a higher risk of flooding than previously thought. In addition, if they have a mortgage, their lender will probably require flood insurance once the new maps become effective.

To help ease the financial impact of buying a flood insurance policy, a discounted rating option is available through the National Flood Insurance Program (NFIP). Properties newly identified to be in a high-risk area (e.g., Zone X to Zone A, AE), may be eligible for a Newly Mapped discount if NFIP flood insurance is purchased within the first 12 months after the maps become effective. Premiums will then go up no more than 18% each year until they reach their full-risk rate. If the building is sold before the policy reaches its full-risk rate, the seller can transfer the policy over to the buyer so that they can continue to benefit from this rating option.

To learn more about this option, talk to your insurance agent or visit www.FloodSmart.gov.