

American Bankers Insurance Company of Florida

FLOOD INSURANCE BASICS

The Essentials

1. In what community is the property located?
2. Community Status - **Regular or Emergency** Program?
3. In what **zone** is the building located?
4. What is the building's Date of Construction (DOC)?
5. Is the building **Pre-FIRM** or **Post-FIRM**?
6. Is an **Elevation Certificate** required?
7. What is the **occupancy** of the building?
8. How many floors in building (including basement)?
9. Does the building have a **basement**?
10. What is the replacement cost of the building?
11. How much insurance is **required**?
12. What **deductible** has the client requested?

Determining Pre-FIRM and Post-FIRM

<p>Pre-FIRM If DOC is on or before 12/31/74 or before initial FIRM Date</p>	<p>Compare <i>Original FIRM</i> Date with Date of Construction (DOC) or Substantial Improvement Date (Original FIRM is when the Community first enters the Regular Program)</p>	<p>Post-FIRM If DOC is after 12/31/74 or <u>on</u> or <u>after</u> initial FIRM Date, whichever is later</p>
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Special Flood Hazard Areas

Special Flood Hazard Areas (SFHAs) are the flood zones that have the greatest risk of flooding. They are darkly shaded areas on the maps. During a 30-year mortgage, there is a 26% chance of flooding in these areas and only a 4% chance of fire in the same period.

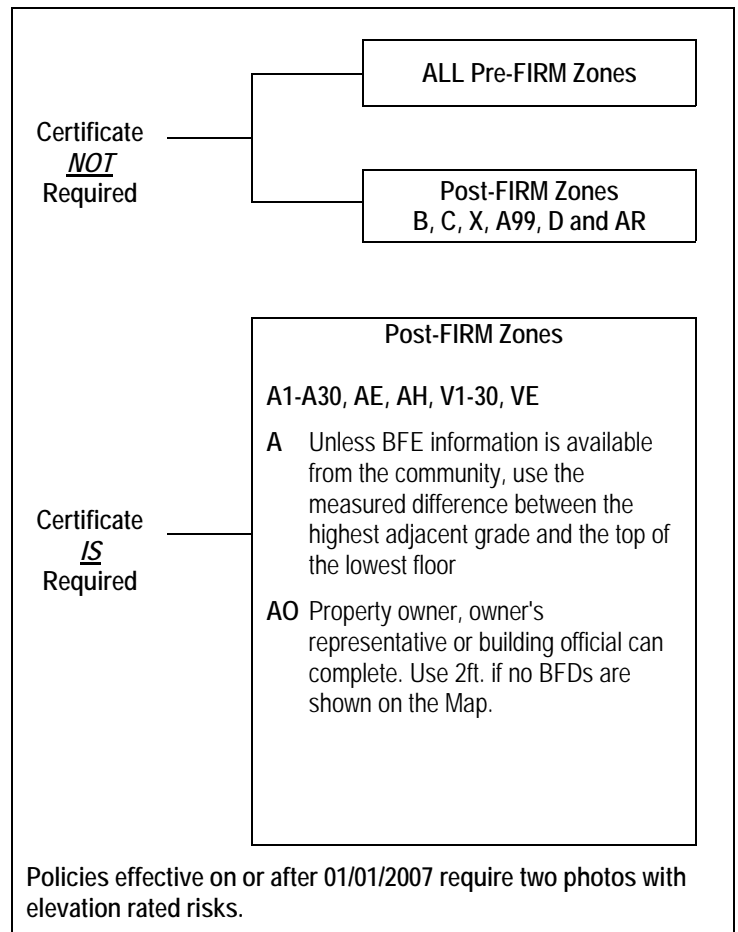
SFHA designations start with the letters **A** Riverine/ Inland Group or **V** Coastal Group - inundated by tidal floods with velocity.

The **Base Flood Elevation (BFE)** and **Base Flood Depth (BFD)** is the level at which there is a 1 % chance of flooding in any given year.

ZONES

A or V	BFEs not provided
A1-A30 AE	BFEs are provided. (AE replaces A1-A30 on new FIRMS)
V1-V30 VE	BFEs provided. (VE replaces VI-V30 on new FIRMS)
AH	Shallow water depths (ponding, 1-3 feet). BFEs are provided
AO	Shallow water paths (Sheet flow, 1-3 feet) BFDs (Base Flood Depths) <u>may be</u> provided
A99	A protective system such as dikes, dams and levees. No BFEs are provided
AR	Area that results from decertification of a previous flood protection system

Elevation Certificate Requirement



Non-Special Flood Hazard Areas

Non-SFHAs B, C, and X Zones are *moderate/minimal* Flood Hazard Zones. On the FIRM, they are unshaded or lightly shaded. Historically, 25-30% of all claims come from these zones. **Shaded X** replaces the B Zone and **Unshaded X** replaces the C Zone on new FIRMS. A **Preferred Risk Policy may be available**.

Where to Obtain an Elevation Certificate

To find out if a certificate already exists, check with the community department that maintains local maps or the local permit office. To have a certificate completed, contact a licensed land surveyor, registered engineer, architect or community official who is authorized by State or local law to certify elevation information, except as noted above in Zone AO or A (without BFEs).



Agent Tips on Flood Map Changes

TYPE OF MAP CHANGE	WHAT YOU SHOULD KNOW	WHAT YOU SHOULD SAY
Low- or moderate-risk zone (B, C, X) changing to a high-risk zone (e.g. AE, or VE) or Change in Base Flood Elevation	Grandfathering Offers Savings	
	<ul style="list-style-type: none"> The National Flood Insurance Program (NFIP) has “grandfather” rules to recognize policyholders who have either built in compliance with the flood map or who maintain continuous coverage. These rules allow such policyholders to benefit in the rating for that building. Grandfathering is available for new purchasers as well as existing customers. Always use the new map if it will provide a more favorable premium (lower rate). 	<ul style="list-style-type: none"> Your building has been designated in a high-risk area for flooding. You will be required to purchase a flood policy if you carry a mortgage from a federally regulated lender. If you don’t carry a mortgage, you should protect your home with flood insurance. National statistics show that you are 3 times more likely to have damage by a flood than by fire. Purchasing before the map revision allows you to save on insurance.
	Loyal Customers Can Keep Existing Zone (Pre- & Post- FIRM)	
	<ul style="list-style-type: none"> Customers, who buy a policy before maps are adopted and maintain coverage, can retain the lower-risk zone rate. Eligible customers can purchase a PRP now. It will renew to an X zone rated standard policy. Have a policy: maintain continuous coverage. A policy can be assigned to future property owner. 	<ul style="list-style-type: none"> Buy now to save later. Renew to stay protected and save money.
	Show Compliance with a Previous FIRM for Lower Costs (Post- FIRM only)	
	<ul style="list-style-type: none"> To keep existing zones when the structure was built: Get a copy of FIRM effective at time of construction or a compliance letter from community official. To keep existing BFE when the structure was built: Get Elev. Cert, and copy of FIRM effective at time of construction; or compliance letter from the community official. 	<ul style="list-style-type: none"> Lower cost options: show building was built in compliance at time of construction. Makes you eligible for a lower rate, keeps costs DOWN.
High-risk zone (e.g. A, AE, VE, or V) changing to a low- or moderate-risk zone (X, Shaded X)	Conversion Offers Savings	
No Change	Review of Current Coverage Ensures Protection	
	<ul style="list-style-type: none"> Do they have flood insurance? If so, is the building limit up-to-date? Contents coverage provided and limit up-to-date? 	<ul style="list-style-type: none"> Homeowners insurance doesn’t cover damage due to floods. Floods happen anytime, anywhere. Your home is a major investment – protect it.