
This law repeals and modifies certain provisions of the Biggert-Waters Flood Insurance Reform Act, which was enacted in 2012, and makes additional program changes to other aspects of the program not covered by that Act. Many provisions of the Biggert-Waters Flood Insurance Reform Act remain and are still being implemented.

While FEMA actively works to implement the new law, we encourage policyholders to maintain and keep current flood insurance policies. FEMA does NOT recommend cancelling a flood insurance policy. Cancelling flood insurance policies now will leave policyholders unprotected during spring flooding and may cause policyholders to lose important discounts on their rate if they reinstate in the future.

- The new law lowers the recent rate increases on some policies, prevents some future rate increases, and implements a surcharge on all policyholders. The Act also repeals certain rate increases that have already gone into effect and provides for refunds to those policyholders. The Act also authorizes additional resources for the National Academy of Sciences (NAS) to complete the affordability study.

- FEMA looks forward to working with Congress, the private Write Your Own insurance companies, and other stakeholders to implement these Congressionally mandated reforms and to working toward our shared goals of helping families maintain affordable flood insurance, ensuring the financial stability of the NFIP, and reducing the risks and consequences of flooding nationwide. FEMA will also continue to identify and publish special flood hazards and flood risk zones as authorized and required by Congress.

- FEMA has actively begun analyzing and prioritizing implementation of the new law. We will be working with the private Write Your Own insurance companies in the next few weeks to seek their input and expertise prior to issuing business practice bulletins.

- It is not possible for changes to happen immediately. While the new law does require some changes to be made retroactively, applying to certain policies written after July 6, 2012, other changes require establishment of new programs, processes and procedures.

- FEMA’s initial priority is assessing potential changes to the NFIP’s business processes to stop policy increases for certain subsidized policyholders as outlined in the Act.

- FEMA also plans to issue guidance in the months ahead for the Write Your Own insurance companies to begin issuing refunds as outlined in the law for some policyholders who were previously impacted by subsidy phase outs.

- More information on the new law and its impacts on the NFIP will be forthcoming.

https://www.fema.gov/media-library/assets/documents/93074
REFUNDS

- For certain flood insurance policies affected by the Pre-Flood Insurance Rate Map (Pre-FIRM) subsidy elimination required by BW-12, the new law mandates refunds of the excess premiums that those policyholders were charged pursuant to the requirements of BW-12. Refunds will not affect all subsidized policyholders who received rate increases as directed by Congress in BW-12, only policyholders for whom the rate increases under BW-12 were revoked by the new law. Refunds will affect only a small percentage of the overall NFIP policy base.
  - Prior to restoring and refunding premiums, FEMA is required by the Homeowner Flood Insurance Affordability Act to consult with its partner insurers (Write-Your-Own insurance companies or WYOs) to develop guidance and rate tables.
  - In accordance with the new law, FEMA will work to develop and finalize its guidance and rate tables within eight months.
  - The law provides WYO insurance companies between six and eight months to implement the changes and update systems to implement the guidance.
- FEMA is working closely with the WYO insurance companies to develop a timetable for processing refunds expeditiously.

REFUNDS APPLY TO:
- Policyholders in high-risk areas who were required to pay their full-risk rate after purchasing a new flood insurance policy on or after July 6, 2012.

REFUNDS MAY APPLY TO:
- Policyholders who renewed their policy after the Homeowner Flood Insurance Affordability Act was enacted on March 21, 2014 and whose premium increased more than 18 percent.

REFUNDS DO NOT APPLY TO:
- Policyholders paying the 25 percent annual rate increases, as required by Congress in BW-12, for a Pre-FIRM subsidized non-primary residence, business, Severe Repetitive Loss property, or building that was substantially damaged or improved.
- Policyholders whose full-risk premium is less than the Pre-FIRM subsidized premium, or who were not overcharged according to any retroactive revisions to the Pre-FIRM subsidized rates required by the new law.
- Policyholders who saw usual, annual rate increases in 2013 or 2014, or policyholders who paid the 5 percent fee, as required by BW-12, for the NFIP Reserve Fund, will only see a refund if their premium renewal was after March 21, 2014 and their total premium, including the reserve fund, exceeded 18 percent.

PREMIUM RATES FOR SUBSIDIZED POLICIES

- The new law requires gradual rate increases to properties now receiving artificially low (or subsidized) rates instead of immediate increases to full-risk rates required in certain cases under BW-12.
- FEMA is required to increase premiums for most subsidized properties by no less than 5 percent annually until the class premium reaches its full-risk rate. It is important to note that close to 80 percent of NFIP policyholders paid a full-risk rate prior to either BW-12 or HFLAA, and are minimally impacted by either law.
- With limited exceptions flood insurance premiums cannot increase more than 18 percent annually.
  - There are some exceptions to these general rules and limitations. The most important of these exceptions is that policies for the following properties will continue to see up to a 25 percent
annual increases as required by BW-12 until they reach their full-risk rate: Older business properties insured with subsidized rates;
  o Older non-primary residences insured with subsidized rates;
  o Severe Repetitive Loss Properties insured with subsidized rates;
  o and buildings that have been substantially damaged or improved built before the local adoption of a Flood Insurance Rate Map (known as Pre-FIRM properties).

- In order to enable new purchasers of property to retain Pre-FIRM rates while FEMA is developing its guidelines, a new purchaser will be allowed to assume the prior owner’s flood insurance policy and retain the same rates until the guidance is finalized. Also, lapsed policies receiving Pre-FIRM subsidized rates may be reinstated with Pre-FIRM subsidized rates pending FEMA’s implementation of the rate increases required by the Homeowner Flood Insurance Affordability Act.

NEW SURCHARGE ON ALL POLICIES

- A new surcharge will be added to all policies to offset the subsidized policies and achieve the financial sustainability goals of BW-12. A policy for a primary residence will include a $25 surcharge. All other policies will include a $250 surcharge. The fee will be included on all policies, including full-risk rated policies, until all Pre-FIRM subsidies are eliminated.

GRANDFATHERING

- The new law repeals a provision of BW-12 that required FEMA, upon the effective date of a new or updated Flood Insurance Rate Map, to phase in premium increases over five years by 20 percent a year to reflect the current risk of flood to a property, effectively eliminating FEMA’s ability to grandfather properties into lower risk classes.
- Also for newly mapped in properties, the new law sets first year premiums at the same rate offered to properties located outside the Special Flood Hazard Area (preferred risk policy rates).
- With limited exceptions, flood insurance premiums cannot increase more than 18 percent annually.

FLOOD INSURANCE ADVOCATE

- The new law requires FEMA to designate a Flood Insurance Advocate to advocate for the fair treatment of NFIP policy holders.
- The Advocate will:
  o Educate property owners and policyholders on individual flood risks; flood mitigation; measures to reduce flood insurance rates through effective mitigation; the flood insurance rate map review and amendment process; and any changes in the flood insurance program as a result of any newly enacted laws;
  o Assist policy holders and property owners to understand the procedural requirements related to appealing preliminary flood insurance rate maps and implementing measures to mitigate evolving flood risks;
  o Assist in the development of regional capacity to respond to individual constituent concerns about flood insurance rate map amendments and revisions;
  o Coordinate outreach and education with local officials and community leaders in areas impacted by proposed flood insurance rate map amendments and revisions; and
Federal Emergency Management Agency

- Aid potential policy holders in obtaining and verifying accurate and reliable flood insurance rate information when purchasing or renewing a flood insurance policy.

OTHER PROVISIONS

- The new law permits FEMA to account for property specific flood mitigation that is not part of the insured structure in determining a full-risk rate.
- The law requires that residential basement floodproofing be considered when developing full-risk rates after a map changes increasing the Base Flood Elevation in an area where residential basement floodproofing is permitted.
- The law mandates that FEMA develop an installment plan for non-escrowed flood insurance premiums, which will require changes to regulations and the Standard Flood Insurance Policy contract.
- The law increases maximum deductibles.
- The law encourages FEMA to minimize the number of policies where premiums exceed 1-percent of the coverage amount, and requires FEMA to report such premiums to Congress.

DRAFT AFFORDABILITY FRAMEWORK

- The new law requires FEMA to prepare a draft affordability framework, which is due to Congress 18 months after completion of the affordability study required by BW-12. The Affordability Study required by BW-12 is underway and is being conducted by the National Academies of Sciences, as specified in the BW-12 law.
- In developing the affordability framework, FEMA must consider:
  - accurate communication to customers of the flood risk,
  - targeted assistance based on financial ability to pay,
  - individual and community actions to mitigate flood risk or lower cost of flood insurance,
  - the impact of increases in premium rates on participation in NFIP,
  - and the impact of mapping update on affordability of flood insurance.
- The affordability framework will include proposals and proposed regulations for ensuring flood insurance affordability among low-income populations.

MAPPING

- The Homeowner Flood Insurance Affordability Act requires the Technical Mapping Advisory Council (TMAC) to review the new national flood mapping program authorized under the 2012 and 2014 flood insurance reform laws. The law requires the Administrator to certify in writing to Congress that FEMA is utilizing “technically credible” data and mapping approaches. The law also requires FEMA to submit the TMAC review report to Congress.
- FEMA will be looking to the TMAC for recommendations on how best to meet the legislatively mandated mapping requirements for the new mapping program including the identification of residual risk areas, coastal flooding information, land subsidence, erosion, expected changes in flood hazards with time, and others.
As the new national flood mapping program is being established, FEMA expects there will be opportunities to make incremental improvements to current procedures as it provides flood hazard data and information under the National Flood Insurance Program (NFIP). FEMA will make those improvements where necessary to ensure all ongoing changes to flood hazards continue to be effectively communicated, mitigated, and properly insured against.

The law lifts the $250,000 limit on the amount that FEMA can spend to reimburse homeowners for successful map appeals based on a scientific or technical error. Federal rulemaking is required in order to implement this provision.

FEMA is authorized to account for reconstruction or improvements of flood protection, not just new construction. It authorizes FEMA to consider the existing present value of a levee when assessing adequate progress for the reconstruction of an existing flood protection system. The law extends certain provisions related to NFIP requirements in areas restoring disaccrued flood protection systems to coastal levees and clarifies that the levee needs to be considered without regard to the level of federal funding for the original construction or the restoration.

The law exempts mapping fees for flood map changes due to habitat restoration projects, dam removal, culvert re-design or installation, or the installation of fish passages.

The law requires FEMA to consider the effects of non-structural flood control features, such as dunes, and beach and wetland restoration when it maps the special flood hazard area.

The law requires FEMA to enhance coordination with communities before and during mapping activities and requires FEMA to report certain information to members of Congress for each State and congressional district affected by preliminary maps.

###
How April 2015 Program Changes Will Affect Flood Insurance Premiums

The National Flood Insurance Program (NFIP) is in the process of implementing Congressionally mandated reforms required by the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA) that repeal and modify the Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters). The new law slows some flood insurance rate increases and offers relief to some policyholders who experienced steep flood insurance premium increases in 2013 and early 2014. Flood insurance rates and other charges will be revised for new or existing policies beginning on April 1, 2015. In addition to insurance rates, other changes resulting from Biggert-Waters and HFIAA will be implemented that will affect the total amount a policyholder pays for a flood insurance policy. Highlights of some of those changes follow. For full explanations and guidance, see WYO Bulletin (W-14053) and the Flood Insurance Manual.

The changes taking place in April include an increase in the Reserve Fund Assessment, the implementation of an annual surcharge on all new and renewed policies, an additional deductible option, an increase in the Federal Policy Fee, and rate increases for most policies. Key changes include:

- Implementing annual rate changes that set rates using rate-increase limitations set by HFIAA for individual premiums and rate classes:
  - Limiting increases for individual premiums to 18 percent of premium.
  - Limiting increases for average rate classes to 15 percent.
  - Mandatory increases for certain subsidized policyholders under Biggert-Waters and HFIAA.
- Increasing the Reserve Fund assessments required by Biggert-Waters.
- Implementing annual surcharges required by HFIAA.
- Guidance on substantially damaged and substantially improved structures, and additional rating guidance on buildings constructed before their communities' first Flood Insurance Rate Maps (FIRMs) became effective (known as pre-FIRM structures).
- Implementing a new procedure for properties newly mapped into the Special Flood Hazard Area (SFHA) and existing Preferred Risk Policy Eligibility Extension (PRP EE), a cost-saving flood insurance coverage option for property owners whose buildings were newly mapped into an SFHA. The premiums will be the same as the PRP, which offers low-cost flood insurance to owners and tenants of eligible residential and non-residential buildings located in moderate- to low-risk areas for the first year (calculated before fees and assessments) to comply with provisions of HFIAA.
- Reformulating expense loading on premiums, reducing the expense load on the highest-risk policies as an interim step while investigating expenses on policies as required by Biggert-Waters.

The changes will take effect on April 1, 2015.
Reserve Fund Assessment Increasing

- Biggert-Waters required the establishment of a Reserve Fund to help cover costs when claims exceed the annual premium collected by the NFIP. FEMA began collecting an assessment in 2013 to add money to the Reserve Fund.
- The Reserve Fund assessment initially applied to all policies other than PRPs in 2013. The assessment on those policies will increase in 2015.
- Starting in 2015, PRPs will begin contributing to the Reserve Fund.

<table>
<thead>
<tr>
<th>Policy</th>
<th>2014 Fee (as a percent of premium)</th>
<th>2015 Fee (as a percent of premium)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferred Risk Policies (PRPs)</td>
<td>0%</td>
<td>10%</td>
</tr>
<tr>
<td>Property Newly Mapped into the SFHA (Previous Preferred Risk Policies Eligibility Extension (PRP EE))</td>
<td>0%</td>
<td>15%</td>
</tr>
<tr>
<td>All Other Policies</td>
<td>5%</td>
<td>15%</td>
</tr>
</tbody>
</table>

HFIAA Surcharge Begins

- HFIAA slowed the elimination of subsidies provided for in Biggert-Waters and amended most of the provisions mandating that certain policies transition immediately to full-risk rates.
- To compensate for the decrease in revenue, the new law calls for the addition of a surcharge on all policies that will be collected until, with limited exceptions, all subsidies are eliminated.
- The surcharge is a flat fee applied to all policies based on the occupancy type of the insured building and is not associated with the flood zone in which the building is located or the construction date of the building (e.g., pre- or post-FIRM).
- The surcharge also applies to a renter’s contents-only policy based on the policyholder’s occupancy of the building or unit.

<table>
<thead>
<tr>
<th>Occupancy Type</th>
<th>Annual Surcharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Residential: single-family and individual condominium units</td>
<td>$25</td>
</tr>
<tr>
<td>Non-Primary Residential: single-family and individual condominium units</td>
<td>$250</td>
</tr>
<tr>
<td>Multifamily Residential: condominium and other buildings</td>
<td>$250</td>
</tr>
<tr>
<td>Non-Residential</td>
<td>$250</td>
</tr>
</tbody>
</table>
WHAT IS A FLOOD MAP?
The maps that show the flood risks for U.S. communities are officially called Flood Insurance Rate Maps—or FIRMs. Created by the Federal Emergency Management Agency (FEMA) for floodplain management and insurance rating purposes, FIRMs generally show a community’s flood zones, Base Flood Elevations (BFEs), and floodplain boundaries, all of which provide an indication of the risk of flooding. FIRMs designate high-risk areas—those with a 1 percent or higher annual risk of experiencing a flood—and moderate- to low-risk areas—where the risk of flooding is less than 1 percent per year. Remember, there is no such thing as a no-risk flood zone. No matter where you live or work, there is always some risk of flooding. Flood insurance premiums are based on the degree of flood risk.

WHY DO FIRMS CHANGE?
Flood risks change over time. Water flow and drainage patterns can alter dramatically because of land use and community development or because of natural forces such as changing weather patterns, surface erosion, subsidence, wildfires or sea-level rise. Likewise, the ability of levees and dams to provide the necessary protection can change as infrastructure ages, thus increasing the risk. To reflect the most current flood risks, FEMA is using the latest data-gathering and mapping technology to update and issue new FIRMs nationwide.

HOW ARE FIRMS USED?
Communities use FIRMs to manage floodplains and develop sound building ordinances. Mortgage lenders use FIRMs to help determine a property’s flood risk and decide whether flood insurance will be required as a condition for a loan. Insurance professionals use FIRMs in the rating process that determines a property's flood insurance premium.

HOW DO FIRMS SHOW FLOOD RISK?
Areas of moderate to low risk are shown as zones labeled B, C, or X on a FIRM. High-risk areas are shown as zones beginning with the letters A or V. Areas of undetermined risk are shown with the letter D.

HOW IS THE RISK SHOWN ON THE FIRMS REFLECTED IN INSURANCE PREMIUMS?
If your building is in a high-risk area—also called a Special Flood Hazard Area, or SFHA—you will likely pay a higher flood insurance premium than someone in a moderate- to low-risk area. The exact amount you pay depends on a number of factors, including the elevation of the building itself.

In a high-risk area, your insurance premium will also depend on when your building was constructed in relation to the date of the FIRM. Some buildings constructed before the community's first FIRM, called pre-FIRM, are eligible for subsidized premium rates that are determined with limited underwriting information.

http://www.fema.gov/media-library/assets/documents/104196
WHAT IF THE NEW MAP SHOWS THAT MY RISK HAS CHANGED?

This chart shows the effect of map changes on insurance rates. For exact rating information, contact your insurance agent.

<table>
<thead>
<tr>
<th>CHANGE IN RISK</th>
<th>RATE IMPACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate- to low-risk area (Zone B, C, or X) or Unknown (Zone D) TO High-risk area (Zone A or V)</td>
<td>Flood insurance is mandatory. Flood insurance will be required if you have a mortgage from a federally regulated or insured lender. Rating options can offer savings. Buildings newly mapped into a high-risk area may initially be eligible for a lower-cost rate during the first 12 months following a map change. Premiums will then increase up to 18 percent each year as part of the premium rate revisions put in place by the Homeowner Flood Insurance Affordability Act of 2014. Purchasing a policy before the new map goes into effect will maximize your savings. Your insurance agent can provide more details on how to save. A policy can be assigned to new owners, allowing them to keep the lower rate.</td>
</tr>
<tr>
<td>High-risk area to higher-risk area (Zone A to V) OR Increase in BFE</td>
<td>Grandfathering can offer savings. The NFIP grandfathering option allows policyholders who have built in compliance with the flood map in effect at the time of construction to keep their previous zone or Base Flood Elevation to calculate their insurance premium. This could result in significant savings. A grandfather-rated policy can be assigned to new owners. In most cases, your insurance agent will ask you to provide an Elevation Certificate.</td>
</tr>
<tr>
<td>High-risk area (Zone A or V) TO Moderate- to low-risk area (Zone B, C, or X)</td>
<td>Flood insurance is optional, but recommended. The risk is reduced, not removed. More than 20 percent of NFIP claims come from buildings outside of high-risk areas. Conversion offers savings. An existing policy can be converted to a lower-cost Preferred Risk Policy, with a refund of the premium difference. Although flood insurance is no longer federally required, your mortgage lender might still choose to require it.</td>
</tr>
<tr>
<td>No change</td>
<td>No change in insurance rates. Still, this is a good time to talk with your insurance agent to learn your specific risk and make sure you have enough flood insurance coverage.</td>
</tr>
</tbody>
</table>

HOW CAN I REDUCE MY RATES?

If you find you will have to pay a higher premium for flood insurance, you can take these steps to help reduce the cost:

- **Mitigate.** One way to reduce your rate is to reduce your risk, because premiums are based on risk. For example, you can fill in a basement or install flood vents in the crawl space beneath the lowest level of your building, which helps reduce the chance that the foundation of your building will be displaced during a flood, and lowers your premium. When remodeling or rebuilding, you can consider elevating your entire structure. 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.

- **Encourage community action.** You can encourage your community to participate in the Community Rating Service (CRS), if it doesn't already. CRS is a voluntary incentive program that recognizes communities for implementing floodplain management practices that exceed the National Flood Insurance Program (NFIP) minimum requirements. In exchange for a community's proactive efforts to reduce flood risk, policyholders can receive reduced flood insurance premiums. For more information, visit FloodSmart.gov/CRS.

- **Apply for a Letter of Map Change (LOMC).** FIRMs are developed to a scale that is useful for community officials, lenders, and insurance professionals, but not every rise in terrain can be depicted at this scale. If you think your building is imprecisely mapped as being in the floodplain, FEMA provides a process to allow property owners to request a more precise flood zone designation. Two types of LOMCs are Letters of Map Amendment (LOMAs) and Letters of Map Revision-Fill (LOMR-Fs). A LOMA is usually issued because a property has been mapped as being in the floodplain, but is actually on naturally high ground. A LOMR-F is for a property that is now elevated above the BFE by the placement of fill. For more information on filing a LOMA or LOMR-F, visit fema.gov/letter-map-amendment-letter-map-revision-based-fill-process.

- **Consider a higher deductible.** Just as with automobile or homeowners insurance, increasing your deductible—an amount you pay out of your pocket to cover a claim before coverage is applied—will lower your premium. A new $10,000 deductible, available to homeowners as of April 1, 2015, 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 might not be allowed by lenders to meet mandatory purchase requirements.

WHERE CAN I LEARN MORE?

If a mapping project is occurring in your community, stay in contact with your local floodplain administrator to learn when and where changes are occurring and to find out where you can view the new maps. When preliminary FIRMs are released, they and the current FIRMs will also be posted to msc.fema.gov. To learn more about FEMA's mapping program, visit fema.gov/national-flood-insurance-program-flood-hazard-mapping.

To hear about ways to reduce your insurance premium—such as grandfathering, choosing a higher deductible, or taking mitigation action—ask your insurance agent to help you determine what may be best for your financial situation. To learn more about flood insurance or to find an insurance agent, visit FloodSmart.gov.
When a Map Change Occurs

- Current PRP EE policies and policies for insured buildings that are newly mapped into high-risk areas from moderate- to low-risk areas will be eligible to receive PRP rates for 1 year after the maps become effective. The Federal Policy Fee for these and existing PRP EE policies will increase to $45 to ensure the solvency and sustainability of the program.

- For these policies, the rates at renewal will increase no more than 18 percent each year.

- Grandfathering remains a cost-saving option for policyholders when new maps show their buildings in a higher-risk area (e.g., Zone A to Zone V; increase in Base Flood Elevation).

What Is Grandfathering?
When FIRM changes occur, the NFIP provides a lower-cost flood insurance rating option known as “grandfathering,” which is available for property owners who:

- Have flood insurance policies in effect when the new flood maps become effective and then maintain continuous coverage; or

- Have built in compliance with the FIRM in effect at the time of construction.

To learn more, visit the NFIP’s Grandfathering Fact Sheet at floodsmart.gov/floodsmart/pdfs/Grandfathering+Fact+Sheet+for+Agents-2010.pdf.

Other Changes Coming in April

- As required by HFIAA, the maximum deductible for a flood insurance policy will increase to $10,000 for single-family and two- to four-family dwellings. If used, the deductible must apply to both building and contents. For single-family homes, choosing the maximum deductible will result in up to a 40 percent discount from the base premium. It is important to remember that using the maximum deductible may not be appropriate in every financial circumstance and may not be allowed by lenders to meet mandatory purchase requirements.

- The Federal Policy Fee will increase by $1 for most policies other than the PRP, which remains $22. The exception is policies rated using the map change table, which will increase to $45 to ensure the solvency and sustainability of the program.

- A new rate table showing annual rate increases of 25 percent will be created for pre-FIRM buildings that have been substantially damaged or improved. However, repairs made to these structures typically must meet current building codes and, therefore, will usually receive a better rate using post-FIRM rate tables.

- In most cases, average rate increases for each rating class are capped at 15 percent; the annual surcharge and Federal Policy Fee are not included in the rate calculation and could result in the total amount charged a policyholder increasing by more than 18 percent.

For full explanations and guidance, see WYO Bulletin (W-14053) and the Flood Insurance Manual.

Read the latest WYO Bulletins for complete rate-change information at NFIPiService.com
Homeowner’s Guide to Elevation Certificates

An Elevation Certificate is an important tool that documents your building’s elevation. If you live in a high-risk flood zone, you should provide an Elevation Certificate to your insurance agent to obtain flood insurance and ensure that your premium accurately reflects your risk. Obtaining an Elevation Certificate also can help you make decisions about rebuilding and mitigation after a disaster.

Comparing Your Building’s Elevation to a Potential Flood Level

- Your insurance agent will use the Elevation Certificate to compare your building’s elevation to the Base Flood Elevation (BFE).
- The base flood is a flood with a 1 percent chance of occurring in any given year. The BFE identifies how high the water is likely to rise (also called water surface elevation) in a base flood. The land area of the base flood is called the Special Flood Hazard Area, floodplain, or high-risk zone.
- Flood insurance rates in a high-risk zone (a zone beginning with the letter A or V) are based on a building’s elevation above, at, or below the BFE.

Elevation and Flood Insurance Rates

- Generally, in high-risk zones, the higher above the BFE a building is located, the lower the insurance premium will be for that property. The Elevation Certificate provides the documentation necessary to make that determination.
- In moderate- to low-risk zones (zones beginning with letters B, C, or X), rates are not based on elevation, so an Elevation Certificate may not be necessary to determine the premium.

Finding Your Building’s Elevation

- Many municipal governments keep elevation information on file. Talk to community officials about the information they might have for your building.
- If no elevation information is available, you might need to hire a State-licensed surveyor, architect, or engineer to complete an Elevation Certificate. Depending on your location and the complexity of the job, the cost of a surveyor can vary from $500 to $2,000 or more. You may want to contact several local surveyors to find out what they offer.

HOW TO GET AN ELEVATION CERTIFICATE FOR YOUR HOME

1. Ask your local floodplain manager if your property’s elevation information is on file. If so, the community floodplain manager is authorized to complete the Elevation Certificate for you.
2. If your information is not on file, you might need to hire a State-licensed surveyor to obtain an Elevation Certificate.
3. When you receive your Elevation Certificate:
   - Provide one copy to your insurance agent.
   - Keep a copy for your records.

WHAT DISASTER SURVIVORS NEED TO KNOW

- An Elevation Certificate will help your agent rate your policy properly.
- Your insurance premium will change based on your elevation. In general, the higher above the BFE you build, the lower your premium.
- Your home might be above the BFE, so you might already be eligible for lower premiums.
- An Elevation Certification can help you make decisions about the return on investment of mitigation efforts as you rebuild.

*FEMA’s mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability for, protect against, respond to, recover from, and mitigate all hazards.*
You could save more than $90,000 over 10 years if you build 3 feet above BFE.

$250,000 building coverage only (does not include contents), AE (high to moderate risk) zone, single-family, one-story structure without a basement at: 4 feet below BFE at BFE and at 3 feet above BFE. (Rating per FEMA flood insurance manual, October 1, 2012). The illustration is based on a standard NFIP deductible.

Plan for the Future

- Remember, building code requirements may change over time or following major flooding disasters. Your state or community may work with FEMA to adopt Advisory BFEs (ABFEs) if a storm shows the need to raise the building elevation requirement.

- The BFE and even the Flood Insurance Rate Maps (FIRMs) may change for other reasons, including changes in local land use that affect how the land absorbs flood water or changes in technology that allow better plotting of flood risks.

- You may want to think about building higher than the BFE to lower your flood risk and, in turn, lower your flood insurance rates.

- The NFIP encourages building higher than the BFE as a safety measure.

USEFUL TERMS

- **Base Flood:** The flood having a 1 percent chance equaled or exceeded in any given year.

- **Base Flood Elevation (BFE):** The water surface elevation of the base flood adopted by the community.

- **Advisory Base Flood Elevation (ABFE):** Updated and more accurate flood hazard data developed after a disaster to help guide the rebuilding process until more detailed data becomes available.

- **Flood Insurance Rate Map (FIRM):** A map issued by FEMA showing flood risk, BFEs, and risk premium zones.

- **Pre-FIRM:** Buildings constructed before the community's first FIRM. Communities might not have elevation information on file for these properties.

- **Preliminary Map:** The term used for updated FIRMs before they are adopted by a community and made effective. Insurance premiums are based on the effective maps.

- **Post-FIRM Construction:** A building constructed or substantially improved on or after December 31, 1974, or on or after the date of the initial FIRM for your community. FIRM dates can be found at: http://www.fema.gov/fema/csb.shtm

"FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability for, protect against, respond to, recover from, and mitigate all hazards."
How to Request a Letter of Map Amendment (LOMA) or Letter of Map Revision Based on Fill (LOMR-F)

What is a LOMA or a LOMR-F?
The Federal Emergency Management Agency (FEMA) applies rigorous standards to develop Flood Insurance Rate Maps (FIRMs) and uses the most accurate hazard information available. However, limitations in the scale or topographic detail of the source maps used to prepare a FIRM may cause small elevated areas to be included in a Special Flood Hazard Area (SFHA). SFHAs are high-risk areas subject to inundation by the base (1-percent-annual-chance) flood. They are also known as 1-percent-annual-chance floodplains, base floodplains, or 100-year floodplains.

To change the flood hazard designation for properties in these areas, FEMA has established the LOMA process for properties on naturally high ground and the LOMR-F process for properties elevated by the placement of fill. LOMAs and LOMR-Fs are letter determinations that officially amend an effective FIRM. They can establish that a property is not in an SFHA and, by doing so, remove the Federal flood insurance requirement.

Obtaining a LOMA or LOMR-F
A LOMA application form can be downloaded from the FEMA website at www.fema.gov/plan/prevent/fhm/dl_mtz-3z.shtml. FEMA does not charge a fee to review a LOMA request, but requesters are responsible for providing the required mapping and survey information specific to their property. For FEMA to remove a structure from the SFHA through the LOMA process, Federal regulations require the lowest ground touching the structure, or Lowest Adjacent Grade (LAG) elevation, to be at or above the Base Flood Elevation (BFE).

The exception to this requirement is when the submitted property information shows that the structure is outside the SFHA. In this case, the property is referred to as “out as shown.” If elevation information is required for the LOMA request, the requester should submit the elevation data requested on the MT-EZ form (www.fema.gov/plan/prevent/fhm/dl_mtz-3z.shtml).

For More Information

- For general information, contact the FEMA Map Information eXchange by telephone, toll free, at 1-877-FEMA MAP (1-877-336-2627) and choose “Option 1”; by e-mail at FEMAMapSpecialist@riskmap.cds.com; or by live chat at www.floodmaps.fema.gov/fhm/fmx_main.html.

- The forms and other documents referenced in this filer are also available on the “Forms, Documents, and Software” portion of the FEMA website at www.fema.gov/plan/prevent/fhm/fm_main.shtm.

- For copies of effective National Flood Insurance Program maps and reports, contact the FEMA Map Information eXchange by telephone, toll free, at 1-877-FEMA MAP (1-877-336-2627) and choose “Option 3,” or via the FEMA Map Service Center website at www.msc.fema.gov.

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An Elevation Certificate, which includes this required elevation data, may be submitted to meet this data requirement and may be available from the community in lieu of a new survey.

If the property has been elevated by fill, the requester will need to use the LOMR-F process. Application forms are available at www.fema.gov/plan/prevent/fhm/dl_mtf1.shtml. For a LOMR-F to be issued, the LAG must be at or above the BFE, and community floodplain officials must determine that the land and any existing or proposed structures to be removed from the SFHA are "reasonably safe from flooding." FEMA charges a fee for the engineering review of LOMR-Fs. Fee information is located at www.fema.gov/plan/prevent/fhm/frm_fees.shtml.

Please send completed application forms to the attention of the LOMA Manager at the LOMC Clearinghouse, 7390 Coca Cola Drive, Suite 204, Hanover, MD 21076.

What if no BFEs have been Determined?
In some instances, BFEs for a certain SFHA have not yet been determined. FEMA will attempt to calculate the BFE when a LOMA application is submitted for properties of less than 50 lots or 5 acres. Sometimes, a BFE can be developed from sources such as U.S. Geological Survey topographic quadrangle maps. If that information is not available, the property owner will be asked to supply a survey for the property with the information necessary to allow FEMA to develop a site-specific BFE. National Flood Insurance Program (NFIP) regulations require that the requester determine the BFEs for properties larger than 50 lots or 5 acres. A variety of computational methods can be employed to determine BFEs, but these methods can be expensive. Before computational methods are used, every attempt should be made to obtain information, in the form of floodplain studies or previous computations, from Federal, State, or local agencies. Data obtained from these agencies may be adequate to determine BFEs with little or no additional research, calculation, or cost.

The FEMA document Managing Floodplain Development in Approximate Zone A Areas, A Guide for Obtaining and Developing Base (100-Year) Flood Elevations provides guidance on computing BFEs. This document, which can be viewed on the FEMA website at www.fema.gov/library/viewRecord.do?id=1526, provides methods for developing BFEs, as well as a list of agencies that can be contacted to determine whether BFE data are already available.

How will a LOMA or LOMR-F Affect my Flood Insurance Requirement?
The Federal flood insurance requirement applies to structures in SFHAs that carry a mortgage backed by a federally regulated lender or servicer. If you have a LOMA or LOMR-F proving that your property is not in the SFHA, the mandatory Federal flood insurance requirement no longer applies. However, your lender still has the prerogative to require flood insurance as a condition of the loan. Even if your lender requires flood insurance, however, premiums are lower for structures outside the SFHA.

If FEMA issues a LOMA or LOMR-F and your lender agrees to waive the flood insurance requirement, you may be entitled to a refund of the premium paid for the current policy year. To cancel your policy, you can submit a copy of the LOMA or LOMR-F and the lender’s waiver to your flood insurance agent or broker. The agent will send these documents and a completed cancellation form to the appropriate insurance provider.

It is important to note that the issuance of a LOMA or LOMR-F does not mean the risk of flooding has been eliminated. Therefore, not having a flood insurance policy could have disastrous consequences, leaving you with no financial protection from future flood losses. FEMA recommends flood insurance coverage even if it is not required by law or a lender. The good news is that you may be eligible to pay much less for flood insurance coverage if your property is removed from the SFHA.

Quick Facts

- **LOMA requests involving one or more structures**: the LAG must be at or above the BFE.
- **LOMR-F requests**: the LAG must be at or above the BFE, and community floodplain officials must determine that the land and any existing or proposed structures to be removed from the SFHA are "reasonably safe from flooding."
- **LOMA requests involving one or more lots**: the lowest point on each lot must be at or above the BFE.
- **Review and processing fee**: FEMA does not charge a fee to review a LOMA request, but there is a fee for the engineering review of LOMR-Fs.
- **Required information**: the requester is responsible for providing all the information needed for the review, including (if necessary) elevation information certified by a licensed land surveyor or registered professional engineer.

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