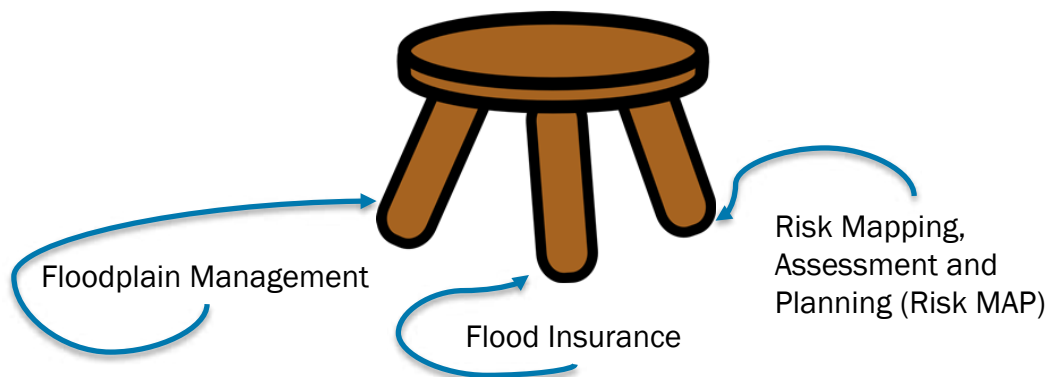


National Flood Insurance Program

- Created by Congress in 1968 to reduce the loss of property and life by lessening the impact of disasters.
- The NFIP is a voluntary program.
 - Federally-backed flood insurance is available to residents in communities that enforce minimum floodplain regulations
- The NFIP is often described as a three-legged stool:

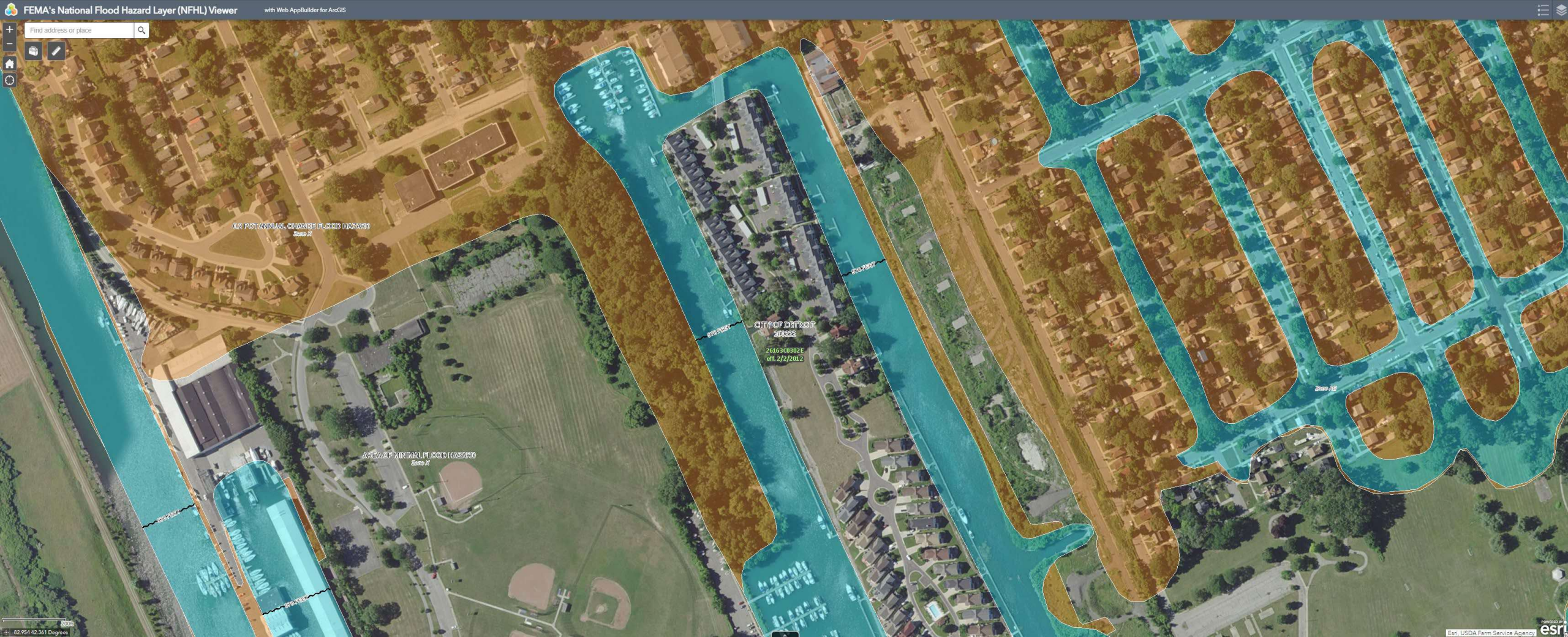


GET FLOOD INSURANCE



FEMA





Anyone in a Participating Community Can Purchase Flood Insurance through the NFIP

<https://www.fema.gov/flood-insurance/work-with-nfip/community-status-book>



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Standard Flood Insurance Policy (SFIP) Limits

- \$250,000 building
- \$100,000 contents
- \$30,000 Increased Cost of Compliance (ICC)
- Vacation/secondary homes **are** eligible for coverage
- Contents-only or rental policies are available

Dwelling
Form



- \$500,000 building
- \$500,000 contents
- \$30,000 ICC

General
Property



- Building insured up to:
 - 100% of the replacement cost of the building *or*
 - The total number of units times \$250,000 (whichever is less)
- Contents insured up to \$100,000 per building
 - Contents must be commonly-owned
- Co-insurance may apply
- \$30,000 ICC

RCBAP



Special Conditions Apply to Group Flood Insurance Policies (GFIPs)



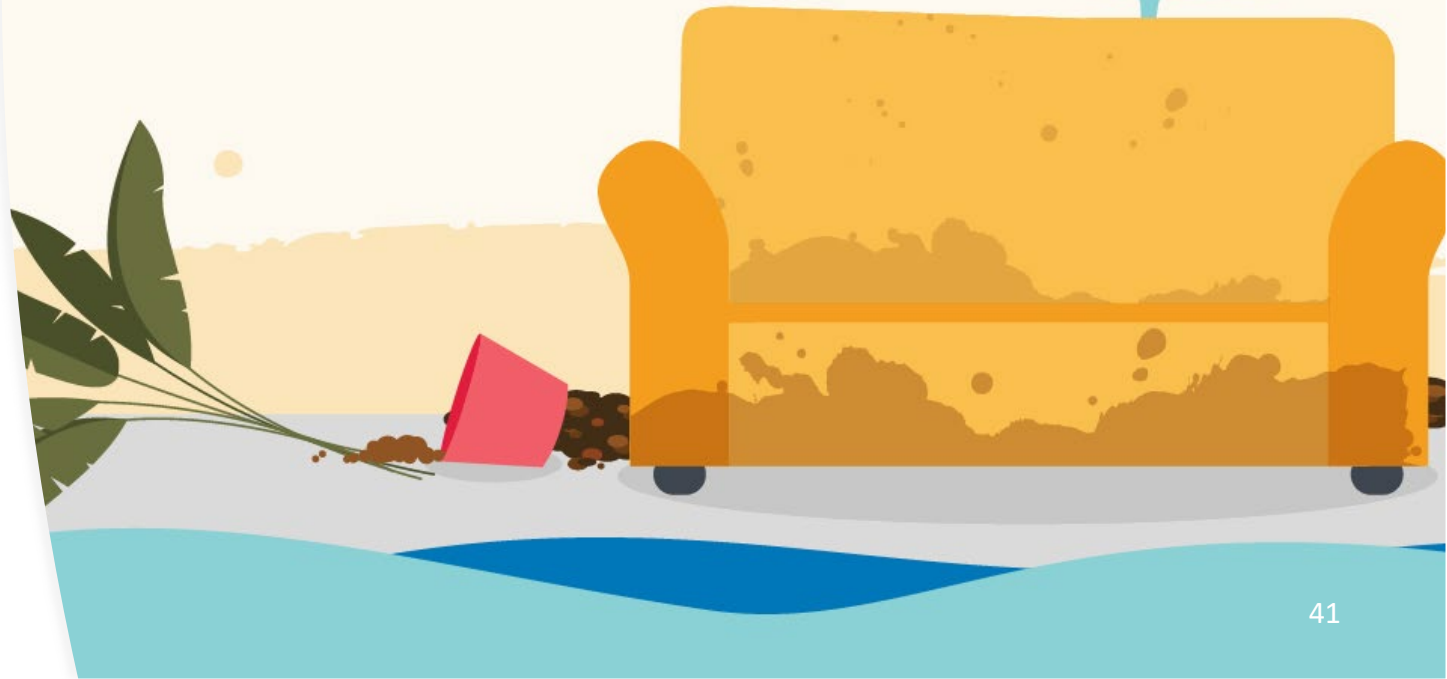
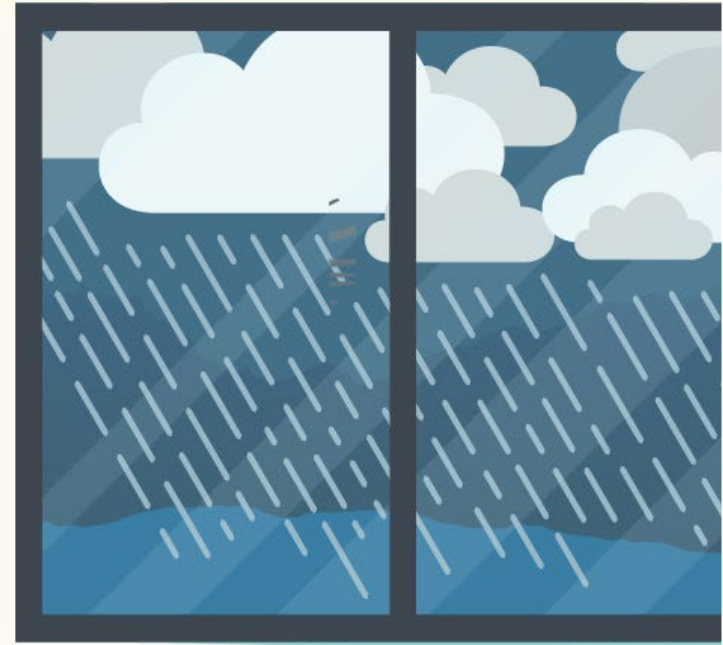
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Standard Flood Insurance Policy (SFIP): Coverages

- Coverage A: Building Property
- Coverage B: Personal Property
- Coverage C: Other Coverages
 - Debris removal
 - Loss Avoidance Measures
 - Property Moved to Safety
 - Condominium Loss Assessment
- Coverage D: Increased Cost of Compliance

**Flood
insurance
has you
covered.**



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First, What Are Flood Zones?

Special Flood Hazard Areas (SFHAs)

- Higher risk zones
 - AE (replaces A1-A30)
 - A, AH, AO, A99, AR
 - VE (replaces V1-30), V, VO
- 100-year floodplain = 1% annual chance flood

Non-Special Flood Hazard Areas

- Lower-to-Moderate Risk Zones
 - B, C, X
 - D



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Moving from Lower-Risk to Higher-Risk: What Does This Mean for Me?

- If your risk is going up...
 - ❑ You may be required to have flood insurance if you have a federally-backed loan
 - ❑ Even if you don't have a federally-backed loan, flood insurance is strongly encouraged
 - ❑ The Newly Mapped Discount may offer cost-savings for structures newly mapped into the Special Flood Hazard Area.
 - To be eligible, the structure must be newly mapped into the SFHA for the first time;
 - This must not be the community's initial FIRM; and,



- Flood insurance must be purchased within 12 months of the effective date of the new map.
- If your lender notifies you of a flood insurance requirement within 24-months of the effective date, you may be eligible for an exception to the 12-month window.



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Moving from Higher-Risk to Lower-Risk: What Does This Mean for Me?

- If your risk is going down...
 - The mandatory purchase requirement no longer applies to federally-backed loans
 - Low risk does not mean no risk
 - Talk to your insurance agent about your options



FEMA

What Else Can I Do to Reduce My Flood Insurance Costs?

- Lower Your Flood Risk
 - Elevate utilities
 - Install flood openings
 - Talk to your local floodplain manager or the Minnesota Department of Natural Resources for more information and other options
- Choose a higher deductible or different coverage amounts
- Provide an elevation certificate

Did You Know?

- The Community Rating System rewards communities for outstanding floodplain management practices and exceeding the minimum NFIP standards.
- Starting October 1, 2021, CRS discount became available throughout CRS communities regardless of flood zone.
- Increasing CRS rating leads to further discounts. In Class 1 communities, the discount can be as high as 45%.

