



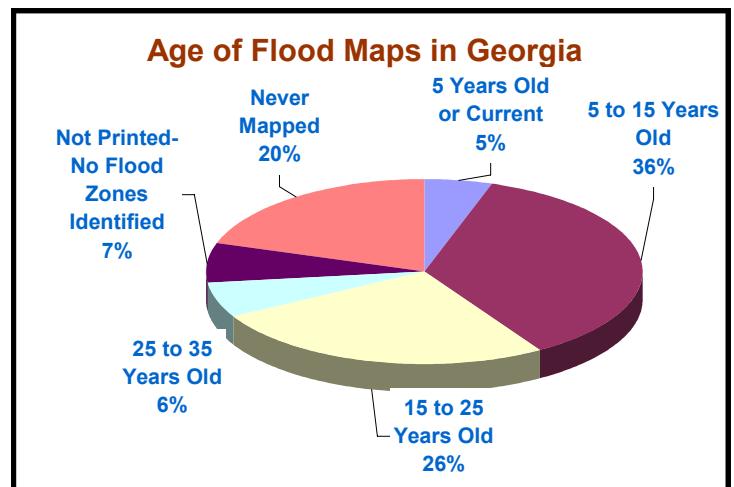
Flood Insurance and the Georgia Flood Map Modernization Project

Many of the nation’s flood hazard maps are outdated and may not realistically depict the existing flood risk. Twenty percent of the State does not have any flood maps and 32% of the State have flood maps 15 years or older. The Federal Emergency Management Agency (FEMA) has embarked on an aggressive 5-year initiative to update the Nation’s flood hazard maps. Infused with funds provided by the President and Congress, FEMA is transforming the way flood maps are created and accessed. Map Modernization entails providing flood maps and data for communities nationwide that are more accurate, easier-to-use, and readily available. The State of Georgia has teamed with FEMA to produce updated flood maps more quickly, in a digital format, and provide users easier access to the flood hazard data. The objective of the Georgia Flood Map Modernization Project is an updated digital countywide flood map for all 159 counties in the State.

The Georgia Flood Map Modernization Project will help:

- Local officials manage safe development and emergency response,
- Homeowners be informed of the flooding risk to their property, and
- Lenders and real estate and insurance agents to offer the proper protection to their clients.

Flood maps, called Flood Insurance Rate Maps (FIRMs), are risk assessment tools used to define the areas likely to be flooded in a severe storm or hurricane. A community is divided into various flood zones with different levels of risk. The highest risk zone is called a Special Flood Hazard Area (commonly called the 100-year floodplain, or Zones A, AE, V, or VE). These areas are subject to inundation from the flood having a 1-percent-annual chance of occurring, also called the 100-year flood. The “100-year flood” is misleading because it does not mean a flood occurs once every 100 years, rather it means the chance of flooding is one percent each year. In other words, over the course of a 30-year home mortgage, there is a 26% chance of flooding in the high risk zone.



Flood Risk Zone Identified on the Flood Map	Level of Flood Risk
V, VE, or V1-V30	High Risk for coastal areas
A, AE, or A1-A30	High Risk associated with rivers or creeks
B or Shaded X	Moderate Risk
C or Unshaded X	Low Risk

WHAT IS COVERED BY FLOOD INSURANCE?

Flood Insurance covers what your homeowners insurance does not—damage caused by floods. Almost every type of walled and roofed building may be insured if it is in a community that is participating in the National Flood Insurance Program. This includes commercial buildings, single and multi-family homes, condominiums, manufactured (i.e., mobile) homes that are anchored to permanent foundations and are regulated by a city or county. Separate coverage may be purchased for building contents, so renters can insure their belongings too!

WHO MAY PURCHASE FLOOD INSURANCE?

Federally-backed flood insurance is made available to homeowners, renters, and business owners in communities that participate in the National Flood Insurance Program. Nationally, 4.4 million policies are in force in approximately 20,000 communities. In Georgia, there are over 70,000 flood insurance policies in almost 450 communities including counties and municipalities. Flood insurance is available even if your property has previously been flooded. You are still eligible to purchase flood insurance, provided your community participates in the NFIP. It doesn't matter what flood zone your structure is located; flood insurance is available for property located in cities or counties which participate in the National Flood Insurance Program. Nationally, about one-third of claims for flood losses come from outside high-risk flood areas.

HOW IS FLOOD INSURANCE PURCHASED AND HOW MUCH WILL MY PREMIUMS BE?

A policy may be purchased from any licensed insurance agent, broker, or agent representing a homeowner's insurance agency. You may visit www.floodsmart.gov for a list of local insurance agents who can write flood insurance policies in your area. At the website, a property owner can estimate what their premiums would be under a flood policy, and, in addition, you can learn valuable information on how you can prepare and protect your home or business from flooding.

Flood insurance premiums are determined based on:

- The amount of coverage,
- Location of the structure, i.e., the flood zone,
- Age of the structure,
- Building occupancy,
- The elevation of a building located in a Special Flood Hazard Area (high risk zone),
- Amount of Deductible, and
- Type of Building.

You can purchase flood coverage at any time. However, there is a 30-day waiting period after you've applied and paid the premium before the policy is effective, with the following exceptions: 1) if the initial purchase of flood insurance is in connection with the making, increasing, extending, or renewing of a loan, there is no waiting period; or 2) if the initial purchase of flood insurance is made during the one-year period following the issuance of a revised flood map for a community, then there is a one-day waiting period.

HOW WILL MAP MODERNIZATION AFFECT FLOOD INSURANCE PREMIUMS?

Some flood insurance premiums will go up and others will go down—it all depends on where the given property is located and whether the flood risk has increased or decreased since the flood maps were last produced. In general, flood insurance premiums for existing policies will stay the same. Most policyholders in areas where the flood risk has increased can be "Grandfathered," that is, rates are based on their previous flood zone. Policyholders can save money by annually renewing their coverage, and not allowing it to lapse. If a lapse in coverage occurs, a subsequent policy could be charged the higher premium reflecting the increased risk. Property owners in medium- and low-risk zones may also be eligible for a Preferred Risk Policy, which is a low-cost policy that can be purchased before the map changes take effect. Preferred Risk Policies cannot be "Grandfathered" after a zone is changed to high risk. Call your insurance agent to make sure that your property is protected from flood losses.

WHEN A FLOOD ZONE CHANGES	PROPERTY OWNERS SHOULD CONSIDER THESE OPTIONS
From a low or moderate risk zone to a high risk zone	Maintain current flood policy or buy before new rates take effect
From a high risk zone to a low or moderate risk zone	Purchase low-cost Preferred Risk Policy. 25 to 30% of NFIP claims occur in low or moderate risk zones.

Homeowners insurance does not cover flood losses!

Flood Insurance: Who Needs It? You may!

Unfortunately, Tropical Storm Alberto in 1994 taught thousands of Georgians an expensive lesson: Just because your home is not within a Special Flood Hazard Area (the 100-year floodplain) does not mean that you are protected from floods. Thousands of residents flooded because rainfall amounts were either greater than 100-year levels, or runoff from small areas could not drain fast enough to prevent local ponding from inundating a home.

Nationally, about one-third of flood loss claims are from property outside the federally designated floodplain.

WHO'S PAYING FOR THE NEW FLOOD MAPS?

As part of the Nation's effort to reduce the damages and costs of flooding, Congress appropriated funding to update flood maps across the entire nation. Resources from the State of Georgia and some local governments were utilized in the Georgia Map Modernization Project as well. Flood insurance policyholders do not finance the mapping effort.

WHERE CAN I GET MORE INFORMATION?

Contact your local insurance agent. At the FEMA website, www.fema.gov, view the brochure, *Answers to Questions about the NFIP, MitDiv2, F-084 (5/04)*.