

FLOOD INSURANCE



PREPARE YOURSELF FOR POSSIBLE CHANGES TO YOUR FLOOD RISK AND INSURANCE PREMIUMS.

FLOOD FACT

25%

of all flood insurance claims for the National Flood Insurance Program are filed by people who don't live in a high-risk flood zone.

Source: FLOODSMART.GOV

FEMA is in the process of a nationwide flood zone remapping project that may affect you. To help you stay informed and prepared for possible flood map changes in your area, The Hartford:

- Has provided informational tools to your flood insurance agent, so they're better prepared to assist you
- Is providing you with this information, so you can better prepare yourself

The Hartford and your flood insurance agent are ready to help you prepare for possible changes as a result of flood zone remapping.

WHAT IS FLOOD ZONE REMAPPING?

It's a multi-year initiative by FEMA that will update flood zone maps in more than 20,000 communities across the country. As a result, FEMA will produce detailed, digital flood insurance maps that will:

- Help communities manage flood risk and disaster recovery more efficiently
- Provide accurate information for homeowners, business owners and other key stakeholders to make choices regarding personal and financial protection

Prepare. Protect. Prevail.®

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WHY IS IT HAPPENING?

FEMA is updating flood zone maps to more accurately reflect the risk of flooding, which has changed over time due to landscape changes. Landscapes change due to building development, weather patterns, surface erosion, spring thaw, wildfires, decay of dams and levees, and other natural forces. These changes can alter floodplain boundaries, water flow and drainage patterns – which can lead to higher or lower risk of flooding for property owners.

WHEN WILL IT OCCUR?

Remapping is occurring now and will continue for years. There's usually a period of one to two years between the time the new "preliminary" maps are issued and the time that they're implemented. This should provide adequate time to talk with your agent, review your options and protect your property.

HOW WILL IT AFFECT ME?

With the updates to flood zone maps, your property may be remapped to a higher or lower-risk zone. It may also remain unchanged. Take a look at the snapshot below to see how this may affect you.



IF REMAPPED TO A HIGHER-RISK FLOOD ZONE

This means you have an increased risk of flooding. It's in your best interests to:

- **Insure your property for the higher risk.** You may need to purchase or convert to a different rate structure for flood insurance. If you hold a mortgage, your lender will require you to have flood insurance. This requirement applies to all federally regulated lenders and government-sponsored enterprises, such as Freddie Mac and Fannie Mae.
- **Get flood coverage ahead of the remapping effective date to avoid force-placed coverage.** If you don't proactively acquire flood insurance on your own, your lender may purchase coverage on your behalf (force-placed coverage). Lenders will "force place" coverage in situations where a borrower either:
 - Does not obtain required flood insurance when a zone changes from low to high risk, or
 - Allows flood insurance coverage to lapse after the loan is made
- **Look into cost-saving options.** You may be able to save money on your insurance premiums by taking advantage of the procedure for properties Newly Mapped into the Special Flood Hazard Area (SFHA).
- **Contact your flood insurance agent for assistance.** Your agent can inform you of your options and answer your questions.

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IF REMAPPED TO A LOWER-RISK FLOOD ZONE

This means you have a low risk of flooding, but your risk isn't eliminated. Your mortgage lender will no longer require flood insurance, but it's in your best interests to:

- **Maintain flood coverage.** That way you can continue protecting your property against all flood risks.
 - The change in zone will be reflected automatically on your policy.
 - You may be eligible for reduced insurance rates.
- You may receive a refund for premiums already paid.
- **Contact your flood insurance agent for assistance.** Your agent can guide you on the best course of action for your situation.



IF REMAPPING DOESN'T AFFECT YOUR FLOOD ZONE

This means there is no change to your risk of flooding, and your flood insurance rates won't be affected by remapping.

- **Talk with your flood insurance agent.** It's a good time to review your coverage and ensure that your property and assets are adequately protected.

WHY IS IT IMPORTANT TO MAINTAIN FLOOD COVERAGE?

Remapping might mean increased exposure to the risk to and damage from flooding events or it might improve your current flood zone situation. The government allows for "grandfathering," a reduction in rates for those who maintain flood insurance. If you already have flood insurance, maintaining the policy will allow you to keep a reduced rate through grandfathering. However, if the new mapping is more favorable, you may prefer to change to the new zone rate.

If you're eligible for a Preferred Risk Policy (PRP) before the new maps are adopted with higher-risk zones, you can buy a PRP

now and then it can be converted using the following:

- Procedure for properties Newly Mapped, or
- A standard policy with a "grandfathered" zone at a reduced rate

Also remember that every property is in a flood zone, but with differing potential for claims from future flooding events. Since 2010, the U.S. has experienced a significant increase in the number of major flooding events affecting every region in the U.S. Most areas had not experienced previous flood losses, and many came from low- to moderate-risk flood zones. So, for these and many more reasons, it's important to maintain your flood insurance.

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PROPERTIES NEWLY MAPPED INTO THE SFHA

The Newly Mapped procedure offers property owners a Preferred Risk Policy (PRP) for the first year of coverage as long as the property was previously located in a non-SFHA (Special Flood Hazard Area) and meets PRP eligibility with regard to flood loss history.

To be eligible for a PRP the property must not have experienced any of the following conditions within any 10-year period:

- Two flood insurance claim payments, each more than \$1,000
- Three or more flood insurance claim payments, regardless of the amount
- Two federal flood disaster relief payments (including loans and grants), each more than \$1,000
- Three federal flood disaster relief payments (including loans and grants), regardless of the amount
- One flood insurance claim payment and one federal flood disaster relief payment (including loans and grants), each more than \$1,000

Additional guidelines for the Newly Mapped procedure:

- Owners must secure coverage within 12 months of the map revision date.
- After the initial policy year, the policy will transition to full-risk rates through average increases of 15 percent.

DON'T HAVE FLOOD INSURANCE? BUYING NOW CAN SAVE YOU MONEY.

If flood remapping is taking place in your community and you don't have flood insurance, buy it now – before remapping takes effect. That way, you can take advantage of grandfathering of the policy at the current rate, or the procedure for properties Newly Mapped if the criteria is met. (You can take advantage of grandfathered rates if you maintain continuous flood insurance.)

Grandfathering can help reduce the impact of being rezoned to a higher risk category. The NFIP's grandfathering provision offers savings for customers who:

- Have policies in effect when the new flood maps become effective and continue to maintain their coverage, or
- Have property built in compliance with the flood map in effect at the time of construction

Remember, there's typically a 30-day waiting period – from date of purchase – before a new flood policy goes into effect. So, be sure to get a flood insurance policy now – before you need it.

LEARN MORE.

If you have questions about your flood insurance policy or flood zone remapping, contact your flood insurance agent from The Hartford.

The Hartford is a participant in the federal Write Your Own (WYO) Program, part of the National Flood Insurance Program managed by the Federal Emergency Management Agency (FEMA). WYO flood policies are underwritten by the federal government and issued, sold, and administered by authorized private insurance companies, including Hartford Fire Insurance Company, Hartford Insurance Company of the Midwest and Hartford Underwriters Insurance Company. Accordingly, Hartford WYO flood policies are written subject to the rules, regulations, terms, conditions, and availability of the National Flood Insurance Program, and are available in all states. For simplicity, this brochure does not include all the features, exclusions and limitations of the flood policy. All policies must be examined carefully with your agent to determine suitability for your needs and to identify any exclusions, limitations or any other terms and conditions that may specifically affect coverage. In the event of a loss or claim, the terms and conditions of the policy prevail.



Business Insurance
Employee Benefits
Auto
Home