

# Floodplain Management Q&A: *Grandfathering* Effects of Map Changes on Insurance



## Will my community's flood maps ever change?

The Federal Emergency Management Agency is currently updating and modernizing the nation's flood maps. New maps may reflect changes to floodplains, and may cause adjustments in flood insurance rates for some property owners. Even if your community has Flood Insurance Rate Maps (FIRMs), there are still circumstances that might call for these maps to be revised in the future. Here are some examples which could necessitate map revisions or a Letter of Map Change:

- \* Changes in the status of dams or levees.
- \* Channel modifications.
- \* Land use and new development.
- \* Modifications to geographical boundaries.
- \* Acquisition of information that better determines the Base Flood Elevation (BFE).

Should your community's FIRMs change because of one of the above reasons, you may find:

- 1.** Your home or business was not in a "high-flood risk" zone (a flood zone on the map starting with the letter "A") but it will be mapped into one.
- 2.** Your home or business was already in a "high-flood risk" zone but now the BFE will change when the new flood maps become effective.
- 3.** Your home or business was in a "high-flood risk" zone but now it will not be when the new maps become effective. In this case flood insurance will no longer be federally required, but it is recommended.
- 4.** There will be no change in the zone status of your home or business; however, it might be a good idea to review your coverage to ensure you are adequately protected.

In high-flood risk zones, also known as Special Flood Hazard Areas, flood insurance is required for mortgages from a federally regulated or insured lender. *Should your risk designation change, your flood insurance rates may change as well.* How will this affect you? What should you do? Don't panic; you might be eligible for help through a special insurance rating process called "**grandfathering.**"

## What is "grandfathering"?

Grandfathering is a special exemption created by the National Flood Insurance Program to recognize and reward those policyholders who have purchased and maintained flood insurance, or who have built in compliance with the flood map in effect at the time of construction. These individuals receive preferential ratings in the event a FIRM is revised which can save them money on their insurance premiums.

*The simplest way to grandfather is to purchase a flood insurance policy before a new flood map takes effect and maintain coverage without a lapse.*

## How does grandfathering work?

Let's say the revised preliminary maps have come out and you find that your property is now being mapped in a high-flood risk zone, or your property has been in a high-flood risk zone but now the BFE is higher. Decide which of the following three categories you fall under. Please note: It is always a good idea to have your insurance agent calculate insurance rates using both old and new maps because, in some cases, rates from the new map might be more cost effective.

**Category 1: Pre-FIRM Buildings (Built Before the Community's First Flood Map Was Issued) Now Mapped into a High-Risk Zone** Was your building constructed before the initial FIRM took effect? Was your building constructed before Jan. 1, 1975? If your answer is YES to either of these questions, you have only one opportunity to lock in the current flood zone to use for future rating. You must purchase flood insurance before new maps become effective and maintain it continuously thereafter. Many property owners will be eligible during the first year for the National Flood Insurance Program's low-cost Preferred Risk Policy. Talk to your insurance agent for more details.

**Category 2: Post-FIRM Buildings (Built After the Effective Date of the Initial FIRM) Now Mapped into a High-Risk Zone or Assigned a Higher BFE** Was your building constructed after the initial FIRM took effect? If your answer is YES, you can grandfather your flood zone or BFE in two ways. The first and easiest method to lock in your zone is to purchase a flood insurance policy now, before new maps become effective. Many property owners will be eligible the first year for a Preferred Risk Policy which offers substantial savings. Secondly, if your building was constructed in compliance with the flood map in effect at the time of construction, you are always eligible to obtain a policy using the zone and BFE from that FIRM. If you can prove this with a copy of the Elevation Certificate and show the location of the building on the FIRM, continuous coverage is not required.

**Category 3: You were in a high-flood risk zone and now have been remapped into a low- or moderate-flood risk zone.** When a property in a high-risk flood zone is remapped into a low- or moderate-risk flood zone, the federal mandatory purchase of flood insurance requirement no longer applies. However, flood insurance is always recommended because the risk may be reduced but not removed.

**20% to 25% of all flood claims occur in low- or moderate-risk areas.**

**Your property is three times more likely to be damaged by flood than by fire.**

#### When would a structure NOT be eligible for grandfathering?

A pre-FIRM structure would not be eligible for grandfathering if owners did not purchase flood insurance before map revisions or a Letter of Map Change went into effect. A post-FIRM structure can always apply for grandfathering if owners can prove it was built in compliance with the FIRM in effect at the time of construction.

#### What about improvements to my property?

Grandfathering does NOT apply if a building is substantially damaged or substantially improved.

#### What about new construction?

New construction built AFTER a FIRM's effective date must comply with all regulations pertaining to that flood map.

#### Is grandfathering status still effective if the property is sold?

Yes. As long as the flood insurance premium has been maintained continuously and there has been no substantial damage or improvements, the policy can be transferred with the deed should you decide to sell your property.

#### FOR MORE INFORMATION...

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**Or Check Out the Following Links:**  
[www.msc.fema.gov](http://www.msc.fema.gov)  
[www.FloodSmart.gov](http://www.FloodSmart.gov)  
[www.fema.gov/nfip/manual.shtm](http://www.fema.gov/nfip/manual.shtm)

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