



Properties being removed from the SFHA

NOTE: This document is intended for National Flood Insurance Program (NFIP) policies, and the process to leave the NFIP or receive beneficial rating based on the removal from the SFHA.

What is happening?

Due to map changes, properties can enter and leave the Special Flood Hazard Area (SFHA) which is any A, AO, AH, AE or VE zone. Structures within those zones can require flood insurance based on their mortgage. When you believe your property may be removed from the SFHA, there is no longer the requirement to carry flood insurance for the purpose of your mortgage, HOWEVER, this does not necessarily mean your flood risk has changed. You should keep your flood insurance, because now it is less inexpensive.

What Are The Lowest Rates I Can Get?

If your property is no longer in the SFHA, you are eligible for the Preferred Risk Policy (PRP). The rates for premiums on this policy (as of 1/1/2020) are below:

| 1-4 Family With Basement (building and contents rates) | | |
|---|-----------|---------|
| Building | Contents | Premium |
| \$50,000 | \$20,000 | \$242 |
| \$100,000 | \$40,000 | \$322 |
| \$150,000 | \$60,000 | \$362 |
| \$250,000 | \$100,000 | \$436 |

| 1-4 Family Without Basement (building and contents rates) | | |
|--|-----------|---------|
| Building | Contents | Premium |
| \$50,000 | \$20,000 | \$211 |
| \$100,000 | \$40,000 | \$288 |
| \$150,000 | \$60,000 | \$328 |
| \$250,000 | \$100,000 | \$389 |

| 1-4 Family Contents only | | |
|--------------------------|-----------|---------|
| Building | Contents | Premium |
| \$20,000 | \$20,000 | \$118 |
| \$50,000 | \$40,000 | \$182 |
| \$80,000 | \$60,000 | \$226 |
| \$100,000 | \$100,000 | \$251 |

NOTE: Rates do not include surcharges and fees, which can increase premiums up to 40%. Only several rate options shown. Refer to the Flood Insurance Manual, PRP Table 3A.

What is the process?

Any change to your policy MUST WAIT until the effective date of the Letter of Map Revision (LOMR). Before you can either cancel your flood policy, or change it to a PRP, your lender must know that you are now out of the SFHA. Some lenders will not make this determination without you notifying them. Notifying your lender is important, since the lender may force insurance on you if you change your policy.

To notify the lender, you should send them an updated flood zone determination on the



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official Standard Flood Hazard Determination Form (SFHDF). This document can usually be supplied by your Agent, or the MCC, but typically only after the new flood map has been made effective.

Next, after your lender has been notified, you may either cancel or change your policy. It is the position of the MCC to suggest that you keep your flood insurance policy at the PRP rate.

TO CONVERT TO A PRP:

- **Documentation:** A copy of the revised map from the LOMR and a signed cancellation/rewrite form.
- **Effective date:** Current policy terms effective date.
- **Refund:** The refund is for the entire current term (difference between the current rate and the PRP rate).

TO CANCEL:

- **Documentation:** Submit a lender release letter (only after the lender has been notified of the map change), and a zone determination/community letter. NOTE: a sample lender release letter is attached to this document.
- **Cancellation effective date:** The date the insurance company receives the request and all supporting documentation. This means do not wait to submit your request
- **Refund:** Pro-rata. This means the return will be a partial refund based on where the policy is in its 12 month term.

NOTE: You should consult your agent for a full overview of the process. Certain terms and conditions apply.



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Sample lender release form

VERIFICATION OF NO REQUIREMENT TO MAINTAIN FLOOD INSURANCE COVERAGE WITH THE NATIONAL FLOOD INSURANCE PROGRAM

Insureds Address

, am not required by a lender, loss payee, landlord, or any Federal agency to maintain flood insurance through the National Flood Insurance Program for the above referenced property pursuant to any statute, regulation, or contract, and I am aware that by canceling my coverage, I may lose eligibility for any subsidized premium rates made available through the National Flood Insurance Program.

Check the reason that best applies:

- Property Closing Did Not Occur
- Policy Not Required by Mortgagee Due to a Revised Zone Determination by Mortgagee
- Insurance No Longer Required by Mortgagee Because Property is no Longer in a Special Flood Hazard Area due to Physical Map Revision
- Coverage No Longer Required by Mortgagee for a Detached Structure
- Mortgage Paid Off
- Voidance Prior to the Policy Effective Date
- Insurance No Longer Required Based on FEMA Review of Lender's Determination by Means of a Letter of Map Determination
- Mortgage Paid Off on a Mortgage Portfolio Protection Program Policy
- Insurance No Longer Required by the Mortgagee Because the Building is Determined Outside of the Special Flood Hazard Area by means of a Letter of Map Amendment

Insured Name (Printed)

Insured Signature and Date

PURSUANT TO 28 U.S.C. § 1746 I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES OF AMERICA THAT THE FOREGOING IS TRUE AND CORRECT. I UNDERSTAND THAT ANY FALSE STATEMENTS MAY CAUSE MY POLICY TO BE VOID, AND MAY BE PUNISHABLE BY FINE OR IMPRISONMENT UNDER APPLICABLE FEDERAL LAW.



FEMA



Preferred Risk Policies: A Small Investment Protects You from a Big Problem.

Get Lower-Cost Flood Insurance for Homeowners and Renters with a Preferred Risk Policy.



Protect the Life You've Built

Flooding can be an emotionally and financially devastating event. It only takes a few inches of water to cause tens of thousands of dollars in damage to your home.

Without flood insurance, most residents have to pay out of pocket or take out loans to repair and replace damaged items. Disaster assistance comes in the forms of loans that must be paid back with interest, and FEMA grants that provide about \$5,000 on average per household. By comparison, the average flood claim in 2017 was more than \$90,000.

Flood insurance reduces the financial burden of a flood event, making it easier to make your house a home again.

PRPs are available in most communities across the country, wherever flood insurance is available to homeowners and renters.



Flood Risk is Real

Every year, thousands of homeowners and renters experience devastating flooding events, even though they don't live near a river or coastline. In fact, floods are the most common and costly natural disaster in the U.S. Despite the risk, only a fraction of residents protect themselves against the cost of flooding by purchasing flood insurance.



Get Flood Insurance Today

There are nearly 70 insurance companies that sell PRPs through the NFIP, all for the same low price. It's never too soon to contact an insurance agent. And remember, flood insurance typically goes into effect 30 days after your purchase.

DID YOU KNOW?

- More than 20 percent of flood insurance claims come from outside of high-risk flood areas.
- PRPs can be purchased for as little as \$325 per year.
- Most homeowners insurance doesn't cover flood damage.
- Most homes in moderate and low-risk areas qualify for the National Flood Insurance Program's (NFIP) Preferred Risk Policy (PRP).
- PRPs offer the same quality of coverage as a Standard Flood Insurance Policy (SFIP) and can cover your home and its contents.

About the NFIP

The NFIP aims to reduce the impact of flooding on individuals and communities across the country. It does so by providing flood insurance to property owners like you—who live in communities that adopt and enforce floodplain management standards. These efforts reduce the costs and consequences associated with flooding and help families recover more quickly. For more information about PRPs, call your agent or call the NFIP Help Center at 1-800-427-4661.