

FLOOD ZONES EXPLAINED

**A GUIDE TO UNDERSTANDING FLOOD
INSURANCE AND FLOOD ZONES**



THE FLOOD INSURANCE

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Understanding your property's flood risk starts with getting to know flood zones and flood maps. FEMA crafts these maps to show different levels of flood risk.

Whether you're in a high-risk zone (Special Flood Hazard Area or SFHA) or a lower-risk area, knowing your zone is key to choosing the right flood insurance coverage. It's all about making informed decisions to protect your property.

So what are Flood Zones?

An Introduction to Flood Zones

When it comes to understanding flood risk, the Federal Emergency Management Agency (FEMA) has produced and is constantly developing Flood Insurance Rate Maps (FIRMS) or simply flood maps.

Historically, flood maps and flood zones determine the pricing of flood insurance especially with the National Flood Insurance Program (NFIP) or federal flood insurance. This recently changed and only refers to flood zones in a regulatory standpoint.

Flood maps are created based on the flood data in a specific area and determine how much flood risk those locations face. Generally, your flood zone will refer to the area's base flood elevation data. This data will determine where a property will be designated on the flood map which is generally divided into two categories:

1. **Special Flood Hazard Area (SFHA)**
2. **Moderate-to-Low Risk Areas or Non-SFHA Areas**

These areas indicate as well what flood zone a property will be designated to. There are three common flood zone types that you should know which are:

High-Risk Flood Zone



Low-Risk Flood Zone



Coastal Flood Zone





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Events such as heavy rainfalls and local drainage problems can still lead to flooding, suggesting that homeowners might still consider obtaining flood insurance voluntarily to protect their property.

An important thing to remember about Flood Zone V is that it's also considered as a high-risk area.

High-Risk Flood Zones

There are two common Flood Zones you'll see under this category: Flood Zone A and Flood Zone AE.

You might think that these zones are one in the same however there are notable differences especially with how they're interpreted when it comes to flood risk.

Flood zone AE is marked under the SFHA. This area is considered as high-risk for flooding due to mudflows, erosions, and storm waves. What sets Flood Zone AE apart from Flood Zone A is that the former has a determined base flood elevation (BFE). Generally, this makes understanding a property's flood risk easier and allowed Zone AE to be known as a 100-year flood area.

Flood Zone A

If you're living in Flood Zone A, it's important to understand that your area is considered high risk for flooding, especially when compared to areas further from the coast. This higher risk is mainly due to the location of homes or communities in low-lying areas near water sources like rivers, lakes, or the sea.

Flood Zone A is also known as a Special Flood Hazard Area (SFHA), which means there's a significant chance of flooding happening at least once in a century. This term helps gauge the risk level, although it's crucial to remember that flooding can still occur more frequently. Additionally, the flood risk that properties in Flood Zone A face is somewhat more difficult to determine as Flood Zone A does NOT have a determined base flood elevation (BFE).

Base Flood Elevation (BFE) is the expected height in which a flood can reach an area. Having this data determined through flood research and floodplain management helps FEMA understand the risk for flooding on a property given the certain conditions.



High-Risk Flood Zones

There are two common Flood Zones you'll see under this category: Flood Zone A and Flood Zone AE.

If you live in Flood Zone A, FEMA (the Federal Emergency Management Agency) has identified your area as having a high risk of flooding. This means there's a 1-percent chance of a flood happening there every year.

People with home loans from federally regulated or insured lenders are **required to get flood insurance** from the National Flood Insurance Program (NFIP). Sometimes, there isn't enough information about how high floodwaters might rise in these areas, making it tough to know just how much risk your home faces.

Flood Zone AE

Flood Zone AE is marked by the Federal Emergency Management Agency (FEMA) as an area where there's a high chance of flooding, especially because it's likely to get flooded once every hundred years and might also face extra risks from storm waves. **This is also known as a 100-year floodplain area.**

If you live in Flood Zone AE and have a mortgage from a bank that's backed by the government, you're going to need to buy flood insurance. This area has been carefully checked and is known for flooding, so insurance companies use something called **Base Flood Elevations (BFEs)** to figure out how risky it is and how much you should pay for insurance.

Even though being in Flood Zone AE means there's a bigger chance your place might get flooded, knowing about this risk is good because it helps you make sure you have the right insurance and take steps to keep your home safer from flood damage.

Due to the flood zone being a high-risk area, properties that are mapped into flood zone AE are generally **required to carry flood insurance**.

This means that if your home or commercial building is sitting on flood zone AE, your mortgage will require you to get flood coverage for the property against flood damage.

This is to make sure that the property's value, structure, and integrity is protected and preserved in the event of a flood disaster.



Coastal Flood Zones

Coastal flood zones are composed of both high-risk and low-risk flood zones, so it doesn't mean that because your property is on the coasts, you won't be able to see some properties marked as low-risk flood zones (like Flood Zone X).

However, it is more common to see high-risk flood zones in coastal areas considering their proximity to large bodies of water and being prone to flood risk during more severe weather.

The most common flood zone in coastal areas is called the Velocity Zone or Flood Zone V.

Flood Zone V

Flood Zone V, also known as the Velocity Zone, is like the heavyweight champion of flood zones when it comes to coastal areas. Picture this: when a hurricane or a powerful storm comes knocking, flood zone V is where you'll see some serious action.

Here's the deal: Flood Zone V is all about the high-risk game. It's located along the coastlines and is most susceptible to storm surges and powerful waves. When those storms roll in, they bring in a force to be reckoned with, and flood zone V gets the full brunt of it.

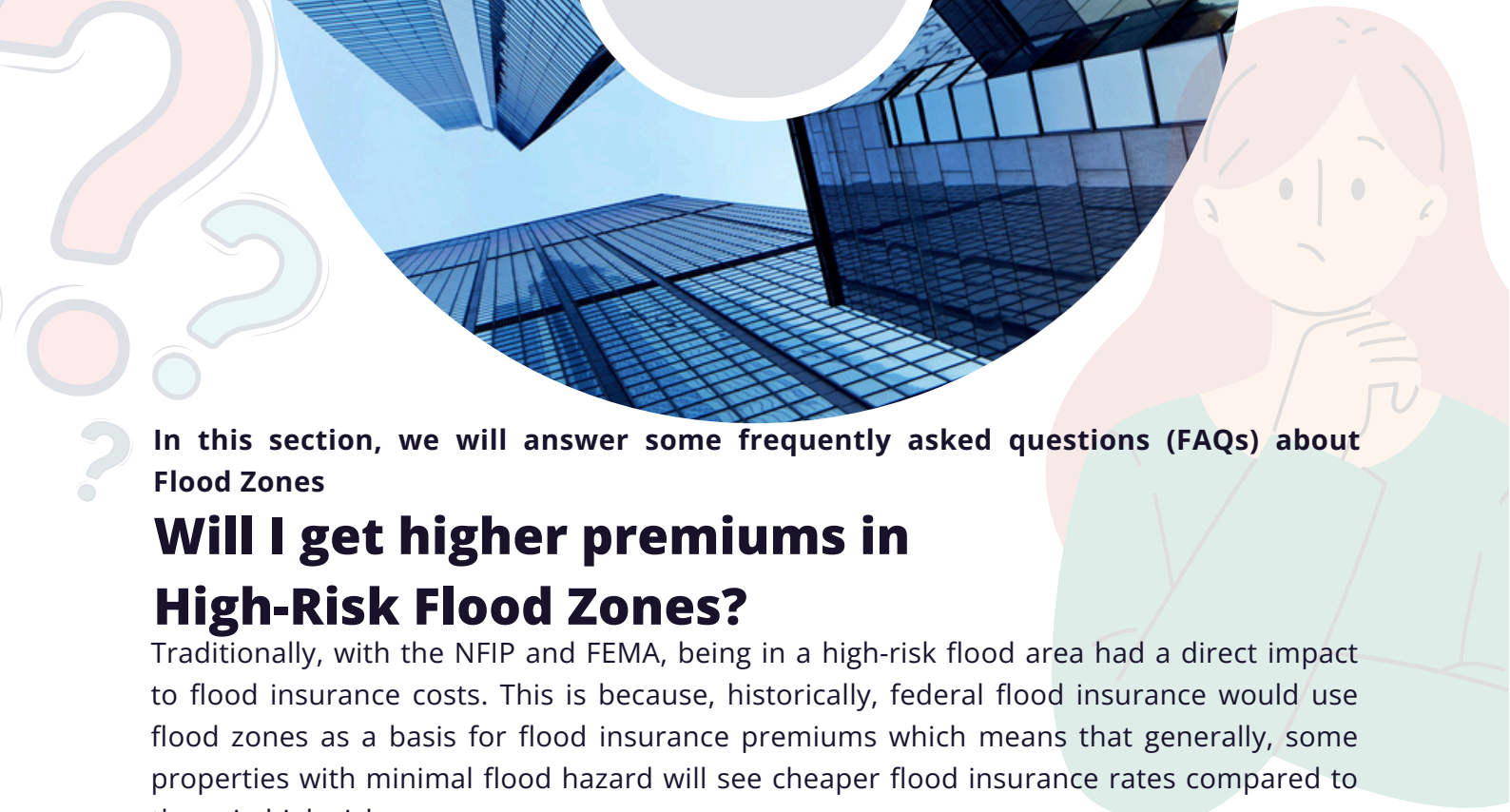


In these areas, buildings need to be built to withstand not just flooding, but the sheer force of the water moving at high speeds. That means elevated foundations, sturdy construction, and sometimes even breakaway walls that can handle the impact of those crashing waves.

Living in flood zone V is like living on the edge of nature's fury. It's beautiful, it's exhilarating, but it demands respect and preparation. So if you find yourself in flood zone V, make sure you're ready to weather the storm and come out on top.

Another thing to look out for when it comes to flood zones is the Coastal Barrier Resources System (CBRS) Zones. These zones are designated areas along the coast that are protected by federal law to preserve natural resources and minimize development in flood-prone areas. Development in CBRS zones may be restricted or subject to additional regulations.

Getting flood insurance for properties in the CBRS may be difficult as you may find limited availability when it comes to offers for flood insurance in these areas. We encourage to contact your insurance agent to know more about protecting your property.



? In this section, we will answer some frequently asked questions (FAQs) about Flood Zones

Will I get higher premiums in High-Risk Flood Zones?

Traditionally, with the NFIP and FEMA, being in a high-risk flood area had a direct impact to flood insurance costs. This is because, historically, federal flood insurance would use flood zones as a basis for flood insurance premiums which means that generally, some properties with minimal flood hazard will see cheaper flood insurance rates compared to those in high-risk zones.

However, things have changed with NFIP's Risk Rating 2.0 which only uses these zones as a measurement of whether or not a property should have flood insurance. So, flood zones no longer have an impact on rates. The same can be said for the private flood insurance market.

Why do mortgage companies require flood insurance for properties in High-Risk Zones?

Mortgage companies often insist on flood insurance for homes in high-risk flood zones due to the high risk of flooding associated with these areas.

This requirement is largely because these properties are close to water bodies like lakes and rivers, which increases the likelihood of flooding.

How are flood insurance premiums calculated for properties in Flood Zone AE?

Insurance premiums are typically based on the property's structure and its elevation relative to the floodplain. **This is regardless of your flood zone designation.** This can result in higher insurance costs, especially since the National Flood Insurance Program (NFIP) and private insurers consider these areas high-risk.

Can an Elevation Certificate Lower Flood Insurance Rates?

Yes, elevation certificates can lower flood insurance rates if they show your property is above the BFE. An elevation certificate can easily reduce an annual premium from \$1,900 to less than \$400.



Can a property be removed from a High-Risk Flood Zone?

Yes. There is a possibility to change your flood zone and remove your property from Flood Zone AE. This process is done through a Letter of Map Amendment (LOMA).

Am I required to have flood insurance in High-Risk Flood Zones?

Properties in the Special Flood Hazard Areas (SFHA) including those that are designated to Flood Zone A is federally required to carry flood insurance.



Should I get flood insurance even if I'm not in a high-risk flood zone?

Although flood insurance is not required for properties located outside the special flood hazard areas (SFHA) like Flood Zone X, we highly encourage getting a flood policy to protect your property still. For one, FEMA has recorded that at least 25% of flood claims come from properties outside of high-risk flood zones and more importantly, this added additional protection for your finances and property as it has insurance coverage in case of flooding.

NEXT STEPS:

Obtaining Flood Insurance for Flood Zone AE

If you want to start your flood insurance protection in Flood Zone AE or need a policy to protect your home, don't hesitate to remove your worries and complexities when buying flood insurance.



Start Your Flood Insurance Journey.

SIMPLIFYING FLOOD INSURANCE FOR YOUR NEEDS.

This eBook is for you and your needs to navigate the real estate market when selling a property that's in a flood zone.

Our team is committed to giving you the best flood insurance education and coverage. This approach helped multiple clients across the United States to get the best policy against flood loss.

I hope this helps you too.

The following tips and information in this guide will help you understand specific flood insurance areas:

- Help property owners and business owners understand flood zones.
- Provide a guide on how each flood zone differs.
- Understand the difference between high-risk flood zones.
- Answer commonly asked questions on Flood Zones

We welcome any questions and additional information you need for your flood insurance.

Chris Greene



Chris Greene, President
The Flood Insurance Guru

www.floodinsuranceguru.com
m (205) 451-4294
flood@floodinsuranceguru.com