



# National Flood Insurance Program COST-SAVING OPTIONS

for buildings Newly Mapped into a 100-Year Floodplain

## PURCHASING FLOOD INSURANCE FOR NEWLY MAPPED BUILDINGS

During a Flood Insurance Rate Map update, new floodplain maps may show that an area's risk of flooding will change. If new floodplain maps show that a building is in an area being added to the existing 100-Year Floodplain (1% Annual Chance Floodplain), that building may be eligible for certain cost-saving insurance options when the new maps become effective due to the building's Newly Mapped status.

### HOW DOES THE NEWLY MAPPED PROCEDURE WORK?

**In order to relieve some of the financial burden associated with new flood insurance premiums, the Federal Emergency Management Agency (FEMA) offers cost-saving options for buildings newly mapped into a 100-Year Floodplain during a Flood Insurance Rate Map update or revision.**

One cost-saving option FEMA offers for new flood insurance policies is the Newly Mapped procedure. When a building's flood insurance policy is under the Newly Mapped procedure, the policy will receive a subsidized insurance rate for the first 12 months following the Flood Insurance Rate Map update or revision. After the introductory year, the rate will begin to transition to a full-risk rate with annual rate increases of no more than 18% per year.

A policy under the Newly Mapped procedure will stay with the building even if there is a change in building ownership, use, or occupancy as long as federal flood insurance coverage is continuous. A building that loses eligibility for the Newly Mapped procedure either due to a gap in coverage or due to losses (i.e. too many claims) will be rated at its full-risk rate and, in most cases, will require an Elevation Certificate to be rated.

***My building will be Newly Mapped into a 100-Year Floodplain.***

### WHEN SHOULD I PURCHASE FLOOD INSURANCE?

**Property owners who do not have flood insurance and find that their buildings are being newly mapped into a 100-Year Floodplain must purchase flood insurance within 11 months of the date that the new Flood Insurance Rate Maps become effective in order to be eligible for a policy under the Newly Mapped procedure.**

Owners of newly mapped buildings are encouraged to purchase a flood insurance policy before the new Flood Insurance Rate Maps become effective. Not only is their risk higher than they thought (and potential flooding will not wait until the new maps become effective), but they also will be able to renew their policies at lower-cost rates during the first 12 months after the new maps become effective. In other words, they will gain almost an extra year at subsidized rates.

A lender must require flood insurance when a building carrying a federally backed loan is located in a mapped 100-Year Floodplain, unless it can be proven that the building is actually above the flood elevation or outside of the floodplain.

If you own a building in an area that will be newly mapped into a 100-Year Floodplain, contact your insurance agent as early as possible to start the discussion about the best flood insurance option for your building.

There are other cost-saving options for insurance policies on Newly Mapped buildings.

Always ask your insurance agent for a comparison of Newly Mapped rates, Grandfathered rates, etc.



**Stephanie DiBetitto**  
FEMA Region VIII  
Stephanie.dibetitto@fema.dhs.gov  
303.202.8996



**Traci Sears**  
MT Dept of Natural Resources & Conservation  
tsears@mt.gov  
406.444.6654