

Why do I need flood insurance?

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The article explains the recent changes in FEMA law, and briefly explains the procedure for requesting a waiver of the requirement for flood insurance

Flood Insurance Rate Maps

by Richard Canavan and Jeff Stefanik

The Federal Emergency Management Agency (FEMA) maps floodplains including maps called Flood Insurance Rate Maps (FIRMs). These maps are periodically updated by FEMA to account for changes in flows that result from changes in a watershed. Flood Insurance Mapping is used by lending and insurance companies to determine if homeowners must maintain a flood insurance policy. Flood insurance can be expensive. Financial institutions are more frequently requiring flood insurance either due to revisions in mapping or a more conservative approach to buildings near flood zones. Often an institution places the burden on the home owner to prove that the building is outside of the flood zone.

This stricter policy is followed in virtually all new home purchases near a water body and even in the refinancing of homes already owned. As an example, someone could have bought their home twenty years ago and never been required to have flood insurance nor has ever had a flooding problem but would now be required to obtain a flood insurance policy, the cost of which could be several thousand dollars each year.

The insurance requirement can be waived only by FEMA through an application process known as a Letter of Map Amendment (LOMA). The LOMA consists of a survey of the subject property and submission of the application and required supporting data to FEMA who will render a decision in regard to the location of the existing structure or building and whether it is located in the flood hazard area. The LOMA must be signed and sealed by a licensed land surveyor, registered professional engineer or architect authorized by law to certify elevation information. The process takes approximately eight weeks to have a decision rendered. Most properties that are not prone to flooding can successfully avoid flood insurance requirements by obtaining a LOMA.

Several on-line versions of FEMA's Flood Insurance Rate Mapping are available at the FEMA map service center, www.msc.fema.gov, including the MapViewerWeb which allows you to type in an address. Although it is uncommon, if your home is frequently flooded by a lake or stream FEMA offers programs to help reduce future losses in their Hazard Mitigation Assistance (HMA) program.