

Extension of Preferred Risk Policy Eligibility

You may be entitled to a lower flood insurance premium!

As a flood insurance policyholder, you may qualify for a 2-year premium reduction effective January 1, 2011. The savings could be significant!

What is the extension of Preferred Risk Policy eligibility?

As a result of FEMA's efforts to update flood maps across the country, some property owners now find themselves in high-risk areas where flood insurance policies are required by their lenders. Although the map changes more accurately reflect a given flood risk, FEMA has recognized the potential financial hardship the high risk flood zone designation may place on some policyholders. In an effort to address this concern, effective January 1, 2011, FEMA is extending eligibility for its low-cost Preferred Risk Flood Insurance Policies (PRP) for qualifying properties remapped on or after October 1, 2008. The extension is available for up to a 2 year period.

How do I know if I qualify for a 2-year premium reduction beginning January 1, 2011?

Buildings that have been designated within a Special Flood Hazard Area (High Risk) from a non-Special Flood Hazard Area (Lower Risk) due to a map revision on or after October 1, 2008 and before January 1, 2011 may be eligible. In addition to the FEMA map change, the building must meet the PRP loss history criteria to be eligible. If there are two claims or disaster relief payments for flood loss of \$1,000 or more, or three loss payments of any amount, the structure is ineligible for the PRP.

Building owners, tenants and individual residential condominium units in residential condominiums may be eligible for combined building and contents coverage amounts in addition to contents only coverage.

What steps should I take to see if I can benefit from the Preferred Risk Policy extension resulting in a lower flood insurance premium?

We encourage you to contact your flood insurance agent and they can assist in determining if your property is eligible for the PRP Extension effective January 1, 2011. If it is determined that your property is eligible, your agent can then assist you in completion of the required documents to take advantage of this flood insurance premium reduction.

Please contact your agent if have any additional questions regarding your flood insurance needs.