

West Sacramento Flood Protection



For Your Security: City Recommends Flood Insurance

Have you protected your property by purchasing flood insurance? The City of West Sacramento **strongly recommends** that all residents and businesses purchase and maintain flood insurance policies.

The Federal Emergency Management Agency (FEMA) is requiring that levees throughout the nation be evaluated to determine if they meet new federal levee design requirements. FEMA will use evaluation results to update Flood Insurance Rate Maps, which show the level of flood risk in each community. Property owners in communities with high flood risk, if they have federally-backed mortgages on their property, will be required to purchase flood insurance policies. Those who purchase and maintain flood insurance now, before new Flood Insurance Rate Maps are finalized, will pay less for insurance than those who wait.

Here's how it works: FEMA's current Flood Insurance Rate Maps show West Sacramento as an "X" Zone, meaning it has a low risk for flooding (based on previous federal levee design requirements). Property owners who currently carry flood insurance pay \$348* per year. However, it is likely the evaluation of West Sacramento's levees will not show that they meet new federal levee design requirements. If that happens then FEMA may designate large areas of the city a high-risk flood zone ("A" or "AE" Zones on FEMA's maps). Flood insurance will become mandatory for property owners with federally-backed mortgages. The cost for brand-new flood insurance, for the same amount of coverage as before, could be approximately \$2,766* per year. Those who previously purchased and continually maintained flood insurance will be grandfathered into the "X" Zone designation. The low-risk premiums of \$348 will no longer apply, but the flood insurance premiums on grandfathered properties will only increase to approximately \$1,385* per year for the same amount of coverage. It's a jump in cost, but a significant savings over high-risk premiums.

Example Insurance Rates*

Single-Family Residence, No Basement or Enclosure

\$250,000 Building coverage w/ \$500 Deductible; \$100,000 Contents w/ \$500 Deductible

X Zone	A, AE Zone Existing Policies	A, AE Zone New Policies
\$348 Current low risk rate, before Flood Insurance Rate Maps are finalized	\$1,385 Grandfathered rate after Flood Insurance Rate Maps are finalized for those who currently carry flood insurance	\$2,766 Cost to purchase new flood insurance policies after Flood Insurance Rate Maps are finalized

*Costs vary depending on amount of coverage. Premiums quoted are effective May 1, 2008. Premiums are subject to change on May 1st each year. Contact your insurance agent for additional information.

FREQUENTLY ASKED QUESTIONS ABOUT FLOOD INSURANCE . . .

Doesn't my homeowners insurance policy cover flooding?

No. Flood damage is not typically covered by a homeowners insurance policy.

If my home is flooded, won't federal disaster assistance pay for my damages?

No. Federal disaster assistance often comes in the form of a low interest loan to help cover flood damage, not compensation for your losses. Even then, those loans are only available if the president formally declares a disaster.

Can I get flood insurance if I'm renting a property?

Yes. You can get flood insurance to cover the contents of your home or business.

I live in a low-risk flood zone. Do I really need flood insurance?

Most likely, yes. It's a good idea to buy flood insurance even if you live in a low- or moderate-risk area. Almost 25 percent of all flood insurance claims come from areas with low-to-moderate flood risk. You may qualify for the Preferred Risk Policy (a lower-cost flood insurance policy) that provides contents coverage beginning at \$39 per year and building plus contents coverage beginning at \$119 a year.

Why do I need flood insurance, even though my community has never been flooded?

Flooding occurs in low-to-moderate risk areas as well as in high-risk areas. Poor drainage systems, rapid accumulation of rainfall, and broken water mains can all result in flood.

Structures located in high-risk flood areas have a significant chance (26 percent) of suffering flood damage during the term of a 30-year mortgage. A home mapped in a high-risk area is five times more likely to suffer damage from a flood than a fire in the lifetime of a typical mortgage!

For these reasons, flood insurance is required by law for buildings in high-risk flood areas as a condition of receiving a mortgage from a federally regulated or insured lender.

MORE IMPORTANT QUESTIONS . . .

Why does my mortgage lender require me to buy flood insurance?

Under federal law, the purchase of flood insurance is mandatory for all federal or federally related financial assistance for the acquisition and/or construction of buildings in high-risk flood areas (Special Flood Hazard Areas or SFHAs).

The amount of flood insurance coverage required is the lesser of the following:

1. The maximum amount of National Flood Insurance Program (NFIP) coverage available for the particular property type,
2. The outstanding principal balance of the loan, or
3. The insurable value of the structure.

If the property is not in a high-risk area, but instead in a low-to-moderate risk area, federal law does not require flood insurance; however, it is recommended since historically about one-in-four flood claims come from these low-to-moderate risk areas. Note that if during the life of the loan the maps are revised and the property is now in the high-risk area, your lender will notify you that you must purchase flood insurance.

What if I want to purchase more insurance than the NFIP offers?

Many private insurance companies offer Excess Flood Protection, which provides limits over and above those of the NFIP. For more information, contact your insurance agent or company.

Who do I contact if I want to purchase a flood insurance policy?

Contact your insurance agent or company to find out more about federal flood insurance. The following local insurance agents sell federal flood insurance:

LOCAL FLOOD INSURANCE AGENTS

Lynette Bregante

1401 Halyard Dr., Suite 110
(916) 371-0101

Wayne Enke

1420 Merkley Ave., Suite 1
(916) 372-0100

Tim Kwong

1035 Jefferson Blvd., Suite 5
(916) 371-4730

Eddie Lewis

1035 Jefferson Blvd., Suite 6
(916) 371-1642

W. Brian Simmons

900 Jefferson Blvd., Suite 110
(916) 374-1600

Leonard Strickland

1420 Merkley Ave., Suite 1
(916) 372-0100