

News Release

FEMA REVISES PREFERRED RISK POLICIES FOR HOMEOWNERS

WASHINGTON - The Federal Emergency Management Agency today announced that it is revising its Preferred Risk Policy under the National Flood Insurance Program (NFIP) to extend eligibility an additional year. Effective January 1, owners of buildings found to be in a Special Flood Hazard Area (SFHA) during a flood map revision, may be eligible for a preferred risk policy that will allow them to maintain a lower cost flood insurance policy for two years following the effective date of a flood map change. A SFHA is a high risk flood area, meaning that there is a one-percent annual chance of flooding.

"By extending the eligibility period for the preferred risk policies, homeowners and building owners will have two years at the lower cost rate," said FEMA Acting Federal Insurance and Mitigation Administrator, Edward Connor. "The two years will provide owners extra time to understand their flood risk and to consider this risk in their preparedness planning."

The discounted rate will be available, for the two year period, to owners whose buildings were found to be in a SFHA following a flood map revision that went into effect on, or after, October 1, 2008. In order to be eligible for the Preferred Risk Policy, buildings must also meet certain loss-history requirements. If there are two claims, or disaster relief payments for flood, of \$1,000 or more, or three losses of any amount, the structure is ineligible for the PRP.

Policy holders with a Preferred Rate Policy will see a \$10 increase when they renew their policies. This is the amount that was determined, through actuarial analysis, to be the amount needed in order for those buildings that are newly mapped into a SFHA to be revenue neutral to the flood insurance program.

At the end of the extended two-year eligibility period, policies on these buildings will return to standard-rated policies.

For more information on FEMA's National Flood Insurance Program, and to identify your flood risk, visit www.floodsmart.gov.

FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards.