



# 5<sup>TH</sup> ANNUAL CAPE COASTAL CONFERENCE

## Flood Insurance

John R Vokey, CIC

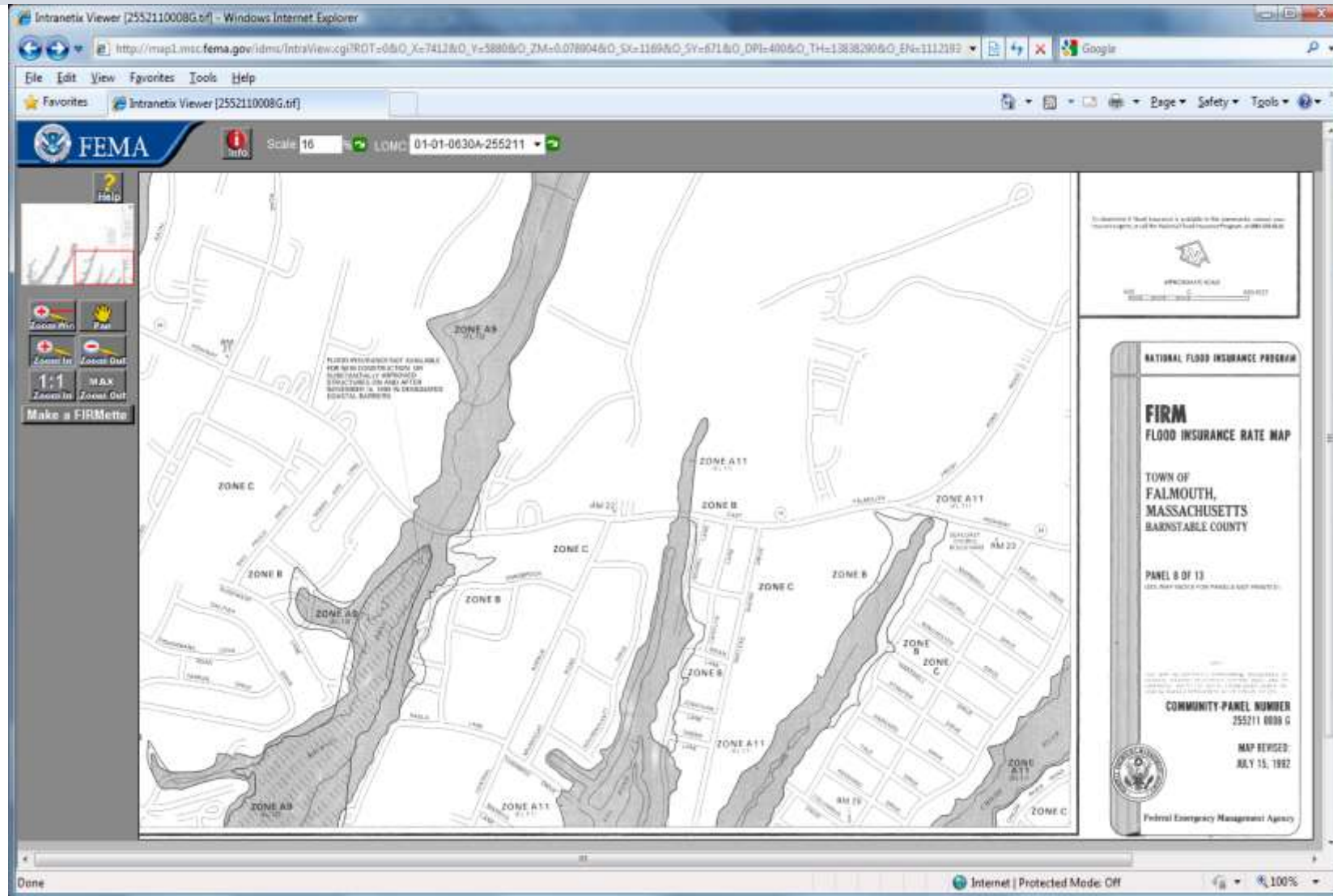
Murray & MacDonald Insurance Services, Inc.



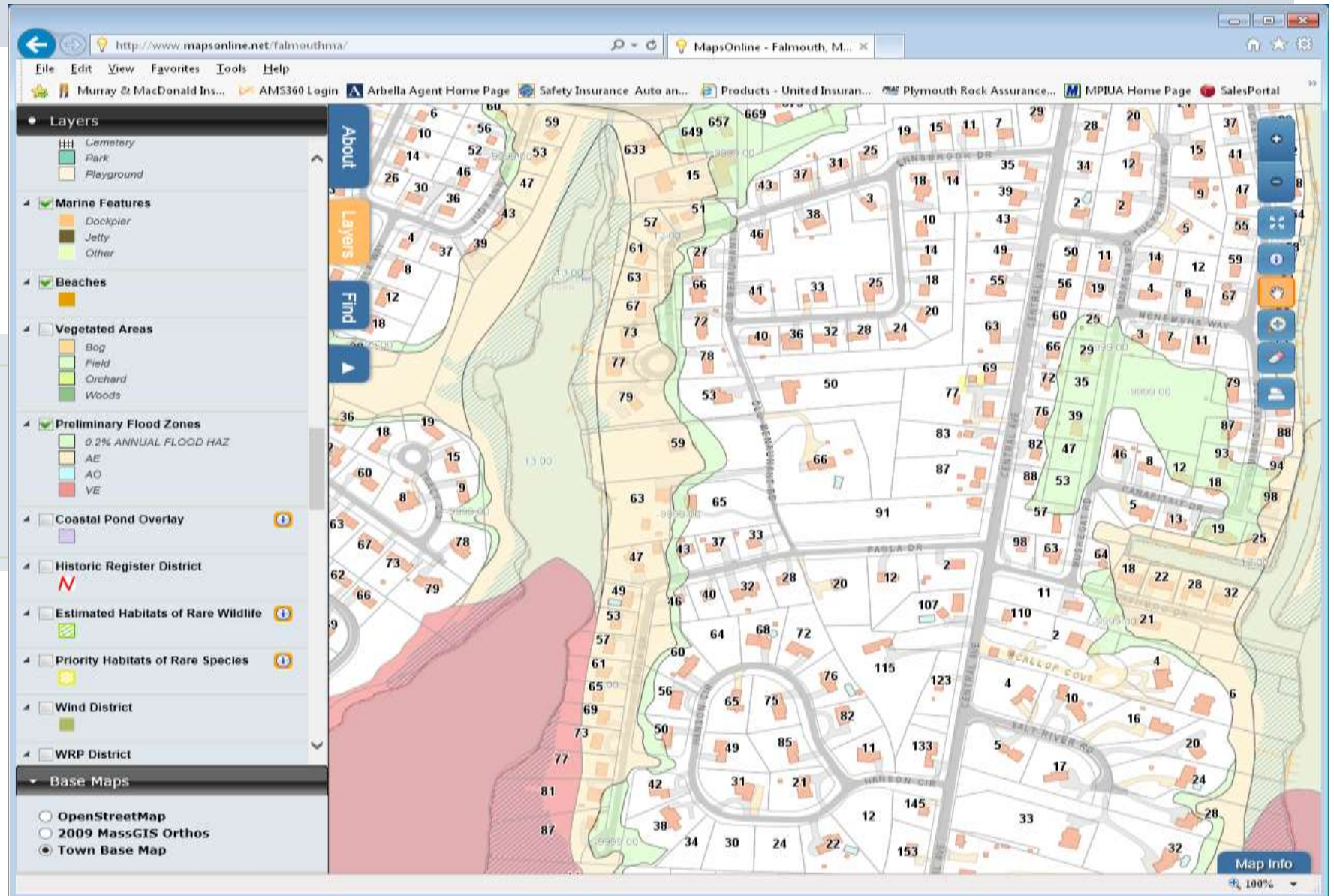
# NFIP Program

- NFIP is estimated to be in \$24 Billion in debt
  - And w/the recent hurricanes could rise to \$46B
- Why?
  - Inadequate Rating (Pre-FIRM vs Post FIRM)
  - Inaccurate mapping, classifying and rating
- Solution
  - Revised Flood Hazard mapping
  - Elimination of subsidized rating (Pre-FIRM)
  - Required Elevation Certificates for accuracy
  - Actuarially sound financial rating

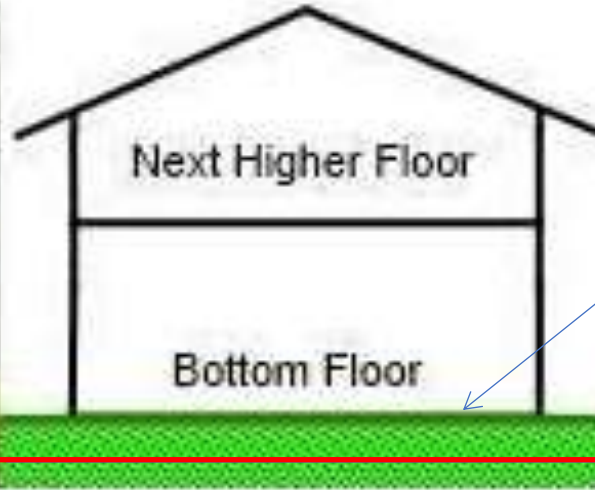
# Old FIRM



# New FIRM



## Slab on Grade



Top of bottom floor

BFE

## Basement



Favorable rating

Top of bottom floor

BFE

# Ins premium: Pre-FIRM vs Post FIRM construction

- If Built prior to Flood Insurance Rate Map
  - Building is considered Pre-FIRM
- Post FIRM Construction – FIRM = Flood Insurance Rate Map
  - Required for 1973\* or newer construction
    - \*depending on Community approval w/ NFIP Program

# Post FIRM buildings

- Building should be built in compliance by NFIP regulations
  - Lowest floor @ BFE or higher
  - Verified by the Elevation Certificate (requirement for quoting/writing policy)
- Therefore receive a favorable flood insurance premium



# Example - Flood Premiums

- Pre-FIRM Construction – Building @ \$250,000 - Premium \$4445
  - w/basement
- Post FIRM Construction – Building @ \$250,000 - Premium \$ 475
- Post FIRM Construction – Building @ \$250,000 – Premium \$75,578
  - V Zone w/ a -10 elevation



# Mitigation Techniques

- Elevate machinery & mechanicals servicing building
- Elevate building
- Install flood venting -
- Install break away walls
- Speak to building department
- Contact FEMA

# One mitigation technique

- Saved \$3000 in premium a year in 2011
- Filled in walking path w/concrete
- Premium \$1747 in 2011 and the premium thru Private Insurance is down to \$1105 in 2017 renewal

