

WHAT PROPERTY OWNERS NEED TO KNOW

Flood Insurance and Flood Mapping Changes for Neff's Creek

SPRING 2019



FLOOD MAPS FOR NEFF'S CREEK ARE BEING REVISED

The Utah Division of Emergency Management (DEM), the Federal Emergency Management Agency (FEMA), Salt Lake County, and Millcreek City are updating flood maps for the county, including Neff's Creek. The flood maps are being updated so residents near Neff's Creek can understand their flood risk more accurately and make informed decisions, based on the most advanced technology. Preliminary flood maps for Salt Lake County, including Neff's Creek, are planned for release in Summer of 2019.

These preliminary maps will show that the Neff's Creek area is an active alluvial fan. Active alluvial fans are prone to sudden and unpredictable flood events.



The draft work map for Neff's Creek was shared at a Community Open House in Olympus Cove in May 2016.

NEW FLOOD MAPS MAY AFFECT YOUR FLOOD INSURANCE REQUIREMENT

Flood maps, known as Flood Insurance Rate Maps (or FIRMs), depict the flood risk for communities across the country. Created by FEMA in collaboration with your state and local community, FIRMs show a community's flood zones and Base Flood Elevations (BFEs)¹ or Base Flood Depths (BFDs). These are the anticipated water levels in a major flood event, known as a Base Flood Event. FIRMs are used for flood insurance requirement and rating purposes, as well as building regulations.

The FIRM for Neff's Creek designates high-risk areas as Zones A and AO (known as Special Flood Hazard Areas or SFHAs) and moderate-risk areas as Zone X (Shaded). Buildings in high-risk areas will be required to have flood insurance when the new maps become effective if they are financed by a federally-backed lender.² Property owners without a mortgage should strongly consider purchasing flood insurance, as there is a greater chance for a flood than a fire in high-risk areas. Properties in the moderate-risk area (Zone X Shaded) will not be federally required to have flood insurance, though lenders can still require it as a condition of a loan. Buying flood insurance is strongly advised in Zone X as well, even if it is not required by law or by a lender, since the risk of flooding is only reduced, not removed. One out of three flood claims in Utah have come from moderate- to low-risk areas.

1. Base Flood Elevation is the elevation that floodwaters will reach or exceed in a Base Flood Event, also known as a 1-percent-annual-chance flood. In Zone AO, they are shown as Base Flood Depths (BFDs). Such a flood, known as a Base Flood Event, has a 1-percent chance of occurring in any given year. Stated another way, there is a 26-percent chance a Base Flood Event will occur over the life of a 30-year mortgage.

2. A FIRM becomes effective six months after FEMA issues a Letter of Final Determination. Changes in insurance requirements and rating become effective when the FIRM becomes effective.

DETERMINING FLOOD INSURANCE RATES

Insurance professionals use flood maps in the rating process to determine a property's flood insurance premium. A number of factors determine the premium for a National Flood Insurance Program (NFIP) flood insurance policy. These factors include the elevation of the lowest floor relative to the BFE or BFD, the amount of coverage purchased, deductible, flood zone, location, age, occupancy, and date of construction. Most properties in moderate- and low-risk zones will qualify for the lower-cost Preferred Risk Policy (PRP).

As shown in the graphic below, insurance rates (noted by dollar signs) will vary based on the elevation of the lowest floor of the structure relative to the BFE or BFD. It is possible that two adjacent neighbors on an alluvial fan have different insurance rates because their individual properties have different characteristics and flood risk. For more information about flood insurance, contact your agent or the NFIP. To find an agent serving your area, visit Floodsmart.gov or call 1-888-379-9531.



Insurance rates (noted by dollar signs) vary based on a structure's individual building characteristics.

NEW FLOOD MAPS MAY AFFECT YOUR INSURANCE RATES

If your building is newly identified to be in a high-risk area (Zones A and AO) you will be required to have flood insurance when the new maps become effective if you have a mortgage from a federally-backed lender. However, you can take advantage of NFIP cost-saving rating options that help reduce the financial impact due to a map change. For the first 12 months following a map change, you can buy flood insurance policy at a lower-cost Preferred Risk Policy (PRP) rate. After the first year, your rate will transition towards a full-risk rate, with annual increases of no more than 18 percent.³ Additional savings can be realized if you purchase a PRP that is in effect before the new maps become effective.

While property owners in high-risk areas who don't have a mortgage are not federally required to purchase flood insurance, it is strongly advised. Property owners in moderate-risk areas, Zone X (Shaded), with mortgages will also not be federally required to have flood insurance, though lenders still have the option to require it. However, buying flood insurance is strongly advised in these areas since the risk is only reduced, not removed.

Contact your insurance agent to learn about rating options and ways you might reduce your insurance rates.

LEARN MORE

For more information about Neff's Creek Floodplain, please contact Dan Drumiler at ddrumiler@millcreek.us. Contact your insurance agent to help identify ways to save on insurance. To learn more about flood insurance or to find an agent, visit FloodSmart.gov or call 1-888-379-9531.

3. Based on NFIP claims in Utah since 1978 (June 2016).



FEMA



SALT LAKE COUNTY