



# Everything You Always Wanted to Know About **Flood Insurance**\*

\* *BUT WERE AFRAID TO ASK*

CartoFront

# Welcome!

The purpose of **Everything You Wanted to Know About Flood Insurance\* (\*But Were Afraid to Ask)** is to help you be the most knowledgeable, confident and profitable REALTOR® in your market.

We know that flood insurance is confusing, complicated, and difficult to communicate to your customers. Worst of all, it could cost you a sale. So, whether you are on the buy side or the sell side of a transaction, we offer two supporting solutions:

- 💧 Easy-to-understand training and resources
- 💧 Free, one-click access to flood information from every MLS listing

Click **'The Raindrop'** on the MLS listing icon bar.

Within seconds you will receive accurate **flood zone** determination, and estimated public and private **flood insurance options**.



## CartoFront

CartoFront is a Software as a Service (SaaS) company offering digital solutions that simplify flood insurance for REALTORS®, their customers and insurance agents.

✉ [info@cartofront.com](mailto:info@cartofront.com)

## Quick Links

**FEMA / NFIP Flood Insurance**

**FEMA Risk Rating 2.0**

**Individual Risk Rating 2.0 State Profiles**

**Private Flood Insurance**

**Beyond Floods**

(Provided by National General Insurance, a member of the Allstate Family)

**Insurance Agencies**

**MPX Insurance** (Miami MLS)

**We Insure** (Maine Listings MLS)

**Education and Training**





## Important FEMA News

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FEMA is updating the **National Flood Insurance Program's** (NFIP) risk rating methodology through the implementation of a new pricing methodology called **Risk Rating 2.0**.

It is estimated that while 25% of NFIP policyholders will see a decrease, approximately 75% of all rates will increase across the United States.

Note, per government regulations increases in renewals will be capped at 18% per year. FEMA will increase rates 18% annually, until a NFIP policy is at fair market rates. This may take anywhere from one year to multiple years.

The methodology leverages industry best practices and cutting-edge technology to enable FEMA to deliver rates that are actuarially sound, equitable, easier to understand and better reflect a property's flood risk.

 **PHASE I:** New **policies beginning Oct. 1, 2021**, will be subject to the new rating methodology. Also beginning Oct. 1, existing policyholders eligible for renewal will be able to take advantage of immediate decreases in their premiums.

 **PHASE II:** All remaining **policies renewing on or after April 1, 2022**, will be subject to the new rating methodology.

# What's Not Changing Under Risk Rating 2.0



## Limiting Annual Premium Increases

Existing statutory limits on rate increases require that most rates not increase more than 18% per year. That said, FEMA will increase rates 18% per year until they reach market flood rates -- this may take anywhere from one year to multiple years.

## Using Flood Insurance Rate Maps (FIRMs) for Mandatory Purchase and Floodplain Management

FEMA's flood map data informs the catastrophe models used in the development of rates under Risk Rating 2.0.

That is why critical flood mapping data is necessary and essential for communities. It informs floodplain management building requirements and the mandatory purchase requirement.

## Maintaining Features

FEMA is maintaining features to simplify the transition to Risk Rating 2.0 by offering premium discounts to eligible policyholders. This means:

- 💧 FEMA will continue to offer premium discounts for pre-FIRM subsidized and newly mapped properties.
- 💧 Policyholders will still be able to transfer their discount to a new owner by assigning their flood insurance policy when their property changes ownership.
- 💧 Discounts to policyholders in communities who participate in the **Community Rating System** will continue. Communities will continue to earn National Flood Insurance Program rate discounts of 5% - 45% based on the Community Rating System classification. However, since Risk Rating 2.0 does not use flood zones to determine flood risk, the discount will be uniformly applied to all policies throughout the participating community, regardless of whether the structure is inside or outside of the Special Flood Hazard Area.



[Click here](#) to see your new FEMA State Rates

# Definitions of FEMA Flood Zone Designations



Moderate to Low Risk Areas	High Risk Areas	High Risk Coastal Areas
Flood insurance is available at low premiums to all property owners and renters in this zone	Mandatory* flood insurance purchase requirements apply to all of these zones	Mandatory* flood insurance purchase requirements apply to all of these zones
 X Zone	 AE Zone  AH Zone  AO Zone	 V Zone  VE Zone
25-30% of all flood insurance claims are paid in these “less hazardous” areas.  Customers should investigate flood insurance even in areas considered “less hazardous.”	* Lenders require flood insurance on properties located in these zones.	* Lenders require flood insurance on properties located in these zones.

## What is considered a flood?



*A flood is an excess of water on land that is normally dry, affecting two or more acres of land or two or more properties.*

Floods can be caused by storms, hurricanes, snow, and water backup from inadequate drainage systems/ dams/ levee.

## Flood Risk

Flood risk is determined by the probability of your property experiencing a flood event. Population growth, climate, and weather pattern changes have influenced the probability of flood events occurring in the U.S.

## Flood Insurance

Protects your property in the event of a flood or flood-related disaster. **Not** included in homeowners insurance.

# CartoFront provides **Public** and **Private** Insurance

The CartoFront platform offers both NFIP and private flood insurance called National General Insurance, a subsidiary of Allstate, and rated A- by AM Best.



## NFIP

Flood Insurance Type

The Federal government (**FEMA**) is the direct supplier of **public flood insurance**, through NFIP program offered through many insurance companies (e.g., Allstate)

→ Flood Pricing System

**New: Beginning Oct. 1, 2021**, FEMA will begin using [Risk Rating 2.0](#) pricing methodology.

Flood Insurance Limits

- \$250,000 building
- \$100,000 personal property

Flood Insurance Deductible

- \$1,250 building
- \$1,250 personal property

*Individual deductibles for building & personal property*

Flood Insurance Options

- Limited Options

Timing:

There is a **30 day waiting period** for coverage to take effect unless coverage is required by a lender.

Best For:

**Highest Risk Properties.**

NFIP has historically insured high-risk properties with subsidized pricing.

# Quotes



Beyond Floods, which is underwritten by  
t & Co.



## Private Market

CartoFront offers **Beyond Floods Private Flood Insurance**, supplied by National General Insurance.

**Pricing is based on an individual parcel**, set primarily by the elevation of the latitude and longitude coordinates. Given sophisticated pricing models, in private flood insurance there normally is not a need for an elevation certificate.

- \$1,500,000 building
- 50% of building coverage for personal property

- \$1,000; \$1,250; \$1,500; \$2,000;  
\$3,000; \$4,000 \$5,000; \$10,000

*Deductible covers both building and personal property*

- Loss of Use Coverage
- Other Buildings

There is much **more flexibility in private coverage options and payment options**. For example, there is only a **5-day waiting period** for coverage to take effect unless coverage is required by a lender.

## Low to Medium Risk.

Private flood insurance offers affordable and flexible rates; As well as excess flood insurance above NFIP limits.

# What does flood insurance cover?



## Building Coverage

- ◆ The physical structure and its foundation
- ◆ Electrical and plumbing systems
- ◆ Central air conditioning equipment, furnaces, water heaters
- ◆ Refrigerators, stoves, built-in appliances
- ◆ Permanently installed carpeting over unfinished flooring
- ◆ Permanently installed paneling, wallboard, bookcases, and cabinets
- ◆ Detached garages and/or buildings (separate Building Property Policy coverage required).
- ◆ Window blinds
- ◆ Debris removal

## Contents

- ◆ Personal belongings (clothing, furniture, electronics)
- ◆ Portable air conditioners, portable microwaves, portable dishwashers
- ◆ Washers and dryers
- ◆ Food freezers and food in them
- ◆ Valuable items (such as artwork, up to a determined amount)
- ◆ Curtains

## Building and Contents Not Covered:

- ◆ Damage caused by moisture, mildew, or mold that could have been avoided by the property owner
- ◆ Currency, precious metals, and valuable papers such as stock certificates
- ◆ Property and belongings outside of an insured building such as trees, plants, wells, septic systems, walks, decks, patios, fences, seawalls, hot tubs, and swimming pools
- ◆ Financial losses caused by business interruption or loss of use of insured property
- ◆ Living expenses such as temporary housing
- ◆ Landscape or exterior features

# Flood Insurance FAQs



## How likely is it that my customer needs flood insurance coverage?

- For “low to medium risk” properties, flood insurance can provide peace of mind and affordable financial protection. Remember, 25-30% of all flood insurance claims are paid in these “less hazardous” areas.
- For “high risk” and coastal properties, lenders will require mandatory flood insurance to protect the value of the property on these NFIP flood zones.

Per the property’s **risk profile** and your customer’s **risk tolerance**, it’s important to integrate a flood insurance discussion into your real estate practice.

## How are flood insurance rates calculated?

Factors that help determine rates are whether NFIP or private insurance is chosen, year the property was built, flood zone, and replacement cost value of the property.

## Does my customer need a separate flood insurance policy if they have homeowners insurance?

Yes. Homeowners insurance does not cover flood damage / events.

## When do I need to get flood insurance?

It is highly recommended that you get flood insurance when you purchase a property. Flood insurance premiums can be escrowed with your mortgage lender.

## How do I go from quote to policy?

In each MLS Market, CartoFront has secured an insurance agency to answer questions and bind policies.



In the Miami MLS it is **MPX Insurance**



In national markets it is **We Insure**

# CartoFront FAQs



## What is CartoFront?

CartoFront is a FREE, bilingual application that simplifies flood insurance for REALTORS®.

- 💧 On the buy side, agents can guide customers to houses that have the greatest potential of becoming home, while maintaining and growing their value.
- 💧 On the sell side, agents can proactively understand what questions may come up from potential buyers.

CartoFront is a free, value-added service from your MLS.

## What is CartoFront's purpose?

Our goal is to make you the *most knowledgeable, confident and profitable* REALTOR® in your market.

## As a REALTOR® can I share insurance quotes with my customer?

Yes. CartoFront provides a legal disclaimer at the bottom of every quote request. This disclaimer is intended to protect the REALTOR®, their customer, and CartoFront, the technology service provider.

## What does CartoFront do with customer information?

CartoFront takes privacy very seriously.

The requested quotes, along with customer information, is stored securely on our technology platform.

The information will never be sold to any third parties, and you and your customer will not be subject to any general marketing.

## Is CartoFront bilingual?

Yes, the entire platform is bilingual: English and Spanish. This includes MLS application, training, education and customer service.

