

VALUE-ADDED FLOOD CONSULTING SERVICES

Case Study

THE CHALLENGE

A retail agent had an insured with a portfolio of multifamily properties. The insured was maintaining NFIP flood insurance policies on 42 buildings at 4 locations. The lender's flood zone determinations showed that the buildings were in Special Flood Hazard Areas (SFHA: zones beginning with the letter A). The client was concerned over the high flood insurance premiums and was looking for ways to reduce them. The retail agent was looking for savings opportunities and asked us for help.

THE SOLUTION

We completed a comprehensive flood risk analysis and determined that 7 buildings on two properties were not at high risk of flooding during 100-year storms. These 7 buildings had been incorrectly classified in the SFHA. We worked with FEMA to successfully remove all 7 buildings from the high-risk flood zone and to reclassify them into a low-risk flood zone, where they should have been in the first place. By leveraging our flood zone correction expertise and capabilities, we delivered five valuable benefits to the insured: (1) eliminated the lender's flood insurance requirement, (2) maximized the flood coverage afforded under the insured's master property insurance policy, (3) delivered substantial future savings, (4) captured a large insurance refund, and (5) increased the value of the property.

In addition, through the flood risk analysis process we were able to identify more favorable rating options for buildings on two other properties. This allowed us to deliver three valuable benefits: (1) future savings by greatly reducing the annual NFIP premiums, (2) a large insurance refund, and (3) an increase to property values.

THE RESULTS

- Successfully removed 7 buildings from the SFHA;
- Reduced total annual NFIP costs by \$135,191 (71%);
- Procured a \$94,674 flood insurance refund;
- Increased property values by \$1.9 million, based on the application of a 7% capitalization rate.

Contact us today to learn more.

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