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LOCAL REAL ESTATE

FLOOD INSURANCE - *is it necessary?*

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"IS MY HOUSE IN A FLOOD ZONE?"

It sounds like a simple question that has a simple choice of one of two answers; either: Yes or No. Unfortunately, it's not always that simple.

The Federal Emergency Management Agency (FEMA) has assigned flood zones to geographic areas that have been defined as having a level of flood risk. These zones are shown on a Flood Insurance Rate Map (FIRM). The maps assess and show the areas that have been defined as having a risk of flooding according to studies that FEMA have performed.

Participation with FEMA is optional; and, the communities and municipalities that agree to participate in the FEMA program are eligible to receive FEMA aid in the event of a flood or natural disaster. The FIRMs may be viewed by the general public and are available at www.fema.gov.

The question that most people really want to ask is "do I have to have flood insurance on my home or property". If you own your house outright, then the choice is yours. If you have a mortgage or a home equity line of credit on your home, it will most likely be required by your lender.

While it may seem easy to determine whether a property is in the flood zone or not in the flood zone, just looking at a map doesn't always answer the question. If the property is not located near an area of risk, then according to the FIRM, in most cases, your lender will not require you to carry flood insurance.

The problem occurs when a property is either close to the flood zone or is in the flood zone. FEMA has created the Elevation Certificate, which is form used to assess a property's elevation in relation to the flood plain. The elevation certificate takes into account the uniqueness of each property and home. If the "top of the bottom floor" is higher than the Base Flood Elevation (BFE) as established by FEMA, then your home is out of the flood plain. If that number is lower than the BFE, then

your home is in the flood plain.

So- what does all this information mean and how does it affect you? If you're in the flood zone, your lender is most likely going to require that you carry flood insurance on the structure(s). If you're not in the flood zone, chances are you will not have to carry flood insurance. That does not mean, nor does it imply that your home will not flood. It simply means that you are not required to carry the insurance. If your property is located outside of the flood zone, the rates for carrying flood insurance drastically decrease and you may qualify for a preferred rate through FEMA.

If you are interested in knowing if your property and home are located in a flood zone, your Realtor can be a great resource! They can assist you in finding a qualified insurance agent and a licensed land surveyor to perform the tasks needed in determining if your house is located in or out of a flood zone.

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