



Department of Utilities  
Office of the Director

CITY OF SACRAMENTO  
CALIFORNIA

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## Flood Insurance Requirement Will Soon Affect More than 26,000 Properties in Sacramento, CA

On December 8, 2008, the federal requirement to carry flood insurance will affect more than 26,000 properties in the Natomas region of Sacramento. In practical terms, this means property owners who have a loan from a federally-regulated or -insured lender on a home or building in Natomas must purchase flood insurance before December 8th. If they do not, the lender may buy it to protect their investment in the property and bill the property owner for the policy.

**New Flood Maps Will Show an Increased Flood Risk to Natomas.** On December 8th, the Federal Emergency Management Agency (FEMA) will issue new flood risk maps—called Flood Insurance Rate Maps—for the Natomas region. The new maps will move Natomas from a moderate risk “X” flood zone to a higher risk “AE” zone—a change that will trigger the federal requirement to carry flood insurance.

**The Levees in Natomas Do Not Currently Meet Federal Flood Protection Standards.** Levee improvements made over the last 15 years provide Natomas today with better protection against flooding than ever before. However, after Hurricane Katrina, the U.S. Army Corps of Engineers enforced tougher standards for evaluating levee safety. While the Natomas levees do not currently meet these standards, the Sacramento Area Flood Control Agency (SAFCA) has already begun work to strengthen the levees that protect Natomas.

**Lower-Cost Flood Insurance Is Available to Property Owners Who Buy Early.** Most Natomas property owners who purchase flood insurance before December 8th can initially satisfy the federal flood insurance requirement by purchasing a Preferred Risk Policy (PRP). PRPs cost about half the price of Standard flood insurance and provide the same quality of protection. However, property owners will not be able to purchase or renew a PRP once the requirement takes effect. Federal flood insurance rules allow property owners who buy a PRP before December 8th to carry the PRP for the entire one-year policy term. But when the term expires, the PRP will convert to a Standard “X” policy.

**Under Federal “Grandfathering” Rules, Most Natomas Property Owners Will Qualify for Standard “X” Rates Despite the New “AE” Flood Zone.** Under Federal “Grandfathering” rules, most Natomas property owners who purchase flood insurance before December 8th will obtain reduced rates for as long as their property is subject to the federal flood insurance requirement. In Natomas, “Grandfathering” will work like this: A property owner purchases a lower-cost PRP before December 8th. At renewal, the PRP converts to a Standard “X” policy—a policy rated for the flood zone in effect before December 8th. “Grandfathering” allows the property owner to have his or her policy rated for a Standard “X” zone until Natomas is released from the federal requirement. In pocketbook terms, while the Standard “X” policy will cost more than the PRP, it usually will cost hundreds of dollars less than a policy rated for the new “AE” flood zone.

**The Natomas Levees Are Expected to Meet Federal Flood Protection Standards by 2012.** However, until then, the federal requirement to carry flood insurance will be in effect, starting on December 8, 2008.

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## **For More Information:**

- To view the new Flood Insurance Rate Map panels for Natomas, visit the FEMA Map Service Center website at [www.msc.fema.gov](http://www.msc.fema.gov). Once there, click on How Do I Find a LOMC? Next, click on Find a LOMC by State/County/Community. When prompted, select: California; Sacramento; and Sacramento, City/Sacramento Co. Lastly, to view the unincorporated area of Sacramento County that the map change will affect, select: California; Sacramento; Sacramento Co.
- If the property is located in the City of Sacramento, contact the Department of Utilities Floodplain Hotline at (916) 808-5061.
- If the property is located outside the City limits, in Sacramento County, contact the County Department of Water Resources Flood Zone Hotline at (916) 874-7517.



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