




# Federal Emergency Management Agency

Washington, D.C. 20472

W-02003

January 9, 2002

MEMORANDUM FOR: Write Your Own (WYO) Principal Coordinators and the NFIP Servicing Agent

FROM: Howard Leikin   
Deputy Administrator  
Federal Insurance and Mitigation Administration

SUBJECT: Flood Zone Re-mapping in Los Angeles, CA

## Flood Insurance Rate Maps (FIRMs) Revised

The US Army Corps of Engineers, in cooperation with the Los Angeles County Department of Public Works, has completed restoration work on the lower Los Angeles River flood protection system. As a result, most of the Los Angeles River Special Flood Hazard Areas (SFHAs), previously designated as Zone AR and later converted to Zone A99, have been changed to Zone X on the FIRMs. In January 2002, FEMA will issue a Letter of Map Revision (LOMR) for each of the 12 communities (see attached list) in which flood protection for the lower Los Angeles River has been restored. Most of these areas will be changed to a lower risk zone, Zone X, where there is no Federal obligation on lenders to require flood insurance, but where flood insurance is recommended.

## Impact on National Flood Insurance Program (NFIP) Policyholders

There are approximately 60,000 NFIP policies in the affected communities. Of these policies, it is estimated that 56,000 will no longer be subject to the mandatory purchase requirements. These policyholders are likely to request policy cancellations and refunds. As you assist policyholders in this process, we hope that you will successfully encourage them to retain their flood insurance coverage with a Preferred Risk Policy (PRP). Many WYO companies have excellent marketing strategies and materials for communicating the PRP's value. As an additional resource, companies may use FEMA's PRP brochure, available at [www.fema.gov/nfip/prpbroch.htm](http://www.fema.gov/nfip/prpbroch.htm). Copies of this tri-fold brochure ("The Preferred Risk Policy", F-436) may be ordered from the FEMA Distribution Center by calling 1-800-480-2520.

## Public Information Efforts

FEMA Region IX has prepared the attached instructions for property owners in both English and Spanish. These are being distributed in various ways by the Regional Office and by local officials. The instructions are also posted at [http://www.fema.gov/mit/tsd/st\\_lariv.htm](http://www.fema.gov/mit/tsd/st_lariv.htm).

Additionally, FEMA is informing the Federal lending regulatory agencies, Federal agency lenders, government sponsored enterprises, lender trade associations, and others regarding the Los Angeles LOMRs and the cancellation procedures.

Workshops for agents, lenders, realtors, and others are being scheduled. Details on those scheduled thus far are attached. We understand that local officials are still in the process of arranging open houses and public meetings on January 22, 23 and 24, 2002.

Cancellation Procedures

Please refer to FEMA's Underwriting Bulletin, "Clarification of the NFIP Cancellation Rules Due to a Map Revision" issued December 20, 2001, and posted at <http://www.nfipbsa-csc.com/wyobull/wyobull.htm>. In this specific case, reason number 19 should be used rather than reason number 9.

Additionally, FEMA Region IX is distributing the attached sample letter that policyholders may submit to lending institutions to facilitate the cancellation and renewal process.

NFIP Bureau Program Coordinators

We hope these materials will assist you in serving your policyholders in the affected communities. If you have questions, please contact your NFIP Bureau Program Coordinator.

Attachments:

Map Panels Affected and Workshops Scheduled to Date  
"Flood Protection Restored for Los Angeles River—Instructions for Property Owners"  
Sample Letter from Policyholder to Lender

cc: Vendors, IBHS, FIPNC, WYO Marketing Committee, Government Technical Representative

Suggested Routing: Claims, Data Processing, Marketing, Underwriting

**MAP PANELS AFFECTED:**

Bellflower - 060102 0005 A  
Carson - 060107 0005 A  
Compton - 060111 0005 A  
Downey - 060645 0005 A  
Lakewood - 060130 0005 A  
Long Beach - 060136 0005 C, 0010 C, 0015 C, 0025 C  
Los Angeles County - 065043 0940 C, 0945 C, 1030 D, 1035 D  
Lynwood - 060635 0001 C, 0002 C  
Montebello - 060141 0001 C, 0002 C  
Paramount - 065049 0001 C, 0002 C  
Pico Rivera - 060148 0005 A  
South Gate - 060163 0005 A

**WORKSHOPS SCHEDULED TO DATE:**

Thursday January 10, 2002

Lakewood City Council Chambers  
5050 Clark Avenue  
Lakewood, CA 90712

Registration: 1:30-2:00pm

Workshop: 2:00-3:00pm

Questions & Answers: 3:00-4:00pm

The class is free and offers 1 hour of continuing education credit to licensed property and casualty insurance agents. This session will specifically address issues related to the upcoming LA map change in mid-January.

To Register: Fax business card to 916-780-7904

Questions: 916-780-7889

Friday February 8, 2002

Water Treatment Plant  
(Corner of Spring and Redondo)  
2950 Redondo Avenue  
Long Beach, CA 90806

Registration: 8:30-9:00am

Workshop: 9:00am-12: 15pm

This comprehensive NFIP workshop is free and offers 3 hours of continuing education credit to licensed property and casualty insurance agents.

Registration: RSVP to 916-498-9099 or e-mail [georged@quiknet.com](mailto:georged@quiknet.com)

Questions: George Deukmejian 916-498-9099



# Federal Emergency Management Agency

Region IX Regional Office  
P.O. Box 29998  
Presidio of San Francisco,  
San Francisco CA, 94129  
January 3, 2002

## Flood Protection Restored for Los Angeles River Instructions for Property Owners

### **Flood Insurance Maps Revised**

The U.S. Army Corps of Engineers (USACE), in cooperation with the Los Angeles County Department of Public Works, has completed restoration work on the lower Los Angeles River flood protection system. As a result, most of the Los Angeles River special flood hazard areas previously designated as Zone AR and later converted to Zone A99 has been changed to Zone X on the Flood Insurance Rate Maps. On January 11, 2002, the Federal Emergency Management Agency (FEMA) issued a Letter of Map Revision for each of the 12 communities in which flood protection for the lower Los Angeles River has been restored. Most of that area has now been placed in the lower risk flood Zone X where there is no federal obligation on lenders to require flood insurance but where flood insurance is recommended. However, areas that originally had other types of Zone A or V special flood hazard areas still have those special flood hazard areas in place. Those remaining Zones A and V are based on localized flooding that does not come from the Los Angeles River. In those areas, lenders must continue to require flood insurance.

### **Communities Affected by the Flood Map Revisions**

The twelve communities that were issued new Letters of Map Revision are Los Angeles County and the Cities of Bellflower, Carson, Compton, Downey, Lakewood, Long Beach, Lynwood, Montebello, Paramount, Pico Rivera, and South Gate.

### **Flood Hazards Have Not Been Completely Eliminated**

Four of these twelve communities still have some remaining special flood hazard areas. Some of those special flood hazard areas were underlying the A99 zones and some are outside the area affected by the Los Angeles River flood protection system. These communities are:

Los Angeles County

Long Beach

Lynwood

Montebello

## **Find Out Which Flood Zone Your Property Has Been Placed In**

The attached composite reference map gives a general idea of the new flood zones. To actually determine if your building has been removed from the A99 zone and placed in a Zone X, you must inspect the revised flood map panels attached to the Letter of Map Revision that was sent to your community officials. See the last section of this document titled "For More Information" to find out where you can go in your community to obtain a copy of the Letter of Map Revision and see the revised flood map panels.

## **Flood Maps and Flood Zones**

FEMA produces maps, called Flood Insurance Rate Maps, depicting flood hazards across the United States. The maps show "special flood hazard areas" for those areas that are affected by a flood having a one-percent chance of occurrence in a given year (also referred to as the base flood or 100-year flood). Letters of Map Revision are often used by FEMA to update these maps. The special flood hazard areas are shown on the Flood Insurance Rate Maps with flood zone designations that begin with the letter A or V. By law, Federally regulated lending institutions must require the purchase of flood insurance for mortgages on buildings shown in the special flood hazard areas on these maps. Outside of the special flood hazard areas, flood zone designations B, C, and X identify areas of moderate or minimal hazard from the principal source of flooding. In these zones flood insurance is available but lenders are not obligated by federal law to require it. However, buildings in Zones B, C and X could be flooded by severe rainfall coupled with inadequate local drainage systems. Therefore, flood insurance is highly recommended for buildings in these zones.

## **Mandatory Purchase of Flood Insurance No Longer Required in Areas Removed from Flood Plain**

The areas removed from the special flood hazard area have been designated Zone X (shown on the maps as the lightly shaded gray area). This zone is outside the special flood hazard area and is defined as an area of moderate or minimal flood hazard from the principal source of flooding in the area. The Federal requirement on lenders for the purchase of flood insurance does not apply in Zone X. Therefore, if you own a building that has been removed from the Zone A99 and is now located in Zone X, you may no longer be required to purchase flood insurance. (A lender may still require a borrower to purchase flood insurance even if no longer required to do so by the Federal government.) Flood insurance is, nevertheless, highly recommended in Zone X.

## **Flood Insurance Premium Refunds May be Available**

Property owners whose buildings have been removed from a special flood hazard area, and are now located in a Zone X may be eligible for a refund of one year's premium. You should be eligible for a refund if your lender confirms that your building has been removed from a special flood hazard area and provides a letter stating that their requirement for flood insurance no longer applies because your building is now in a Zone X. However, if a flood insurance claim has been paid or is pending for flood damage that occurred during your current policy term, you would not be eligible for a refund of the flood insurance premium. If your lender refuses to send

you a letter stating that they will not require flood insurance, you will not be eligible for a refund. If you do not have a lender, you will not be eligible for a refund. It is the letter from the lender that makes you eligible for a refund. To find out if you are eligible for a refund, you should:

1. Contact your community to determine if your building has been removed from the special flood hazard area. A list of community contact telephone numbers is provided on the next page. You may need to inspect the revised map panels attached to the Letter of Map Revision. If you determine that your building has been placed in Zone X, you should proceed with the remaining steps.
2. Obtain a copy of the Letter of Map Revision from the community. It is not necessary to obtain a copy of the map panel that is attached to the letter, as a copy of the cover letter from FEMA will identify the case number of the Letter of Map Revision. The lender can use that information to obtain a full copy of that Letter of Map Revision to make their formal map determination.
3. Send your lender a copy of the Letter of Map Revision along with a written request asking for a new map determination for your building. (Some lenders may charge a fee for this service.) Ask the lender to send you a letter stating “the requirement for flood insurance no longer applies because your building is now in Zone X.”
4. If you purchased flood insurance through an insurance agent, provide the agent with the letter from your lender and ask the agent to cancel the policy and provide you with a refund. Typically, an insurance company can process a refund within 60 days. Most flood insurance policies sold are National Flood Insurance Program backed policies. For these policies, you can get a refund of one year’s premium for the current policy in place on the effective date of the Letter of Map Revision that removed your building from a special flood hazard area.
5. If your lender purchased the flood insurance policy for you and billed you for it, ask the lender to cancel the flood insurance policy and issue a refund. Some policies purchased by lenders are not backed by the National Flood Insurance Program and have different refund standards.

### **“Underlying” Flood Zone Residents May Benefit From the Zone A99 Designation**

There are some previously existing special flood hazard areas that were underneath the AR and A99 zones that are not related to an overflow event along the Los Angeles River. These “underlying” flood zones result from local storm water flooding, overflow from tributary streams, and, within Long Beach, tidal flooding from the harbor. Flooding conditions in these areas are not affected by the restoration of the Los Angeles River flood protection system, and these areas did not benefit from completion of the project. These were returned to their previous Zone A special flood hazard area designations.

Property owners in these underlying flood zones will continue to be subject to flood insurance purchase requirements. However, there is a financial benefit for property owners in those areas if they purchased flood insurance when the Zone AR or Zone A99 rates were in place. For most buildings in the underlying flood zones, the premium for insurance in Zones AR and A99 is less expensive than the standard rate that will be charged for new flood insurance policies purchased after the Zone A99 designation has been removed. If you purchased flood insurance at the Zones AR or A99 rate, you can continue to carry and renew flood insurance at that low

rate as long as you maintain continuous coverage. In addition, if you sell that property in the future, the low AR or A99 flood insurance rate may be transferred to a new owner. You should coordinate with your insurance agent and your realtor to at the time of sale to assure that the lower flood insurance rate is passed on without a lapse in coverage. For more information on this benefit please contact your insurance agent.

### **Residents of Zone X**

FEMA urges property owners who are not required to buy flood insurance to consider purchasing it voluntarily. Homeowner's insurance does not cover flood damage. Twenty-five percent of all flood insurance claims are for buildings located outside of the Zone A or V high-risk special flood hazard areas identified on the flood maps. If your building is outside of a special flood hazard area and located instead in a Zone B, C, or X, you may be eligible to purchase a Preferred Risk Policy at a substantially lower rate.

### **For More Information**

Interested property owners should contact their community officials at the numbers given below to find out where to go to see the new flood maps. Each community has a set of the revised map panels available for public viewing. They also can provide you with copies of the new Letter of Map Revision cover letter to send to your lender. Please note that it is your lender, not the community officials, who must make the final determination if flood insurance will be required based on the new Letter of Map Revision.

Bellflower: (562) 804-1424 ext. 2248	Los Angeles County: (626) 458-4321
Carson: (310) 952-1795	Lynwood: (310) 603-0220 ext. 287
Compton: (310) 605-5505	Montebello: (323) 887-1460
Downey: (562) 904-7113	Paramount: (562) 220-2020
Lakewood: (562) 866-9771 ext. 3566	Pico Rivera: (562) 801-4415
Long Beach: (562) 570-6784	South Gate: (323) 357-9606

For specific information about purchasing flood insurance or obtaining a refund of your current years flood insurance premium contact your insurance agent.

If your lender or insurance agent has specific questions about the flood insurance refund procedures for this Letter of Map Revision you can ask them to call 1-916-780-7889.

For general information about flood insurance or the National Flood Insurance Program, please call our toll free number at 1-800-427-4661, or visit our web site at [www.fema.gov/nfip](http://www.fema.gov/nfip).

SAMPLE LETTER FROM POLICYHOLDER TO LENDER

Date: \_\_\_\_\_

Bank Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: Insurance/Compliance Department

Subject: Flood Zone Re-mapping in Los Angeles

Loan Number: \_\_\_\_\_

Property Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear \_\_\_\_\_:

As a result of the completion of levee restoration work in the Los Angeles area, the special flood hazard area previously designated as Zone AR and later converted to Zone A99 have been removed from the Flood Insurance Rate Maps by Letter of Map Revision effective January \_\_\_\_, 2002.

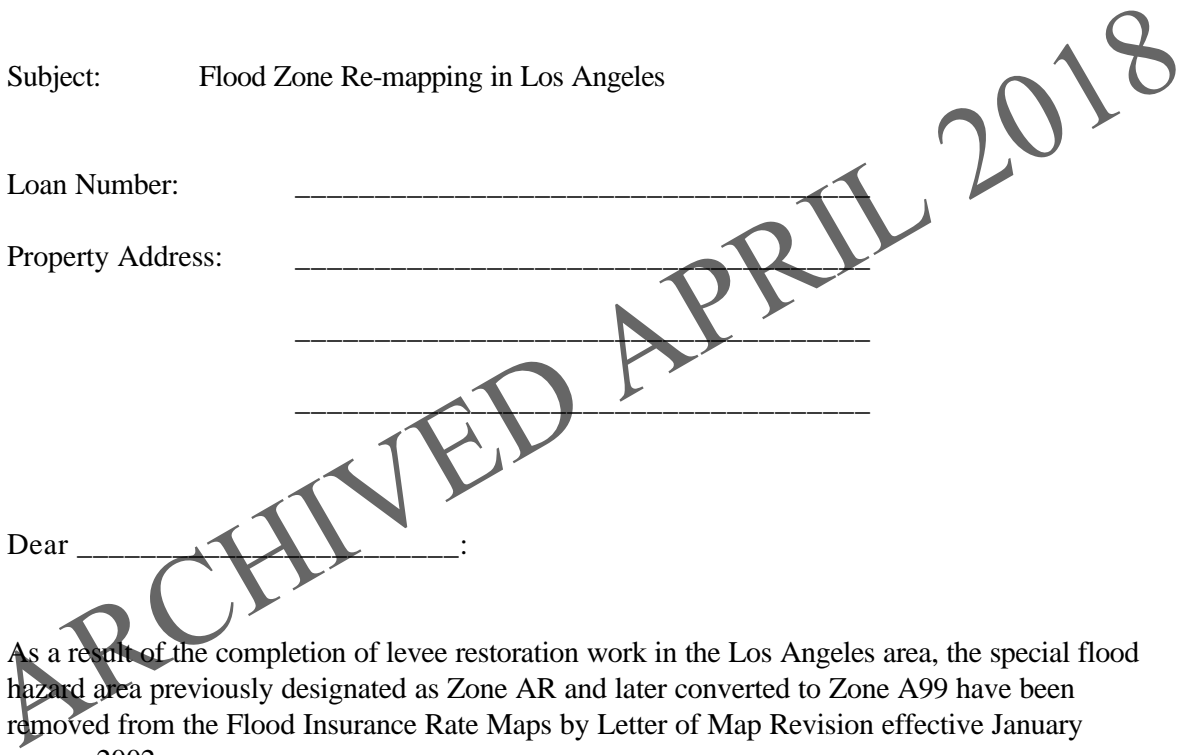
The Letter of Map Revision affects the following communities where most of the properties have been placed in a lower risk flood Zone X:

Los Angeles County and the Cities of Bellflower, Carson, Compton, Downey, Lakewood, Long Beach, Lynwood, Montebello, Paramount, Pico Rivera and South Gate

After reviewing the revised map panels, it appears that my property is no longer located in a special flood hazard area. A copy of FEMA's cover letter identifying the case number of the Letter of Map Revision is attached for your reference. Please make a new map determination on my building.

If it is determined that my structure is no longer located in a special flood hazard area, kindly provide me with a letter stating that "the requirement for flood insurance no longer applies

because my building is now in a Zone X". This documentation is required by The National Flood Insurance Program in order to cancel my flood policy and obtain a refund.





However, I understand that FEMA urges property owners who are not required to buy flood insurance to consider purchasing it voluntarily. My homeowner's insurance does not cover flood damage. Twenty-five percent of all flood insurance claims are for buildings located in B, C, or X flood zones. The insurance can be obtained at a significantly lower premium in these zones.

Thank you for your attention to this matter.

Sincerely,

Enc.

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