



# CASE STUDY

## ***Flood Zone Correction Saves Commercial Real Estate Company \$23,966!***

### **The Challenge**

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A large commercial real estate company owned a retail plaza with one large building that consists of several units occupied by different stores. The building was insured with six different NFIP flood policies representing total premiums of \$24,648 for this one structure. The client asked Flood Zone Correction (FZC) to determine if all six policies were necessary and to try and identify a solution to reduce the premiums.

### **The Solution**

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FZC used a research-driven underwriting process to procure documentation that identified that there were two rating errors in this situation. First, in accordance with NFIP rules and regulations, there should be only one policy for this structure based on its construction specifications. Second the prior insurance agent used inaccurate rating information to calculate premium, which resulted in artificially inflated premiums. The results were:

1. FZC cancelled the five duplicate policies that should never have been written to procure an insurance refund in excess of \$100,000.
2. FZC corrected the rating of the one remaining policy to reduce the annual premium on that one policy by \$3,336 (83%) and to procure an insurance refund of \$3,336.
3. FZC reduced the total annual flood premium for the property by \$23,966 (75%) through the combination of eliminating the unnecessary policies and correcting the rating error on the remaining policy.
4. FZC increased property value by \$340,000 by capitalizing the annual savings at a 7% capitalization rate.

By leveraging unique research capabilities and extensive knowledge of NFIP rules and regulations, Flood Zone Correction delivered substantial future savings, captured a large insurance refund, and increased property values.

***To obtain a free Flood Risk Analysis or to learn more about  
our Flood Zone Correction Service, call (877) 356-6396!***