



## CASE STUDY

### ***Flood Zone Correction Saves Multifamily Real Estate Company \$167,956!***

#### **The Challenge**

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A large multifamily real estate company owned a large apartment complex with 29 buildings, where the NFIP flood insurance premiums were \$222,434 for 29 flood insurance policies. The high cost of flood insurance resulted in the property operating with a negative cash flow for several years, which substantially decreased the value of the property. The client desperately sought a solution that would decrease its flood insurance costs while allowing it to maintain the same coverage in order to satisfy its lender's flood insurance requirement.

#### **The Solution**

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Flood Zone Correction (FZC) used a research-driven underwriting process to procure data and enable a re-rate of the flood policies using an alternative rate structure available through the NFIP. The results were:

1. FZC reduced annual flood premiums by \$167,956 (75%) while maintaining the same exact coverage.
2. FZC increased property value by \$2.4 million by capitalizing the annual savings at a 7% capitalization rate.
3. FZC procured a \$295,289 insurance refund.

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!***