

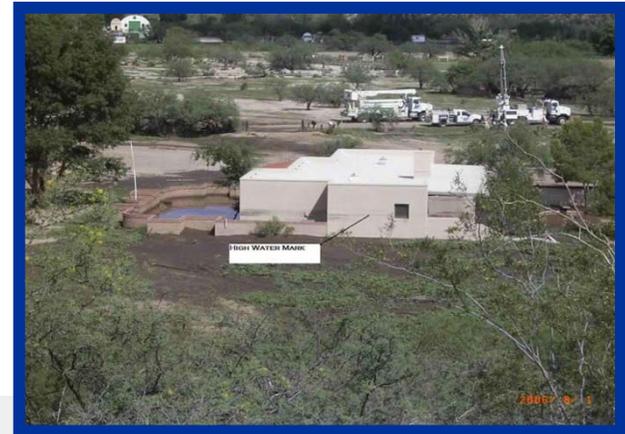
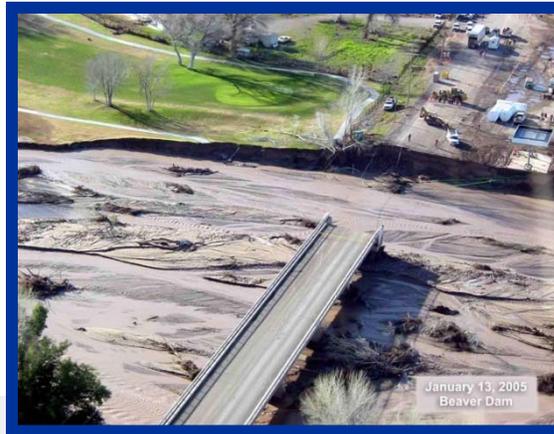


FEMA

National Flood Insurance Program

Edie Lohmann, FEMA Region IX NFIP Insurance Specialist

July 29 – August 4, 2015



RiskMAP

Increasing Resilience Together

Agenda

*Get Flood
Smart*

Agenda

1. New Legislation
2. April 1, 2015 Changes
3. November 1, 2015 Changes
4. Tools & Resources
5. Questions & Answers

NEW LEGISLATION

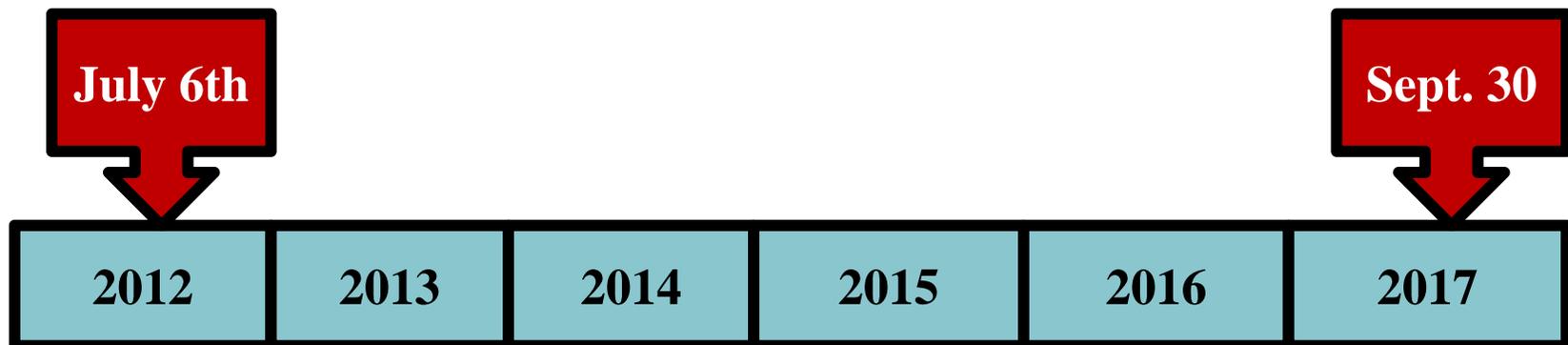
New Legislation

- Biggert-Waters Flood Insurance Reform Act – July 6, 2012 (BW 12)
- Homeowner Flood Insurance Affordability Act – March 21, 2014 (HFIAA)



Biggert Waters Reform Act

*Program Authorization until
September 30, 2017*



APRIL 1, 2015 FLOOD INSURANCE CHANGES

April 1, 2015 Changes

<http://www.fema.gov/nfip>

**FEMA**Fact Sheet

Federal Insurance and Mitigation Administration

How April 2015 Program Changes Will Affect Flood Insurance Premiums

The National Flood Insurance Program (NFIP) is in the process of implementing Congressionally mandated reforms required by the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA) that repeal and modify the Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters). The new law slows some flood insurance rate increases and offers relief to some policyholders who experienced steep flood insurance premium increases in 2013 and early 2014. Flood insurance rates and other charges will be revised for new or existing policies beginning on April 1, 2015. In addition to insurance rates, other changes resulting from Biggert-Waters and HFIAA will be implemented that will affect the total amount a policyholder pays for a flood insurance policy. Highlights of some of those changes follow. For full explanations and guidance, see WYO Bulletin (W-14053) and the Flood Insurance Manual.

The changes taking place in April include an increase in the Reserve Fund Assessment, the implementation of an annual surcharge on all new and renewed policies, an additional deductible option, an increase in the Federal Policy Fee, and rate increases for most policies. Key changes include:

- Implementing annual rate changes that set rates using rate-increase limitations set by HFIAA for individual premiums and rate classes:
 - Limiting increases for individual premiums to 18 percent of premium.
 - Limiting increases for average rate classes to 15 percent.
 - Mandatory increases for certain subsidized policyholders under Biggert-Waters and HFIAA.
- Increasing the Reserve Fund assessments required by Biggert-Waters.
- Implementing annual surcharges required by HFIAA.
- Guidance on substantially damaged and substantially improved structures, and additional rating guidance on buildings constructed before their communities' first Flood Insurance Rate Maps (FIRMs) became effective (known as pre-FIRM structures).
- Implementing a new procedure for properties newly mapped into the Special Flood Hazard Area (SFHA) and existing Preferred Risk Policy Eligibility Extension (PRP EE), a cost-saving flood insurance coverage option for property owners whose buildings were newly mapped into an SFHA. The premiums will be the same as the PRP, which offers low-cost flood insurance to owners and tenants of eligible residential and non-residential buildings located in moderate- to low-risk areas for the first year (calculated before fees and assessments) to comply with provisions of HFIAA.
- Reformulating expense loading on premiums, reducing the expense load on the highest-risk policies as an interim step while investigating expenses on policies as required by Biggert-Waters.

The changes will take effect on April 1, 2015.

OCTOBER 2014 <https://www.fema.gov/media-library/assets/documents/99601> 1

April 1, 2015 Changes

HFIAA Rate Caps



15%

Any Single
Risk Category



18%

Any Individual
Policy



April 1, 2015 Changes

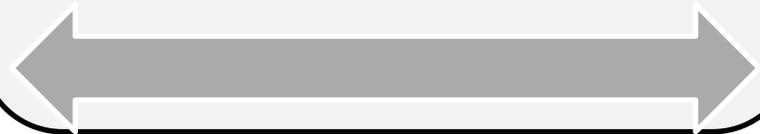
HFIAA Rate Caps

Applies to **pre-firm subsidized** buildings in **A or V flood zones** that are:

1. Non-primary residences
2. Severe repetitive losses
3. Substantially damaged or improved buildings
4. Businesses – 2016

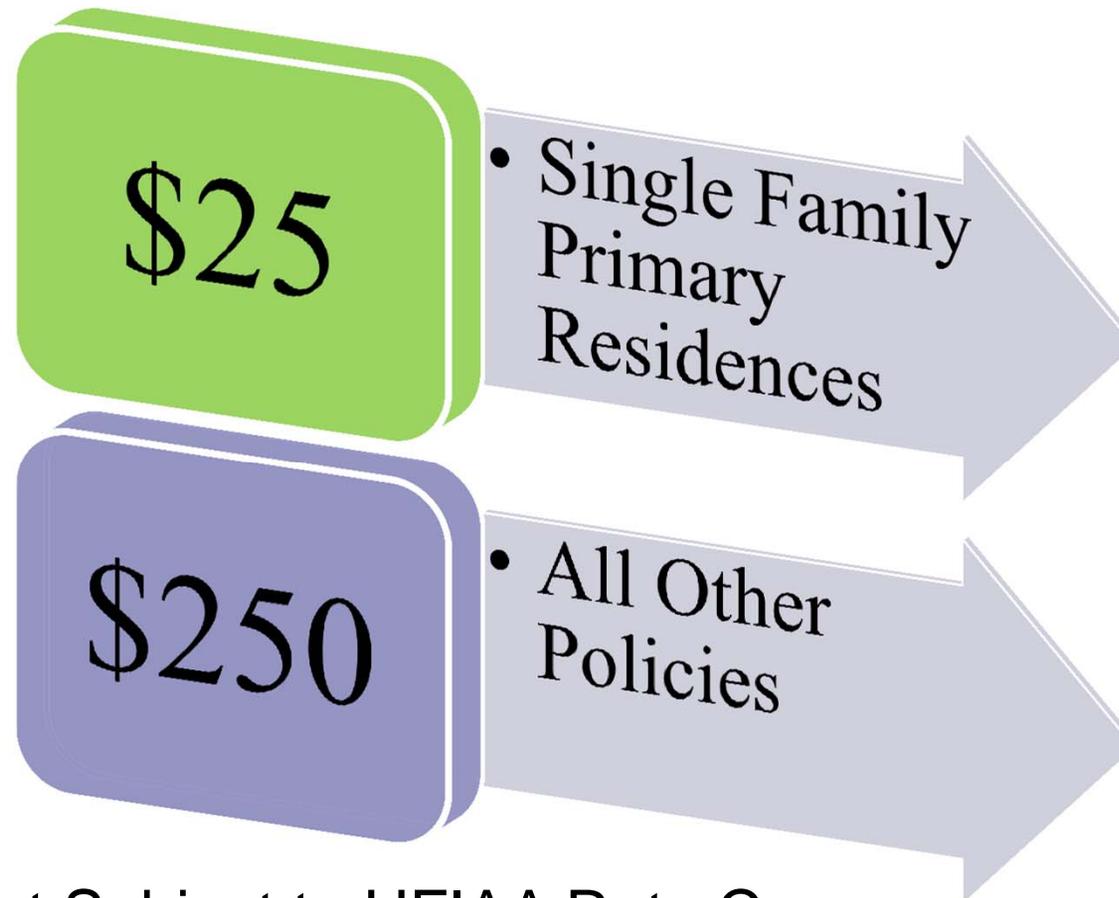


25%



April 1, 2015 Changes

New Annual Non-Refundable Surcharge*



*Not Subject to HFIAA Rate Caps

April 1, 2015 Changes

Surcharge Fact Sheet

www.fema.gov/nfip



FEMA

Fact Sheet

National Flood Insurance Program (NFIP)

The HFIAA Surcharge

As of April 1, 2015, every National Flood Insurance Program (NFIP) policy includes an annual surcharge required by the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA). The amount of the surcharge depends on the use of the insured building and the type of policy form insuring the building, regardless of its flood zone designation.

Policies for owner-occupied single-family detached buildings and individual condominium units that are the primary residence of a policyholder insured under the Dwelling Policy form will include a \$25 surcharge. Additionally, contents-only policies insured under the Dwelling Form and held by a tenant in the tenant's primary residence will include the \$25 surcharge.

Policies for all other buildings will include a \$250 surcharge, which also applies to policies insured under the Residential Condominium Building Association Policy form, regardless of the number of units, attached and detached, or use of the building. In fact, even if the condominium association is being surcharged \$250 for the entire building, a unit-owner with an individual policy that includes building coverage, can also be surcharged appropriately, based on the use. Lastly, all buildings insured under the General Property form will include a \$250 surcharge. Policies covering buildings designed for use by more than one family will be charged a \$250 surcharge, even if the landlord uses the building as a primary residence, or the building is owned by a condominium association.

What to Expect

It's important to know the annual amount due to your insurer for flood insurance at the time of application or renewal includes this surcharge. You do not need to make a separate payment. In addition, upon renewal of a policy, insurers will be sending out a notice to verify that the building is being used as a primary residence. The documentation must be provided to the insurer prior to the policy expiration date in order for the appropriate surcharge to be included in the renewal notice.

If a policyholder does not send back the documentation to their insurance agent that verifies the policy is for a primary residence, a \$250 surcharge will be applied. Working with their agent, if an incorrect surcharge was used for renewal, policyholders are able to correct the surcharge during the current policy year. The correction will be made once the documentation is provided to the insurance agent.

Why A Surcharge

The Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters) mandated that the Federal Emergency Management Agency (FEMA) eliminate certain subsidized rates that did not reflect the true risk available for structures that were built in high-risk areas before their communities entered the NFIP. To maintain the affordability of flood insurance for the policyholders eligible for subsidized rates, the most recent legislation—HFIAA—slowed the elimination of the subsidies. To support the financial stability of the NFIP, Congressionally-mandated surcharges are required for all policyholders to offset the slow-down of the elimination of current subsidized rates, and will continue until all subsidy is eliminated. The surcharge is paid at the time of application or renewal each year until the subsidies are eliminated. The surcharge revenue will go into the NFIP Reserve Fund that is used to help cover the cost of future claims in a catastrophic event and may also be used to pay the program's debt to the U.S. Treasury from previous catastrophic events.

Premium Caps Do Not Apply to the Surcharge

HFIAA placed limits on the percentage that NFIP premiums can increase each year. However, the HFIAA surcharge is not considered premium and is not included when calculating limits on insurance rate increases. So, for example, while total premium will not increase more than the 18 percent premium increases allowed for most individual policies, the total percentage increase in the cost of the policy may exceed 18 percent once the appropriate surcharge is added.

April 1, 2015 Changes

Reserve Fund



New 10% Reserve Fund for standard PRPs

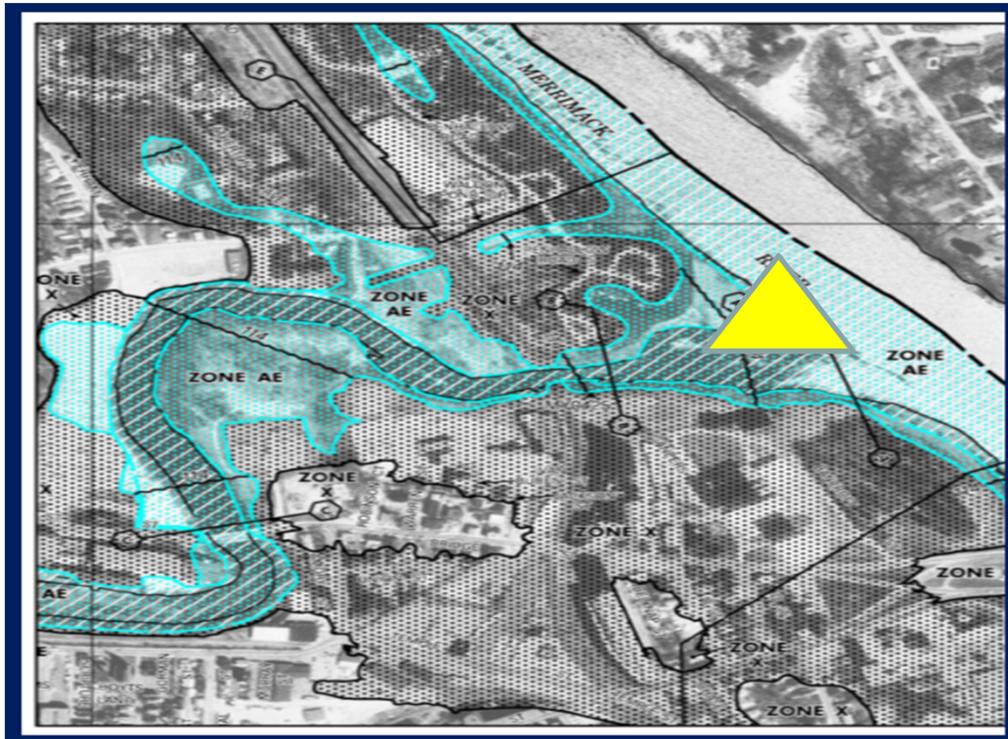
April 1, 2015 Changes

New Optional Residential Deductible



April 1, 2015 – New Map Change Program

Newly Mapped into a Special Flood Hazard Area*



B, C, X, or D Flood Zone



A or V Flood Zone

*Formerly Preferred Risk Policy Eligibility Extension

April 1, 2015 – New Map Change Program

Premiums Effective April 1, 2015

**TABLE 4A. COVERAGE LIMITS AND PREMIUMS FOR PROPERTIES
NEWLY MAPPED INTO AN SFHA ON OR AFTER OCTOBER 1, 2008^{1, 2, 3}**

1-4 FAMILY RESIDENTIAL BUILDING AND CONTENTS COVERAGE COMBINATIONS⁴

WITH BASEMENT OR ENCLOSURE ⁵			WITHOUT BASEMENT OR ENCLOSURE ⁵		
BUILDING	CONTENTS	PREMIUM	BUILDING	CONTENTS	PREMIUM
\$ 20,000	\$ 8,000	\$196	\$ 20,000	\$ 8,000	\$165
\$ 30,000	\$ 12,000	\$234	\$ 30,000	\$ 12,000	\$203
\$ 50,000	\$ 20,000	\$296	\$ 50,000	\$ 20,000	\$265
\$ 75,000	\$ 30,000	\$347	\$ 75,000	\$ 30,000	\$310
\$100,000	\$ 40,000	\$379	\$100,000	\$ 40,000	\$343
\$125,000	\$ 50,000	\$397	\$125,000	\$ 50,000	\$361
\$150,000	\$ 60,000	\$419	\$150,000	\$ 60,000	\$384
\$200,000	\$ 80,000	\$462	\$200,000	\$ 80,000	\$419
\$250,000	\$100,000	\$493	\$250,000	\$100,000	\$445

April 1, 2015 – New Map Change Program

Newly Mapped into a SFHA Program

New Map Effective Date: August 1, 2015

S	M	T	W	T	F	S
	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Policy coverage* needs to be effective by: August 1, 2016

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

*Policy coverage needs to be effective within 12 months of new map effective date - 30 day waiting period

April 1, 2015 – New Map Change Program

Keep it Simple – Buy a Preferred Risk Policy BEFORE the new map goes effective

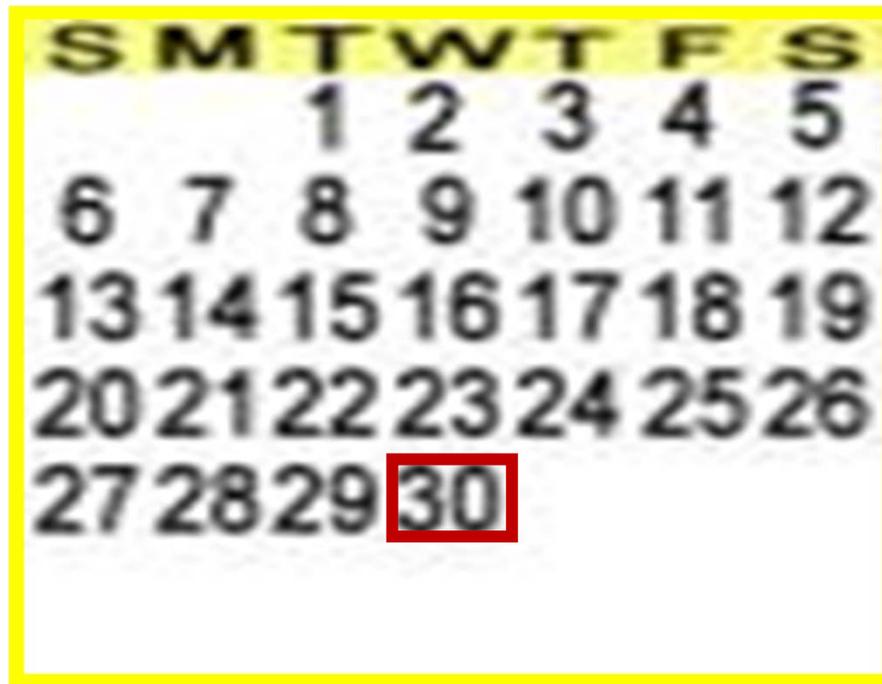
**TABLE 3A. PRP COVERAGE LIMITS AND PREMIUMS
FOR PROPERTIES CURRENTLY MAPPED IN B, C, OR X ZONES^{1, 2, 3}**

1-4 FAMILY RESIDENTIAL BUILDING AND CONTENTS COVERAGE COMBINATIONS⁴

WITH BASEMENT OR ENCLOSURE ⁵			WITHOUT BASEMENT OR ENCLOSURE ⁶		
BUILDING	CONTENTS	PREMIUM	BUILDING	CONTENTS	PREMIUM
\$ 20,000	\$ 8,000	\$167	\$ 20,000	\$ 8,000	\$137
\$ 30,000	\$ 12,000	\$203	\$ 30,000	\$ 12,000	\$173
\$ 50,000	\$ 20,000	\$262	\$ 50,000	\$ 20,000	\$233
\$ 75,000	\$ 30,000	\$311	\$ 75,000	\$ 30,000	\$276
\$100,000	\$ 40,000	\$342	\$100,000	\$ 40,000	\$308
\$125,000	\$ 50,000	\$359	\$125,000	\$ 50,000	\$324
\$150,000	\$ 60,000	\$380	\$150,000	\$ 60,000	\$346
\$200,000	\$ 80,000	\$421	\$200,000	\$ 80,000	\$380
\$250,000	\$100,000	\$452	\$250,000	\$100,000	\$405

April 1, 2015 – New Map Change Program

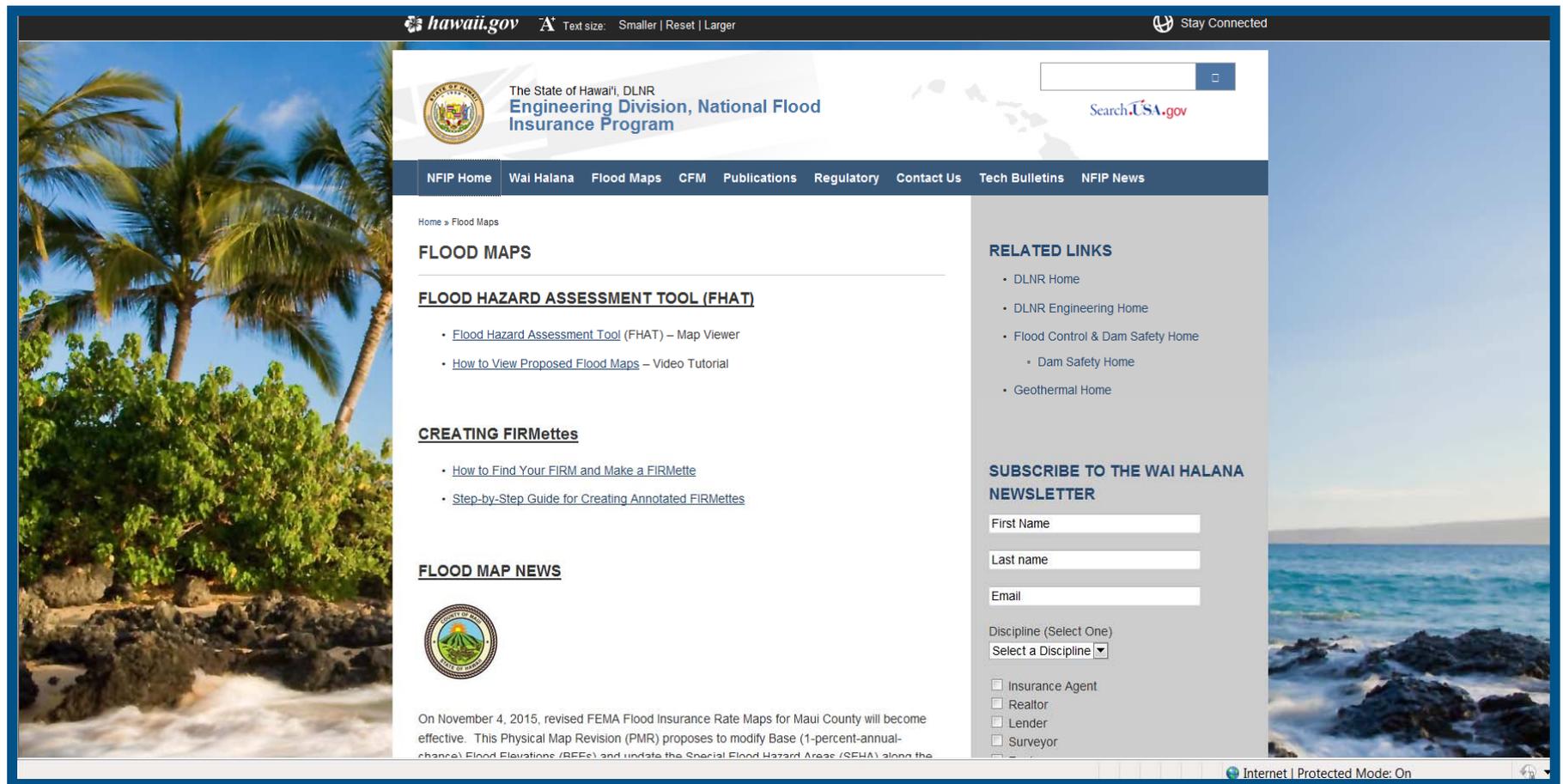
Buildings Newly Mapped into a SFHA between October 1, 2008 and March 31, 2015



Coverage* needs to be effective by March 31, 2016

New Maps – Maui & Molokai Effective: Nov. 4, 2015

<http://www.hawaiinfip.org>



The screenshot displays the website for the National Flood Insurance Program (NFIP) in Hawaii. The header includes the Hawaii state logo, the text "The State of Hawaii, DLNR Engineering Division, National Flood Insurance Program", and a search bar. The navigation menu contains links for NFIP Home, Wai Halana, Flood Maps, CFM, Publications, Regulatory, Contact Us, Tech Bulletins, and NFIP News. The main content area is titled "FLOOD MAPS" and features a "FLOOD HAZARD ASSESSMENT TOOL (FHAT)" section with links to a map viewer and a video tutorial. Below this is a "CREATING FIRMettes" section with links to a guide for finding FIRM and making FIRMettes, and a "STEP-BY-STEP GUIDE FOR CREATING ANNOTATED FIRMettes". The "FLOOD MAP NEWS" section includes a circular logo and a text block stating that revised FEMA Flood Insurance Rate Maps for Maui County will become effective on November 4, 2015. The right sidebar contains "RELATED LINKS" (DLNR Home, DLNR Engineering Home, Flood Control & Dam Safety Home, Geothermal Home) and a "SUBSCRIBE TO THE WAI HALANA NEWSLETTER" form with fields for First Name, Last name, Email, and a dropdown for Discipline (Insurance Agent, Realtor, Lender, Surveyor).

April 1, 2015 Changes

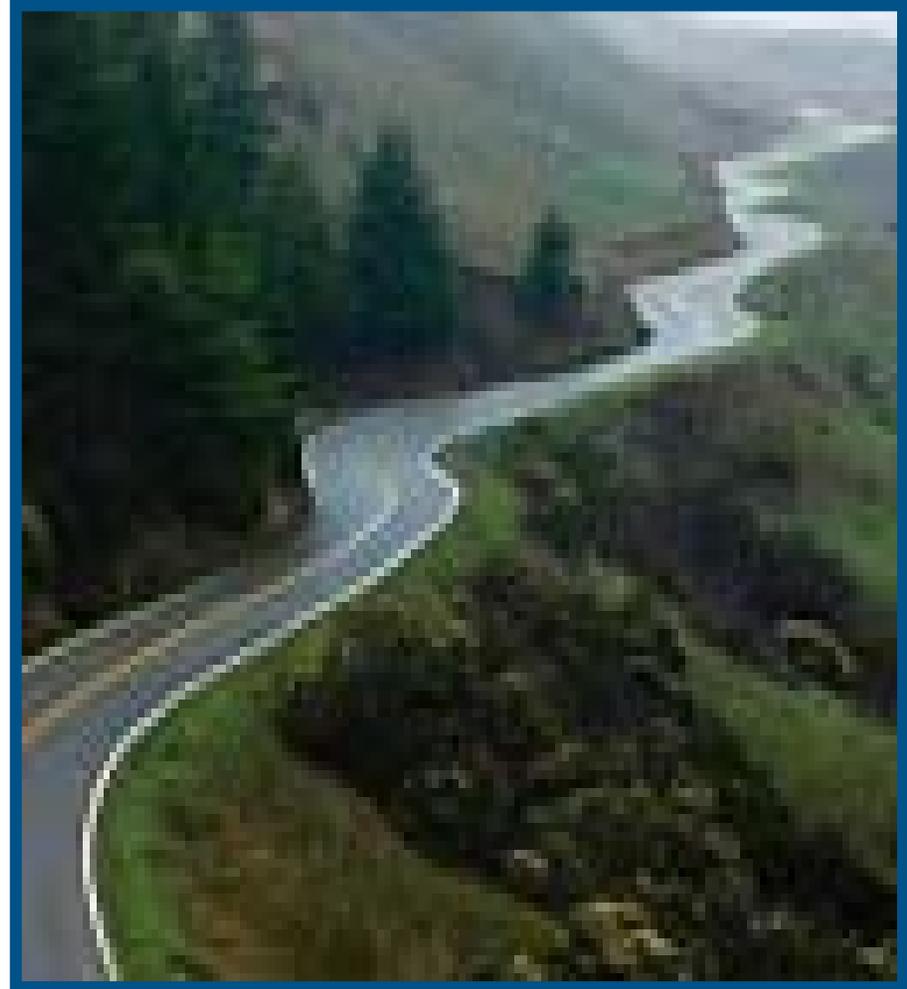
<http://www.fema.gov/nfip>



DOWN THE ROAD

November 1, 2015 Changes

- Identification of business occupancies
- Incorporation of minus rates in Flood Manual
- Revised Floodproofing certificate instructions
- NFIP form revisions to collect additional data
- Revised cancellation & refunds



November 1, 2015 Changes

Bulletin W-15016 <http://www.nfipiservice.com>

U.S. Department of Homeland Security
500 C St. SW
Washington, D.C. 20472

 **FEMA**

W-15016

May 1, 2015

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

FROM: 
Brad J. Kieserman
Deputy Associate Administrator for Insurance
Federal Insurance and Mitigation Administration

SUBJECT: November 1, 2015, Program Changes

This memorandum provides notification of program changes that will take effect on November 1, 2015. Many of these changes result from continued implementation of the Homeowner Flood Insurance Affordability Act of 2014 and the Biggert-Waters Flood Insurance Reform Act of 2012. The changes will require modifications to the *NFIP Flood Insurance Manual (FIM)*, the Transaction Record Reporting and Processing (TRRP) Plan, and the Edit Specifications document. Key program changes that will take effect on November 1, 2015 include:

- Implementation of a procedure to identify business properties in order to implement the 25-percent annual premium increases on Pre-FIRM subsidized business properties;
- Reformatting of rate tables to identify business rates and incorporation into the FIM of additional rates for buildings with the lowest floor below the Base Flood Elevation;
- Changes to certain flood insurance underwriting forms to capture additional data elements;
- Expanded instructions for the Floodproofing Certificate for Non-Residential Structures, also used for business properties;
- Revisions to the endorsement and cancellation rules on prior term refunds; and
- New reporting requirement for Mortgage Portfolio Protection Program policies.

Please see the following attachments for details of these upcoming Program changes:

- Attachment A – Summary of the NFIP Program Changes Effective November 1, 2015
- Attachment B – Non-Residential Building Use Questionnaire
- Attachment C – Reformatted Rate Tables to Include Business Properties and Additional Rates
- Attachment D – Revised Underwriting Forms

TOOLS & RESOURCES

DLNR Website – Handouts / Maps

<http://www.hawaiiinfip.org>

The screenshot shows the website header with the *hawaii.gov* logo, a text size selector (Smaller | Reset | Larger), and a 'Stay Connected' icon. The main navigation bar includes links for NFIP Home, Wai Halana, Flood Maps, CFM, Publications, Regulatory, Contact Us, Tech Bulletins, and NFIP News. Two red arrows point to the 'Flood Maps' and 'Publications' links. A search bar with the 'Search.U.S.A.gov' logo is also visible. The main content area features a large image of palm trees on the left and a news item on the right. The news item includes a photo of a flooded road with orange and white striped barriers, a 'NFIP NEWS' label, and a 'Read More' link. A sidebar on the right contains three blue buttons: 'Flood Hazard Assessment Tool (FHAT)', 'Wai Halana', and 'NFIP News'.

NFIP Key Contacts

 FEMA Fact Sheet	
Federal Insurance and Mitigation Administration	
National Flood Insurance Program (NFIP) Key Contacts	
NFIP Help Center 1-800-427-4661 Hours: 8am – 8pm Mon. – Fri. EST	<ul style="list-style-type: none"> • General NFIP Information • NFIP Policy Loss History Information • NFIP Publications
NFIP Claims Call Center 1-800-621-3362 Hours: 8am – 6pm Mon. – Fri. CDT	<ul style="list-style-type: none"> • Assist policyholders with claims questions • General information on claims process • Technical assistance to aid in recovery
FloodSmart 1-888-379-9531 http://www.floodsmart.gov Hours: 24 Hours / Mon. – Sun.	<ul style="list-style-type: none"> • Policyholder Resources • Agent Site • Flood Facts & Flood Risks • Community Resources • Community Rating System (CRS) • Media Resources • Toolkits
FEMA Map Information Exchange (FMIX) 1-877-336-2627 http://floodmaps.fema.gov/fhm/fmx_main.html Hours: 8am – 6:30pm EST	<ul style="list-style-type: none"> • Flood Map Information & Inquiries • Flood Zone & Map Appeals • Information on Upcoming Map Changes • Letters of Map Change
FEMA Federal Disaster Assistance 1-800-621-3362 http://www.disasterassistance.gov	<ul style="list-style-type: none"> • File a Claim for Federal Disaster Assistance • Status of a Federal Disaster Assistance Claim
FEMA's Interim Office of the Flood Insurance Advocate https://www.fema.gov/safer-stronger-protected-homes-communities/interim-office-flood-insurance-advocate Revised: July 10, 2015	

Policy & Claims Inquiries

<http://www.nfipiservice.com>

NFIP Toll-Free Phone Numbers by WYO Company for Claims and Policy Inquiries

WYO Company (2013FY) Data as of 06/03/2013	Claims Inquiry Toll-Free Number	Policy Inquiry Toll-Free Number	Flood Processing Vendor
Allstate Insurance Company	(888) 202-3716	(800) 527-2634	CSC
Allstate New Jersey Insurance Company	(888) 202-3716	(800) 527-2634	CSC
American Commerce Insurance Company	(800) 759-8656	(800) 637-3846	National Flood Services Montana
Citation Insurance Company	(800) 759-8656	(800) 637-3846	National Flood Services Montana
Commerce Insurance Company	(800) 759-8656	(800) 637-3846	National Flood Services Montana
Commerce West Insurance Company	(800) 759-8656	(800) 637-3846	National Flood Services Montana

New FEMA Claims Help Center

- 1-800-621-3362
- 8am – 6pm CDT
- www.fema.gov/nfip

**FEMA**Fact Sheet

National Flood Insurance Program

[NFIP Call Center Pilot Program](#)
FEMA's top priority is to support disaster survivors and help communities recover from the devastating effects of disasters. To accomplish this mission, FEMA is undertaking changes and improvements to the National Flood Insurance Program (NFIP).

As part of these improvements, FEMA launched an NFIP call center pilot program to better serve and support policyholders with the servicing of their claims. Flood insurance claims can be complicated, and policyholders may have questions in the days and weeks following a disaster. Not all questions can be quickly or easily answered by one's insurance agent.

Policyholders who may have questions about their flood policy can call 1-800-621-3362, Monday through Friday from 8 a.m. to 6 p.m. (CDT). Specialists will be available to assist policyholders with the servicing of their claims, to provide general information regarding their policies or to offer technical assistance to aid in recovery. The call center will also be open to disaster survivors who have general questions about the NFIP.

For those who prefer to put their concerns in writing, a "Request for Support" form will be posted at <http://www.fema.gov/national-flood-insurance-program-technical-support-hotline>, which can be e-mailed to FEMA-NFIP-Support@fema.dhs.gov.

Call center staff will be able to answer everything from basic inquiries to more complicated flood insurance questions such as, "What is covered under my policy? What documents are needed to file a claim? What if I have problems with my adjuster?" Staff will be trained to provide superior service and put customers' needs first.

Flood insurance plays a critical role in assisting survivors on their road to recovery. Like other types of insurance, it does not cover all losses but it is the first line of defense against a flood. While the payouts won't make the insured whole, our top priority is to ensure policyholders get what they are due under their coverage.

FEMA expects participating insurance companies and their contractors who assist in carrying out the program to continue to improve their customer-centric approach as they handle flood insurance claims. Policyholders should expect full transparency on how the claim is being adjusted, what elements of damage are covered under the Standard Flood Insurance Policy, what elements are not covered, and how costs are calculated for the loss. This initiative is part of FEMA's ongoing commitment to effective, long-term improvements to the NFIP.

June 2015
"FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards."

<http://www.fema.gov/media-library/assets/documents/106968>

NFIP Home Page

<http://www.fema.gov/nfip>

The screenshot shows the FEMA NFIP home page. At the top left is the FEMA logo. To its right is a search bar with the text "What are you looking for?". Below the logo is the text "Safer, Stronger, Protected Homes & Communities". The main content area is titled "The National Flood Insurance Program" and includes a "Share/Email This Page" button. Below this is a link to "To receive NFIP e-mail updates". The "Information For..." section lists several categories: Claims Adjusters, Property Owners, Insurance Professionals, Lenders, State & Local Officials, and Surveyors. A red arrow points to the "Property Owners" link. The "Featured Topics" section includes the "Flood Insurance Reform Act of 2012" with a brief description. On the right side, there are "Related Links" for "FEMA Map Service Center" and "Community Status Book". The left navigation menu includes "Protecting Homes" (with sub-links for Atlantic Ocean Coastal Information, Coastal Flood Risk Resources, Coastal Regions, Gulf of Mexico Coastal Information, and Resources for Home Builders, Developers, and Construction Professionals) and "Flood Insurance" (with sub-links for Flood Insurance Library, Flood Insurance Reform, and Information for Property Owners).

FloodSmart

www.floodsmart.gov

Call toll free: 1-888-379-9531 or have us call you

The official site of the NFIP

Search FloodSmart.gov

HOME

FLOODING & FLOOD RISKS

ABOUT THE NATIONAL FLOOD INSURANCE PROGRAM

RESIDENTIAL COVERAGE

COMMERCIAL COVERAGE

POLICYHOLDER RESOURCES

PREPARATION & RECOVERY

RESOURCES

- > Agent Site
- > Agent Locator
- > Community Rating System
- > Community Resources
- > File Your Claim
- > Frequently Asked Questions
- > Glossary
- > Flood Facts
- > Media Resources
- > Toolkits
- > Email Updates

Wildfires Increase Flood Risk. Are You Ready?

Fires leave land dry, barren, and unable to absorb water.

LEARN MORE

Protect What Matters Spring Flooding Recent Changes New Flood Maps Flood After Fire

LATEST NEWS

When does your state focus on flood safety? Find out [here](#).

Find out more about the Preferred Risk Policy Eligibility Extension. [Learn More](#)

Typically, there's a 30-day waiting period from date of purchase before your policy goes into effect.

GET COVERAGE WITH A LOW-COST POLICY

Find out about our Preferred Risk Policy for homes in moderate-to-low risk areas.

LEARN MORE

WHAT COULD FLOODING COST ME?

This interactive tool shows the cost of a flood to your home, inch-by-inch.

LEARN MORE

One-Step Flood Risk Profile

HOW CAN I GET COVERED?

- Rate your risk
- Estimate your premiums
- Find an agent

Address:

City:

State:

Zip code:

Residential? Yes No

GO! [Privacy Policy](#)

Call toll free: 1-888-379-9531 or have us call you

The official site of the NFIP

Search FloodSmart.gov

HOME

FLOODING & FLOOD RISKS

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COMMERCIAL COVERAGE

POLICYHOLDER RESOURCES

PREPARATION & RECOVERY

RESOURCES

- > Agent Site
- > Agent Locator

How will the New Flood Maps Affect Your Flood Risk?

Flood risk changes from year-to-year. Enter your zip code to see if there have been any recent map changes in your area.

SEARCH YOUR AREA

What Does NFIP Reform Legislation Mean to You?

Premiums are changing to reflect actual risk and sustain the program—within an affordable framework.

LEARN MORE

Protect What Matters Spring Flooding Recent Changes New Flood Maps Flood After Fire

HOME

FLOODING & FLOOD RISKS

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- > Agent Site
- > Agent Locator
- > Community Rating System
- > Community Resources
- > File Your Claim
- > Frequently Asked Questions
- > Glossary
- > Flood Facts

Resources – Region IX Mapping

<http://www.r9map.org>

BW-12 Special Edition Volume 1 | Issue 3 | August 2013

FEMA RiskMAP Local
 News and Information about the Risk Mapping, Assessment, and Planning (Risk MAP) Program in FEMA Region IX

in this issue >>>

Flood Insurance Reform Act Extends the NFIP & Signals Future Changes

BW-12 and the Community Rating System

Coming Soon - FEMA Region IX BW-12 Training Schedule

resources & videos >>>

- www.fema.gov/bw12
- <http://www.floodsmart.gov/newsroom/news-and-publications/newsletters/new-issuitions>
- www.vashlet.com/user/FLOODFORUM
- www.h2oapartners.com/nfip-training/video

Flood Insurance Reform Act Extends the NFIP and Signals Future Changes

The Biggert-Waters Flood Insurance Reform Act of 2012 (BW-12) authorized a continuation of the National Flood Insurance Program (NFIP) until September 30, 2017. The Act, signed by President Obama on July 6, 2012, also signals changes for the NFIP that will affect both flood insurance rates and the structure of the program.

What changes are planned?

One of the principal impacts of BW-12 will be on flood insurance premium rates. The Act calls for new rates that reflect the full flood risk of future losses, known as actuarial rates. Current subsidies and discounts for properties will be phased out and eventually eliminated. The expectation is that the price property owners pay for their flood insurance policies will become commensurate with the risk and potential cost of flood damage to the structure.

Some of the changes to subsidized flood insurance policies will include:

- Owners of **non-primary/secondary residences in a Special Flood Hazard Area (SFHA)** will see a 25 percent increase annually until rates reflect true risk – began January 1, 2013
- Owners of **property that has experienced severe or repeated flooding** will see a 25 percent rate increase annually until rates reflect true risk – beginning October 1, 2013
- Owners of **business properties in a SFHA** will see a 25 percent rate increase annually until rates reflect true flood risk – beginning October 1, 2013

(Each property's risk is different. Some policyholders may reach their true risk rate after a few years of increases, while other policyholder increases may go beyond five years to reach the full risk rate required by the new law.)

Changes in flood insurance are not the only modifications that will result from BW-12. The Act also institutes changes to the flood mapping process, mitigation measures, and processes for funding the NFIP.

These changes include:

- Creation of a **Technical Mapping Advisory Council** to provide guidance on producing the most accurate flood hazard maps
- Combining the Hazard Mitigation Assistance programs (to include Severe Repetitive Loss, Repetitive Flood Claims, and Flood Mitigation Assistance) into the **National Flood Mitigation Fund**

RiskMAP
Increasing Resilience Together

More than 80% of flood insurance policyholders (representing approximately 4.4M of the 5.6M policies in force) do not pay subsidized rates.
 Source: www.floodsmart.gov

The NFIP helps communities protect and mitigate against the hazard of flooding.

See NFIP Extension, Page 4

Coastal Beat **CCAMP**

FEMA Region IX CCAMP News and Information | August 2012 | Issue #1

Welcome to the inaugural edition of Coastal Beat!

Welcome to Issue #1 of Coastal Beat, a new e-publication from FEMA Region IX. Coastal Beat provides up-to-date information for both components of FEMA's California Coastal Analysis Mapping Projects – the San Francisco Bay Area Coastal Study and the California Open Pacific Coast Study – which will update the coastal flood hazard information shown on FEMA's Flood Insurance Rate Maps. Each quarter, we plan to provide you with schedule updates, technical articles and facts of interest, and other information relevant to California's coastal communities as these two important studies progress.

You are receiving this newsletter because you are an official of an impacted coastal community, represent a federal agency, state agency, or non-governmental organization involved in studying coastal processes or regulating coastal development, or you have expressed interest in the CCAMP studies at one of our project kick-off meetings. We hope that you find Coastal Beat informative and helpful as the coastal studies progress.

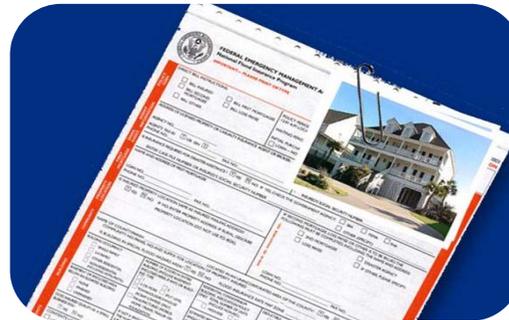
Kathy Schaefer
 FEMA Regional Engineer & Study Manager
 San Francisco Bay Area Coastal Study

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 Open Pacific Coast Study

Key Takeaways - Mitigation



Understand
the Risk



Buy Down the
Risk



Build Safer,
Stronger &
Smarter



Collaborate &
Communicate

Thank You for Attending



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QUESTIONS & ANSWERS



FEMA