

Insurance Rate Increases

UPDATE

APRIL 1, 2016 FLOOD INSURANCE CHANGES

FEMA is implementing NFIP changes on April 1, 2016 NFIP. These include the following:

- NFIP premiums will increase in accordance with the rate limitations introduced by HFIAA
- The Reserve Fund Assessment and Federal Policy Fee will be increased
- FEMA will start implementing the 25% rate increases for Pre-FIRM subsidized non-residential business properties as required by HFIAA
- A new rating methodology will be implemented for Preferred Risk and Newly Mapped policies
- In accordance with HFIAA, the eligibility for the Pre-FIRM subsidy and the Newly mapped procedure will be eliminated for certain policies when there is a lapse in coverage
- FEMA will require insurance companies to submit additional risk information, so that policyholders can receive clear communication of full flood risk determinations as required by HFIAA
- FEMA is requiring additional information to be shown on declaration pages to assist in validation of rates when a policy is moved from one insurance company to another

- **Congress changed NFIP rates through Biggert-Waters in 2012 and Affordability Act in 2014**

- New surcharges and fees
- Restrictions on some “grandfathering” discounts

- **Congress must reauthorize the NFIP by 2017**

- Debate expected to heat up soon
- Lee County already lobbying Florida delegation
 - For changes in NFIP policies
 - For changes in flood mapping specifications

- **Weblinks**

- [Biggert Waters Flood Insurance Reform Act 2012](#)
- [Homeowner Flood Insurance Affordability Act 2014](#)
- [Changes to the National Flood Insurance Program – what to expect](#)