

# National Flood Insurance Program (NFIP)

**April 1, 2016 Flood Insurance Changes**

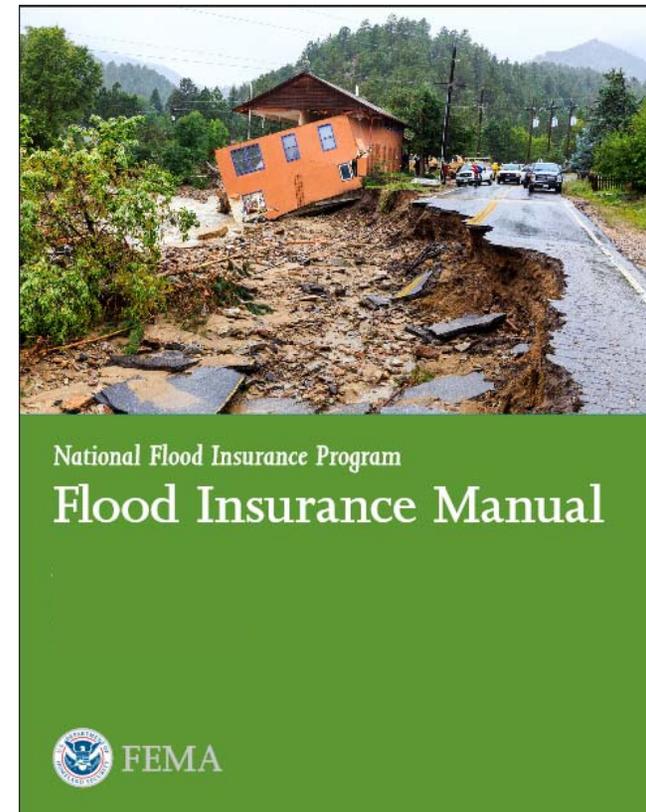


FEMA



# Agenda

- **Premium Increases and Surcharges**
- **Non-Residential Business Properties**
- **Reformatted Rate Tables for PRP and Newly Mapped**
- **Subsidy Elimination for Lapsed Policies**
- **Re-Underwriting Requirement**
- **Clarification on Reformation of Coverage**
- **Changes to the Applications and Declarations Page**



# Clarification on Reformation of Coverage

- Effective April 1, 2016, Policy Issuance 1-2005 is revoked
- Reformation of coverage applies only when a misrating is the result of an incorrect determination of a flood zone or base flood elevation (BFE)
- Current and future reformations only



# Premium Increases and Surcharges

- **HFIAA Rate Caps**
- **Excluded from the Rate Caps**
  - Probation Surcharge
  - Federal Policy Fee
  - HFIAA Surcharge
- **Other Increases**
  - Reserve Fund Assessment
  - Federal Policy Fee



# Non-Residential Business Properties

- Section 100205 of Biggert-Waters 2012 (BW-12)
- Collection of additional data began November 1, 2015
- Agent to supply additional information
- Renewal offers
- Application modification
- Re-underwriting



# Reformatted Rate Tables

- New Rating Methodology for Preferred Risk Policies and Newly Mapped into the Special Flood Hazard Area (SFHA)

- Base Premium
- Multiplier
- Reserve Fund Assessment
- Add ICC Premium
- Add on fees and surcharge

ENTER SELECTED OPTION FOR COVERAGE LIMIT AND PREMIUM FROM THE TABLES IN THE NFIP FLOOD INSURANCE MANUAL

BUILDING AND CONTENTS COVERAGE COMBINATION

REQUESTED COVERAGE	
BUILDING COVERAGE	\$
CONTENTS COVERAGE / CONTENTS ONLY	\$
PREMIUM CALCULATION	
BASE PREMIUM	\$
MULTIPLIER	
ADJUSTED PREMIUM	\$
ICC PREMIUM	\$
<b>PREMIUM SUBTOTAL</b>	<b>\$</b>
RESERVE FUND ASSESSMENT PERCENT	%
RESERVE FUND ASSESSMENT AMOUNT	\$
<b>TOTAL PREMIUM</b>	<b>\$</b>
FEES AND SURCHARGES	
HFIAA SURCHARGE	\$
PROBATION SURCHARGE	\$
FEDERAL POLICY FEE	\$
<b>TOTAL AMOUNT DUE</b>	<b>\$</b>

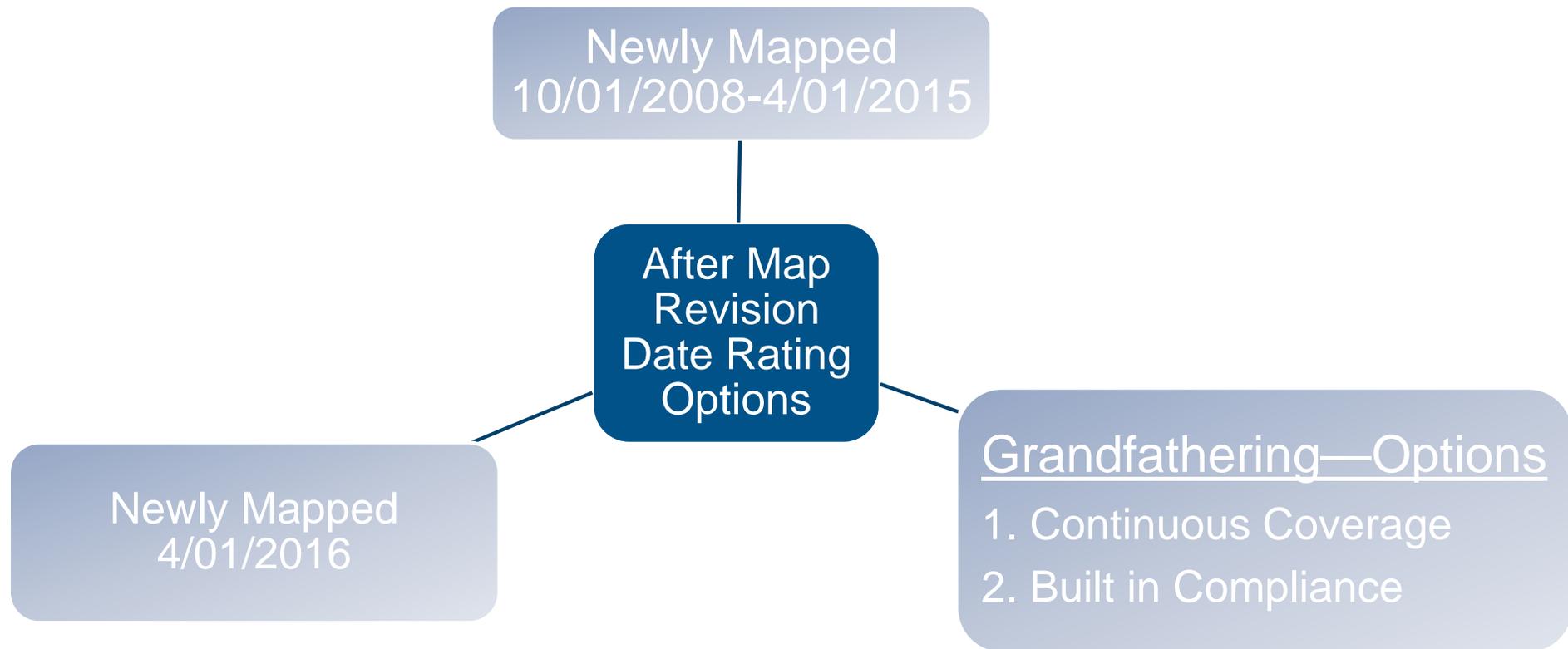


# Reformatted Rate Tables

- PRP Eligibility Extension (PRP EE)
- Rollovers and Transfers under Newly Mapped Procedure
  - Expiring declarations page
  - Establish receipt of premium 90 days prior to expiration
  - Must display NM date on new declarations page
- Ineligible Properties for Newly Mapped



# New Rating Structure for PRP and Newly Mapped (Cont'd)



# Question

**To maximize the cost-savings for a property being newly mapped into the SFHA, should the property owner have a policy effective before the maps change (and not wait until after), or get the policy before the map change to obtain an “extra” year at the PRP rate?**

*Answer: Yes, however, it can lead to confusion. Eligibility for the Newly Mapped procedure is based on establishing coverage effective within one year after the map revision. We all know that the risk for flooding is already present. Purchasing before the map revision will delay the timing of the rate increases, maximizing savings, but more importantly, it will provide coverage if and when it floods.*



# Question

**For qualifying properties newly mapped into the SFHA between October 1, 2008, and April 1, 2015, can they be rated using the Newly Mapped procedure as long as the policy is effective before April 1, 2016?**

*Answer: Correct. The timer is ticking! The effective date must be before April 1, 2016.*



# Subsidy Elimination for Lapsed Policies

- BW12 Sec. 100205 and HFIAA Section 3 prohibits Pre-FIRM subsidized premium for lapsed policy, except for no longer required
- Prohibit Pre-FIRM subsidized for NFIP lapsed policies where premium received after 90 days from expiration date
- Transfer of NFIP policy
- Non-NFIP policy



# Question

**If I had a Pre-FIRM policy in a SFHA and let it lapse (not due to a mandatory purchase requirement), on or after April 1, 2016, if I buy a policy, will I have to pay full-risk rates? In other words, this rule applies not only going forward but also retroactively, correct?**

*Answer: It does not matter when the lapse began in relationship to the enactment date of the law. For example, I allowed coverage to lapse in 1983 while subject to mandatory purchase. I am reinstating coverage (even a second or third time) with a new policy effective date of April 1, 2016. I am **NOT** eligible for Pre-FIRM subsidized rates or Newly Mapped rates. I do remain eligible for the A99 or AR subsidized rates, if applicable*



# Question

**Can I possibly avoid that if I have a policy in effect before April 1, 2016, or do I just need to submit my application and check before April 1, 2016?**

*Answer: The policy effective date must be prior to April 1, 2016. You don't have much time, and it will not suffice to submit the application and check on March 31, 2016 (unless you happen to have a closing on that date). Remember, the Newly Mapped procedure is also a subsidy and is also contingent upon the lapse trigger. The lapse rule applies to both Pre-FIRM and Post-FIRM buildings. If anyone allows a lapse while subject to mandatory purchase, they are forfeiting the right to the Newly Mapped rate procedure in the future. This would affect someone mapped from AE to X and back to AE over time.*



# Re-Underwriting Requirement

- **October 1, 2016 renewal**
- **Review policies to determine if rating is correct**
- **Grandfather vs Newly Mapped vs Current Map**
- **Data usage**
- **Corrections**



# Changes to the Applications and Declarations Page

## ■ Application

- Newly Mapped/PRP
- Business Class
- Lapsed

## ■ Declarations Page

ALL BUILDINGS	<p><b>1. BUILDING PURPOSE</b></p> <input type="checkbox"/> 100% RESIDENTIAL <input type="checkbox"/> 100% NON-RESIDENTIAL <input type="checkbox"/> MIXED-USE – SPECIFY PERCENTAGE OF RESIDENTIAL USE: _____ %	<input type="checkbox"/> POOLHOUSE, CLUBHOUSE, RECREATION BUILDING <input type="checkbox"/> OTHER: _____
	<p><b>2. BUILDING OCCUPANCY</b></p> <input type="checkbox"/> SINGLE FAMILY <input type="checkbox"/> 2-4 FAMILY <input type="checkbox"/> OTHER RESIDENTIAL <input type="checkbox"/> NON-RESIDENTIAL BUSINESS <input type="checkbox"/> OTHER NON-RESIDENTIAL	<p><b>6. CONDOMINIUM INFORMATION</b></p> IS BUILDING IN A CONDOMINIUM FORM OF OWNERSHIP? <input type="checkbox"/> YES <input type="checkbox"/> NO IS COVERAGE FOR THE ENTIRE BUILDING? <input type="checkbox"/> YES <input type="checkbox"/> NO TOTAL NUMBER OF UNITS: _____ <input type="checkbox"/> HIGH-RISE <input type="checkbox"/> LOW-RISE IS COVERAGE FOR A CONDOMINIUM UNIT? _____
COMMUNITY	<p><b>3. IS THE BUILDING A HOUSE OF WORSHIP?</b> <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p><b>4. IS THE BUILDING AN AGRICULTURAL STRUCTURE?</b> <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p><b>5. BUILDING DESCRIPTION (CHECK ONE)</b></p> <input type="checkbox"/> MAIN HOUSE <input type="checkbox"/> DETACHED GUEST HOUSE <input type="checkbox"/> DETACHED GARAGE <input type="checkbox"/> BARN <input type="checkbox"/> APARTMENT BUILDING <input type="checkbox"/> APARTMENT - UNIT <input type="checkbox"/> COOPERATIVE BUILDING <input type="checkbox"/> COOPERATIVE - UNIT <input type="checkbox"/> WAREHOUSE <input type="checkbox"/> TOOL/STORAGE SHED	<p><b>RATING MAP INFORMATION</b></p> NAME OF COUNTY/PARISH: _____ COMMUNITY NO./PANEL NO. AND SUFFIX: _____ - _____ FIRM ZONE: _____ MAP DATE: ____/____/____
	<p><b>PRIOR NFIP COVERAGE</b></p> <p>COMPLETE THIS SECTION ONLY FOR PRE-FIRM BUILDINGS LOCATED IN AN SFHA.</p> <p>1. HAS THE APPLICANT HAD A PRIOR NFIP POLICY FOR THIS PROPERTY? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>2. WAS THE POLICY REQUIRED BY THE LENDER UNDER MANDATORY PURCHASE? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>3. IF YES, HAS THE PRIOR NFIP POLICY EVER LAPSED WHILE COVERAGE WAS REQUIRED UNDER MANDATORY PURCHASE BY THE LENDER? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>4. IF YES, WAS THE LAPSE THE RESULT OF A COMMUNITY SUSPENSION? <input type="checkbox"/> YES <input type="checkbox"/> NO          IF YES, WHAT IS THE SUSPENSION DATE? ____/____/____          WHAT IS THE REINSTATEMENT DATE? ____/____/____</p> <p>5. WILL THIS POLICY BE EFFECTIVE WITHIN 180 DAYS OF THE COMMUNITY REINSTATEMENT AFTER SUSPENSION REFERRED TO IN (4) ABOVE? <input type="checkbox"/> YES <input type="checkbox"/> NO</p>	<p><b>CURRENT MAP INFORMATION</b></p> CURRENT COMMUNITY NO./PANEL NO. AND SUFFIX: _____ - _____ CURRENT FIRM ZONE: _____ CURRENT BFE: _____ MAP DATE: ____/____/____
		<p><b>NEWLY MAPPED INFORMATION</b></p> DATE THE BUILDING WAS NEWLY MAPPED INTO THE SFHA: ____/____/____

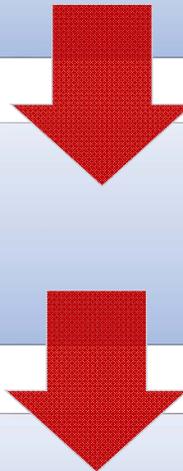


# Online Training – FEMA’s Emergency Management Institute (EMI)

You must obtain a student ID at:  
<https://cdp.dhs.gov/femasid>

Listings available at FloodSmart.gov  
<http://content.govdelivery.com/accounts/USDHS/FEMA/bulletins/114f3a5>

Sign up at:  
[https://service.govdelivery.com/accounts/USDHS/FEMA/subscriber/new?topic\\_id=USDHSFEMA212](https://service.govdelivery.com/accounts/USDHS/FEMA/subscriber/new?topic_id=USDHSFEMA212)



**FEMA****Fact Sheet**

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**National Flood Insurance Program (NFIP) Training Transitions to online-only**

**ALL NFIP TRAINING COURSES NOW AVAILABLE ONLINE—FREE!**

NFIP Training courses for insurance agents, claims adjusters, surveyors and community officials—traditionally delivered as classroom seminars and webinars—have moved online and are being offered through the FEMA Emergency Management Institute (EMI) Independent Study Program.

This move allows insurance agents, claims adjusters, lenders and other professionals 24/7/365 access to FEMA NFIP training right from their personal or business computer.

**START TODAY**

EMI Independent Study courses are free and available to anyone. The Independent Study catalog is available at <http://training.fema.gov/is/crslist.aspx>. Course exams require a FEMA Student Identification (SID) Number, which can be obtained at <https://cdp.dhs.gov/femasid>. Course content will be updated as Program changes occur.

Additional courses will become available in the weeks ahead.

**Current online course list:**

**AGENT COURSES**

*The Basic Agent Tutorial* (IS-1101): <http://training.fema.gov/is/courseoverview.aspx?code=IS-1101>.

*Theory of Elevation Rating* (IS-1102): <http://training.fema.gov/is/courseoverview.aspx?code=IS-1102>.

*Insuring Condominiums* (IS-1108): <https://www.training.fema.gov/is/courseoverview.aspx?code=IS-1108>.

*Writing Commercial Exposures* (IS-1110): <http://training.fema.gov/is/courseoverview.aspx?code=IS-1110>.

*Coastal Barrier Resources Act* (IS-1113): <http://training.fema.gov/is/courseoverview.aspx?code=IS-1113>.

**ADJUSTER COURSES**

*Claims Review for Adjusters* (IS-1104): <https://www.training.fema.gov/is/courseoverview.aspx?code=IS-1104>.

*Adjuster Customer Service* (IS-1107): <https://www.training.fema.gov/is/courseoverview.aspx?code=IS-1107>.

*Introduction to Flood Claims* (IS-1112): <https://www.training.fema.gov/is/courseoverview.aspx?code=IS-1112>.

*Understanding Basement Coverage* (IS-1109): <http://training.fema.gov/is/courseoverview.aspx?code=IS-1109>.

\*FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain,



# FREE Online Training:

FEMA Registration  
Assistance:

301-447-1200

email:

[Independent.Study@fema.dhs.gov](mailto:Independent.Study@fema.dhs.gov)

Course Code	Course Title
IS-1100	<a href="#">Increased Cost of Compliance</a>
IS-1101	<a href="#">Basic Agent Tutorial</a>
IS-1102	<a href="#">Theory of Elevation Rating</a>
IS-1103	<a href="#">Elevation Certificate for Surveyors</a>
IS-1104	<a href="#">NFIP Claims Review for Adjusters</a>
IS-1105	<a href="#">EC Made Easy: Elevation Certificate Overview</a>
IS-1106	<a href="#">FEMA Mapping Changes</a>
IS-1107	<a href="#">Adjuster Customer Service</a>
IS-1108	<a href="#">Insuring Condominiums</a>
IS-1109	<a href="#">Understanding Basement Coverage</a>
IS-1110	<a href="#">Writing Commercial Exposures</a>
IS-1111	<a href="#">Introduction to Commercial Claims</a>
IS-1112	<a href="#">Introduction to Flood Claims</a>
IS-1113	<a href="#">Coastal Barrier Resources Act</a>



# Resources

## ■ Write Your Own Bulletins

- <http://nfipiservice.com/>
- <http://nfipiservice.com/Stakeholder/FEMA7/W-15046.html>

## ■ Flood Insurance Manual

- <http://www.fema.gov/flood-insurance-manual>
- <http://nfipiservice.com/>

## ■ FloodSmart.gov

The screenshot shows the NFIP iService website interface. At the top right, it says "iService" and "NFIP Bureau & Statistical Agent". The date "Monday 19, Oct 2015" is displayed. A navigation menu on the left includes: Home, NFIP Documents (Bulletins & Manuals, eWatermark, CRS Updates & Newsletters), National Flood Conference (NEC), Training (NFIP Training), Claims (APDA Submission, Adjuster Certification, Claims Polling Submission, SALAE, ICC Submissions, Sandy Related Litigation Tracking, Sandy Related SALAE Type I Engineering Services), Underwriting (Underwriting Submission, HFIAA Refunds Polling Submissions), and Mailing Lists (WYO Clearinghouse & eWatermark). The main content area features a "Welcome to the NFIP iService Website" banner, "WYO BULLETINS With Search Capability" with year filters (2015, 2014, 2013, 2012), "National Flood Insurance Program eWATERMARK" with a "Join eWatermark" button, "Join NFIP CRS Newsletter Updates", and "Join WYO Clearinghouse Mailing List". On the right, there are sections for "Homeowner Flood Insurance Affordability Act of 2014", "NFIP WYO Toll-Free Contacts", "STORM SANDY", and "NFC National Flood Conference". A "PORTAL" button is visible at the bottom right. A footer at the bottom of the page contains "Accessibility Statement" and "National Flood Bureau & Statistical Agent".



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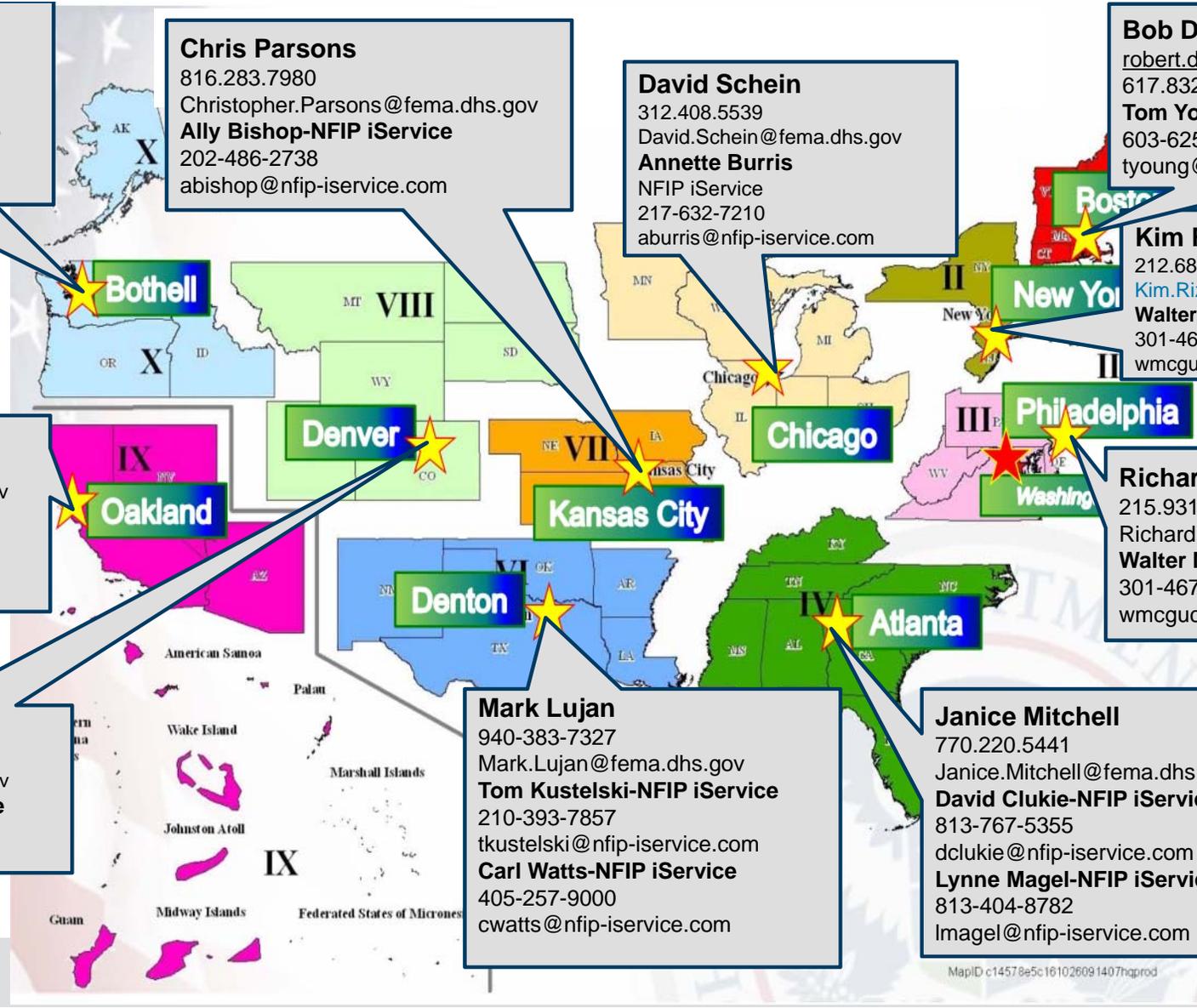
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