

State of Alabama

To provide you details on the impacts of Risk Rating 2.0, we've converted the percentages into the actual policy counts. We are using the percentages as shown on the color bar graph in the state profile for **Alabama** which can be viewed at

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

Summary of breakouts:

Here's what the picture looks like in **Alabama**:

1. Beginning with the more **extreme ranges** for the **green** and **grey** bars of the breakout:
 - **For all structure types of Alabama National Flood Insurance Program Policies:** (Commercial, Condos, Multi-Family, Single Family)
 - The attached breakout shows **2,042 policyholders** will see **decreases** of more than \$100 per month (\$1200 in the first year) (**Extreme end of the Green Bar**).
 - **31 policyholders** seeing **increases** over \$100 per month (\$1200 in the first year) (**Extreme end of the Grey Bar**).
 - **For all single-family home Alabama policies:**
 - The attached breakout shows **1,246 single-family home policyholders** will see **decreases** of more than \$100 per month (\$1200 in the first year) (**Extreme end of the Green Bar**).
 - **0 single-family home policyholders** seeing **increases** over \$100 per month (\$1200 in the first year) (**Extreme end of the Grey Bar**).
2. Next, **the full range of policy counts** for the **green** and **grey** bars of the breakout:
 - **For all structure types of Alabama National Flood Insurance Program policies:** (Commercial, Condos, Multi-Family, Single Family)
 - The sheet showed **11,217 policyholders** seeing decreases (**Green Bar**). (note slight difference with the detailed data is due to rounding differences)
 - **1,711 policyholders** seeing **increases** over \$20 per month (**Grey Bar**).



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- **For all single-family home Alabama policies:**
 - The attached breakout shows **4,604 single-family home policyholders** seeing **decreases (Green Bar)**.
 - **600 single-family home policyholders** seeing **increases** over \$20 per month **(Grey Bar)**.
- 3. Finally, the **remaining policy counts** grouped in the **light blue** and **dark blue** bars.
 - **For all structure types of Alabama National Flood Insurance Program policies:** (Commercial, Condos, Multi-Family, Single Family)
 - The sheet showed **36,731 policyholders** seeing increases of \$0 to \$10 per month **(light blue bar)**.
 - **2,989 policyholders** seeing **increases** of \$10 to \$20 per month **(dark blue bar)**.
 - **For all single-family home Alabama National Flood Insurance Program policies:**
 - The attached breakout shows **22,939 single-family home policyholders** seeing increase of \$0 to \$10 per month **(light blue bar)**.
 - **2,143 single-family home policyholders** seeing **increases** of \$10 to \$20 per month **(dark blue bar)**.

Additional Notes

- Under the current rating methodology policyholders have been seeing an average annual increase of just over 11% or \$8 per month. Thus, Risk Rating 2.0 would increase the annual premium for these two groups roughly between \$2 and \$12 per month.
- Premiums are ultimately driven by variables that an individual policyholder controls. Upon receipt of a premium, a policyholder can change the parameters (such as the level of coverage limits, deductibles, and other additional data or take a mitigation action) that impact their properties unique rate. This is the same process that exists today under the current methodology.