Flood Insurance Changes Might Affect You

As risks change, insurance premiums also change to reflect those risks. Your flood insurance premium may be going up.

However, you may be able to reduce your premium if you build your home or business to be safer, higher, and stronger.

The Biggert-Waters Flood Insurance Reform Act of 2012 provides long-term changes to the National Flood Insurance Program.

Under the new law, rates are likely to increase overall to reflect the true flood risk of your home and many insurance discounts will be eliminated.

For example, premiums for certain non-primary residences[1] in high-risk areas will increase 25 percent per year until they reflect full-risk rates.

Policy rates for all properties could increase based on one or all of the following circumstances:

- Change of ownership
- Lapse in coverage
- Change in risk
- Substantial damage or improvement to a building

Some changes will depend on external factors such as when flood risk maps are revised, buildings are damaged or improved, or when flood claims are filed.

Talk with your community officials and insurance agent to see how these changes could affect you.

[1]For flood insurance rating purposes, a primary residence is a building that will be lived in by the insured or the insured's spouse for at least 80 percent of the 365 days following the policy effective date. If the building will be lived in for less than 80 percent of the policy year, it is considered to be a non-primary residence.

Resources for More Information

To ask questions and get information about flood insurance, call the National Flood Insurance Program Help Center at **1-800-427-4661**

To see if you are eligible for Hazard Mitigation grants and loans:
www.fema.gov/hazard-mitigation-assistance

To learn how to build safer and stronger and potentially decrease your flood insurance premiums:
www.fema.gov/building-science

To learn more about the National Flood Insurance Program or find an insurance agent:
www.FloodSmart.gov or 1-888-229-0437

For information about local building code and permit requirements, contact your community officials:

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IF YOUR HOME OR BUSINESS HAS BEEN FLOODED

Build Back Safer and Stronger

What You Need to Know

FEMA

NATIONAL FLOOD INSURANCE PROGRAM

Manage Your Future Risk

If your home or business was damaged or destroyed by a flood, you face major decisions about your property. Do you repair? Do you rebuild? Do you relocate?

The decisions you make now can help provide a safer, stronger future for you and your family. If you decide to repair or rebuild, here are some points to consider:

- The risk you faced yesterday might not be the same risk you face today or in the future.
- By rebuilding higher, you can reduce — or perhaps avoid — future flood loss and reduce the impact on your finances.
- The financial consequences of not having flood insurance coverage could be devastating if another flood occurs.

Before you build, consult your local government officials to determine the mandatory elevations for your home or building.

BASE FLOOD ELEVATION (BFE) — The elevation shown on the Flood Insurance Rate Map (FIRM) for high-risk flood zones ("A" and "V" zones) indicates the water surface elevation resulting from a flood that has a 1 percent chance of equaling or exceeding that level in any given year.

Reduce Your Risk, Reduce Your Premium

A primary way to reduce or avoid future flood losses is to raise your building above the Base Flood Elevation (BFE). As the graphic below shows, you could reduce your flood insurance premium by 85 percent or more — and save thousands of dollars over the life of your home or business. It is important to understand the long-term costs and benefits when considering your options for repairing, rebuilding, or relocating.

Insurance Considerations:

- How elevating your home or business can help reduce your rates
- Future premium increases for all homes and businesses
- Options for insuring your building and its contents
- Changes in rates for secondary homes
- Other circumstances that could increase your rates

If you rebuild to pre-flood conditions, your flood insurance premium could increase dramatically in the future.

Building Considerations:

- Meeting building code requirements and current best practices
- Revised Flood Insurance Rate Maps and advisory flood risk products
- Hazard mitigation grant programs
- Other grant programs and loans to help rebuild or acquire your home or business

Under the Flood Insurance Reform Act of 2012, You Could Save More than $90,000 over 10 Years if You Build 3 Feet above Base Flood Elevation*

PREMIUM AT 4 FEET BELOW BASE FLOOD ELEVATION	PREMIUM AT BASE FLOOD ELEVATION	PREMIUM AT 3 FEET ABOVE BASE FLOOD ELEVATION
$9,500/year	$1,410/year	$427/year
$95,000/10 years	**$14,100/10 years**	**$4,270/10 years**

*$250,000 building coverage only (does not include contents), AE (high to moderate risk) zone, single-family, one-story structure without a basement at: 4 feet below Base Flood Elevation (BFE); at BFE; and at 3 feet above BFE. (Rating per FEMA flood insurance manual, October 1, 2012). The illustration above is based on a standard National Flood Insurance Program (NFIP) deductible.