

NAR Issue Brief

Flood Insurance Comparison

Current Law (Biggert-Waters)	House Proposal (H.R. 3370)	Senate Bill (S. 1926)
Sec. 205-Sale/New Policy Trigger (premium increases triggered by property/new policy purchases)	<p>Repeals the Sec. 205 Sale/New Policy Trigger for all properties (including sale of second homes or businesses)</p> <p>Returns to allowing a new buyer to assume the old policy (i.e. the policy stays with the property, not the owner))</p> <p>Refunds the excessive premium to those who have already had a premium increase but were not warned by FEMA prior to the property's purchase</p>	<p>Delays for 4 Years</p> <p>No refunds</p>
Sec. 207-Remapping Trigger (phase out of grandfathered rates triggered by a new flood map)	<p>Repeals the Sec. 207 Remapping Trigger</p> <p>Restores grandfathering of rates for all properties (including any second home or business that has been grandfathered)</p>	<p>Delays for 4 Years</p> <p>Will not take effect until 10/2015 so there was no need for refund under the House or Senate bill</p>
Annual premium increases for existing owners of a property	<p>IF BUILT BEFORE 1975...</p> <p>Primary Home: Sets a 5% floor and 15% ceiling on annual rate increases (current law allows up to a 20% increase each year)</p> <p>Second Home or Business: 25% increases until reach full risk rate (same as current law)</p> <p>IF BUILT AFTER 1975...</p> <p>Primary Home, Second Home or Business: Reduces the cap from 20% down to 15% (current law allows up to a 20% increase)</p>	Does not change current law
Offset	\$25 surcharge on all NFIP primary homes; \$250 on the businesses and second homes in the NFIP	No offset