

2015 National Flood Insurance Rate Changes

(March 20, 2015)

Overall Average Change (not including new surcharge)

10% increase (historically, between 5% and 10%)

Newer ("post-FIRM") Properties

- Built after area's first flood map (generally 1975)
- 80% of NFIP policy holders including first homes, second homes, and commercial properties
- 2014 law caps the rates for all these properties at no more than 18% per year
- Already paying full cost for flood insurance

9% increase (A Zones & V Zones)

Older ("pre-FIRM") Properties

- Built before the first flood map
- Pay less than full cost or subsidized rates
- 20% of policy holders (2/3rds are first homes)

First Homes - 14% (A & V Zones)
Second Homes - no more than 25%
(Note: 2014 law capped the rate for second homes & commercial properties; previously rates had jumped above 25% at time of sale)

Low Risk (or "X") Zones

Standard Rate Policy - 11% increase
Preferred Risk Policy or PRP (for those currently mapped outside flood zone) - 2% decrease

Properties Newly Mapped into Flood Zone

Pays the PRP Rate in 2015

New Surcharge

- Paid for the 2014 Law
- Applies to NFIP policies until paying full cost

First Home -\$25
Second Home/Commercial Property -\$250

Grandfathering

- Protects property owners from being told to build to one standard, then having the standard change in a later flood map.
- Prevents FEMA from rating the property in higher risk flood zone if the owner builds to code/proves/maintains compliance in the lower risk zone

Continues to be option (restored by 2014 law)

Optional Deductible for All Residences

Up to \$10,000 (raised by 2014 law)

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Reserve Fund

15% of Premium

**Severe Repetitive Loss Properties
Substantial Damage/Improvement**

25% increase