

NAR Issue Brief

Flood Insurance Comparison

Current Law (Biggert-Waters)	House Substitute (H.R. 3370)	Original Senate Bill (S. 1926)
Sec. 205-Sale/New Policy Trigger (premium increases triggered by property/new policy purchases)	<p>Repeals Sec. 205-Sale/New Policy Trigger for properties (including the sale of second homes and businesses)</p> <p>Returns to allowing the new buyer to assume the old policy at the current rate (the policy would stay with the property, not the owner)</p> <p>Refunds to those who paid the increased premium, including those who were not warned of the increase prior to property purchase</p>	<p>Delays for 4 Years</p> <p>No refunds</p>
Sec. 207-Remapping Trigger (20% phase out of grandfathered rates triggered by new flood map after FEMA implements (est. 10/2015))	<p>Repeals Sec. 207-Remapping Trigger</p> <p>Restores the grandfathering of properties in the flood zone where built to code (including second homes or businesses that are grandfathered)</p>	Delays for 4 Years
Annual premium increases	<p><u>IF BUILT BEFORE 1975...</u></p> <p>Primary Home: Sets 5% floor and 18% ceiling per property (current law allows higher as long as the average per flood zone doesn't exceed 20%)</p> <p>Second Home or Business: 25% increases until reach full risk rate (same as current law)</p> <p><u>IF BUILT AFTER 1975...</u></p> <p>Primary Home, Second Home or Business: Sets 18% ceiling per property (down from the 20% average per flood zone)</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