

**Kathleen**

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**From:** Stokes, Richard [richard.m.stokes@fema.dhs.gov]  
**Sent:** Wednesday, October 29, 2014 10:36 AM  
**To:** Stokes, Richard  
**Subject:** IGA Advisory: National Flood Insurance Program and Implementation of the Homeowner Flood Insurance Affordability Act and the Biggert-Waters Flood Insurance Reform Act  
**Attachments:** Backgrounder - NFIP Changes.pdf



**FEMA**

U.S. Department of Homeland Security  
Federal Emergency Management Agency  
Intergovernmental Affairs Division  
Telephone 202-646-3444

# Intergovernmental Affairs Advisory

**October 1, 2014**

## **NATIONAL FLOOD INSURANCE PROGRAM AND IMPLEMENTATION OF THE HOMEOWNER FLOOD INSURANCE AFFORDABILITY ACT AND THE BIGGERT-WATERS FLOOD INSURANCE REFORM ACT**

Dear Intergovernmental Partners:

Today, the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP) is providing information on additional steps underway to implement changes to the program as a result of the 2012 and 2014 flood insurance reform legislation. The guidance on the changes being implemented will bring rates into compliance with the new laws beginning April 1, 2014.

The NFIP provides the opportunity for homeowners, renters, and business to purchase flood insurance for protection from flooding. FEMA also works with communities to update and develop flood maps to inform the community of their current flood risk. These actions allow community members to take important steps to prepare for flooding risk in their area.

On March 21, 2014, President Obama signed the Homeowner Flood Insurance Affordability Act (HFIAA) of 2014 into law. This law repeals and amends certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters) and the National Flood Insurance Act of 1968.

The new law slows some flood insurance rate increases and offers relief to some policyholders who experienced steep flood insurance premium increases in 2013 and early 2014.

The NFIP is in the process of implementing congressionally mandated reforms with the Program's private sector, Write Your Own insurance company partners. Specifically, the flood insurance rate structure and business practices are being further revised to implement certain provisions of the legislations. Changes taking

place in April 2015 include: annual rate increases for policies to support the gradual move to full risk rates; an increase in the Reserve Fund Assessment; implementation of an annual surcharge on all new and renewed policies; an additional deductible option; a one year preferred policy for policyholders who took part in a new flood map or revision; and an increase in the Federal Policy Fee.

The attached Backgrounder provides detailed information on the program changes taking place in April 1, 2015. Additional information can be found in the latest Bulletins provided to the NFIP's private sector Write Your Own insurance partners at [www.NFIPiService.com](http://www.NFIPiService.com).

If you have any questions, please contact FEMA's Intergovernmental Affairs Division at (202) 646-3444 or at [FEMA-IGA@fema.dhs.gov](mailto:FEMA-IGA@fema.dhs.gov).

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