



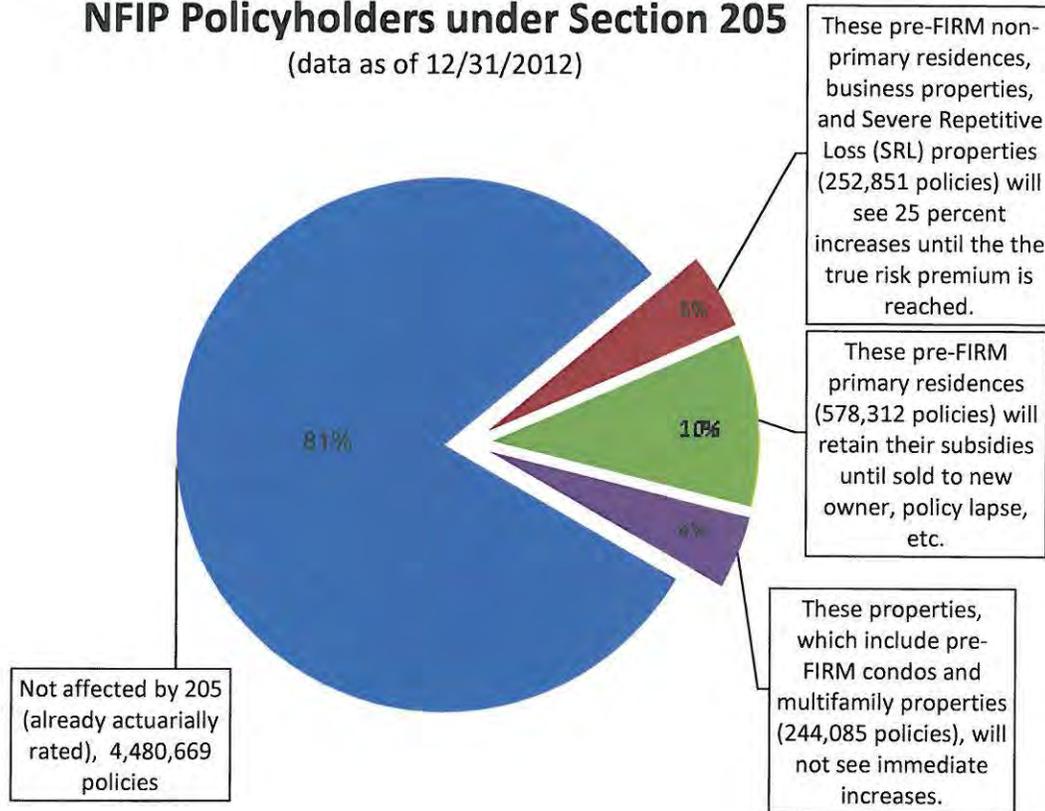
FEMA

Biggert Waters Flood Insurance Reform Act of 2012

Who Will Be Impacted by Rate Increases Nationally under Section 205?

NFIP Policyholders under Section 205

(data as of 12/31/2012)



Pre-Flood Insurance Rate Map (pre-FIRM): Properties located within a Special Flood Hazard Area (SFHA) that were constructed before a community adopted its first Flood Insurance Rate Map (FIRM).

Note: Some structures are captured under more than one category (for example multi-family severe repetitive loss properties).

- **Most policyholders are not subsidized.** 81 percent of NFIP policyholders nationally are already actuarially rated.
- **Only five percent of all NFIP policies will see immediate 25 percent increases.** This includes non-primary residences, businesses, and severe repetitive loss properties. These properties will see immediate changes to their premiums.
- **Ten percent of all policies cover subsidized primary residences, which will remain subsidized, unless or until:**
 - The property is sold (new rates will be charged to the next owner); or
 - The policy lapses.

- **The remaining four percent includes subsidized condominiums and non-condo multifamily structures.** These policy holders will keep their subsidies until FEMA develops guidance for their removal.
- **Not all subsidized policyholders will see large increases.** Obtaining an elevation certificate is the best way to know a structure's risk and true-risk premiums. Some will find their premiums will decrease; some will stay about the same; some will see minor to moderate premium increases; and some policyholders will see large increases. Without an elevation certificate, homeowners cannot evaluate actual risk.
- **Mitigation steps can drastically reduce the premium** for many with potential large premium increases.
- **States and communities should consider focusing their grants and mitigation efforts** where owner-initiated mitigation is not a reasonable solution and assistance is needed.