

Effective **April 1, 2015** for new business and renewals, the NFIP will be implementing a number of changes through the Homeowner Flood Insurance Affordability Act (HFIAA) and Biggert-Waters Flood Insurance Reform Act of 2012.

Following is a summary of the changes:

Proof of Primary Residence Now Required

- The NFIP will require verification of primary residence prior to renewal. If proof is not provided, the policy will be rated as a non-primary residence (higher rate and fees apply). Proof of primary residence can include driver's license, automobile registration, insurance for a vehicle, voter's registration, documents showing where children attend school, or homestead tax credit form.

Changes to Rates and Fees

- A new mandatory annual surcharge of \$25 for all flood policies will be introduced.
- A rate increase will be implemented. The degree of change is dependent on flood zone and policy type. Premiums will increase an average of 9.9% for policies written or renewed on or after April 1, 2015. Policies in special flood hazard areas can expect the highest increases as well as policies for non-primary residences. Policies for substantially damaged or substantially improved structures will receive a 25 percent rate increase until they reach full-risk rating.
- The Federal Policy Fee will remain at \$22 for preferred risk policies but will increase to \$45 for all other policies except RCBAPs with 2 or more units. For these multi-unit buildings, the following fee will apply:
 - 2-4 units: \$135 per policy
 - 5-10 units: \$360 per policy
 - 11-20 units: \$720 per policy
 - 21+ units: \$1,800 per policy

New Procedure for Newly Mapped Risks

- Preferred Risk Policies that have been re-mapped into Special Flood Hazard Areas will experience an average rate increase of 15%. However, the risk will continue to be rated as a Preferred Risk Policy for the first year.

New Deductible Options

- A new minimum deductible is being introduced.
 - For Preferred Risk Policies with coverage **less than or equal to \$100,000**, the minimum deductible option is \$1,000 for both building and contents.
 - For Preferred Risk Policies with coverage **greater than \$100,000**, the minimum deductible option is \$1,250 for both building and contents.

A new \$10,000 deductible option will also be available for all residential policies.

Visit www.agordon.com/flood for more on Flood insurance and how these changes affect homeowners in southeastern Massachusetts.