

HFIAA-14: Homeowners Flood Insurance Affordability Act of 2014

HFIAA-14 is designed to slow down the time frame to true-risk rates that BW-12 implemented for Pre-FIRM subsidized policies. Post-FIRM policies already have a non-subsidized true-risk rate.

Elevation certificates are required for all new Post-FIRM policies and encouraged for new Pre-FIRM policies. Although elevation certificates are not required for Pre-FIRM policies, if the EC finds that you are in compliance with the current map, your premiums may be reduced than if you use the standard Pre-FIRM rates.

HFIAA-14 Rate and Premium Increases effective April 1, 2015

- For commercial buildings, non-primary homes, substantially damaged or improved homes, and severely repetitive loss properties BW-12 25% Rate Triggers remain in effect.
- Average rate increase for other policy types:

Flood Zone	Pre-FIRM (Subsidized) Primary Residence	Pre-FIRM (Subsidized) Non- Primary Residence	Pre-FIRM (Subsidized) 2-4, Other Residential and Non-Residential	Post-FIRM (full risk rates)
A1-A30 and AE	*Increase 14% **Total Increase 15%	*Increase 24% **Total Increase 37%	*Increase 14% **Total Increase 23%	*Increase 9% **Total Increase 23%
V, V1-V30 and VE	*Increase 14% **Total Increase 15%	*Increase 24% **Total Increase 37%	*Increase 14% **Total Increase 23%	*Increase 9% **Total Increase 13%

* Average rate increase, including the Reserve Fund Assessment

** Average total premium increase including all policy surcharges

The fees below are effective April 1, 2015 and are included in the table above.

Federal Policy Fee

- Increases by \$1 to \$45 for most policies, except residential condominiums. Condominium association policies will see an increased FPF based on the number of units.

Reserve Fund Assessment

- Helps cover costs when claims exceed premiums collected by the flood program.
- Increases to 15% for most policies.

HFIAA Surcharge

- Will be collected until all subsidies end
- Primary Single family and Primary condo units \$25; all others \$250

Remapping

- Grandfathering was eliminated with BW-12 but will be brought back with HFIAA-14. This allows the policyholder to continue to use the map that was in existence at the time of original construction as long as the building is in compliance with that map.

New maximum deductible of \$10,000 is now available for single family and 2-4 unit buildings.

***Please note this paper represents our interpretation of a very complex subject.
Please go to FEMA.gov for actual regulatory changes.***

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