

Important - NFIP Program Changes Effective April 1, 2016

Over the past several years, the National Flood Insurance Program (NFIP) has undergone many changes. From the implementation of the Biggert-Waters Flood Insurance Reform Act (BW12) in 2012 to the Homeowners Flood Insurance Affordability Act (HFIAA) introduced in 2014, much work has been done in an effort to stabilize the NFIP without heavily impacting policyholder pricing.

Selective strives to keep our agents informed of these changes, to ensure they're prepared to service our mutual customers and advise their prospects. Below is a high-level summary of the most recent changes, which take effect April 1, 2016. [Click here](#) to access the full bulletin.

What are the Changes?	What You Need to Know.
<p>Fee Increases</p>	<ul style="list-style-type: none"> - Federal policy fee increases: <ul style="list-style-type: none"> ▪ PRP policies: from \$22 to \$25 ▪ Standard policies: from \$45 to \$50 ▪ RCBAP: varies depending on the number of units within the building - PRP reserve fund assessment fee increases: from 10% to 15%
<p>Rate Increases</p>	<ul style="list-style-type: none"> - Review the full bulletin for all scheduled rate changes by flood zone - 25% rate increase for certain Pre-FIRM subsidized policies: <ul style="list-style-type: none"> ▪ Non-Residential Business properties (this does not apply to Other Non-Residential properties which can be identified by completing the business use questionnaire) ▪ Non-Primary residences ▪ Severe Repetitive Loss properties ▪ Substantially damaged/improved properties
<p>Pre-FIRM Subsidized</p>	<ul style="list-style-type: none"> - FEMA is eliminating subsidies for certain Pre-FIRM properties that lapse and are reinstated after 90 days from expiration or when the lapse occurred while the property was subject to the mandatory purchase provision - Buildings with subsidized rates that lapse for more than 90 days will have full risk rates applied and are subject to a 30-day wait - Properties that have been in the private market for more than 120 days after NFIP coverage expired will have full risk rates applied <p><i>Note: to help streamline identification of impacted policies, additional questions have been added to the application</i></p>
<p>Newly Mapped Program</p>	<ul style="list-style-type: none"> - Properties will no longer be eligible for the Newly Mapped program/rates if: <ul style="list-style-type: none"> ▪ The NFIP policy has lapsed more than 90 days after expiration - this applies if the coverage is with the same or a different NFIP insurer ▪ The property is not covered by the NFIP as of 3/31/2016 and was newly mapped into a Special Flood Hazard Area (SFHA) by a Flood Insurance Rate Map (FIRM) revision between 10/1/2008 and 4/1/2015 <p><i>Note: Post-FIRM properties newly mapped into an SFHA between 10/1/2008 and 03/31/2015 and not covered under the NFIP as of 3/31/2016 may qualify for built-in-compliance grandfathering rates.</i></p> <p><i>Pre-FIRM properties newly mapped into a SFHA between 10/1/2008 and 03/31/2015 and not covered under the NFIP as of 3/31/2016 may qualify for Pre-Firm subsidized rates.</i></p> <ul style="list-style-type: none"> - Properties newly mapped as of 4/1/2015 have 12 months after the FIRM map revision date to obtain coverage in the Newly Mapped program (after 12 months these properties will be placed in the standard flood program)

For additional assistance or if you would like more information, please speak with your [Selective Flood Territory Manager](#) or [Underwriting Team](#).