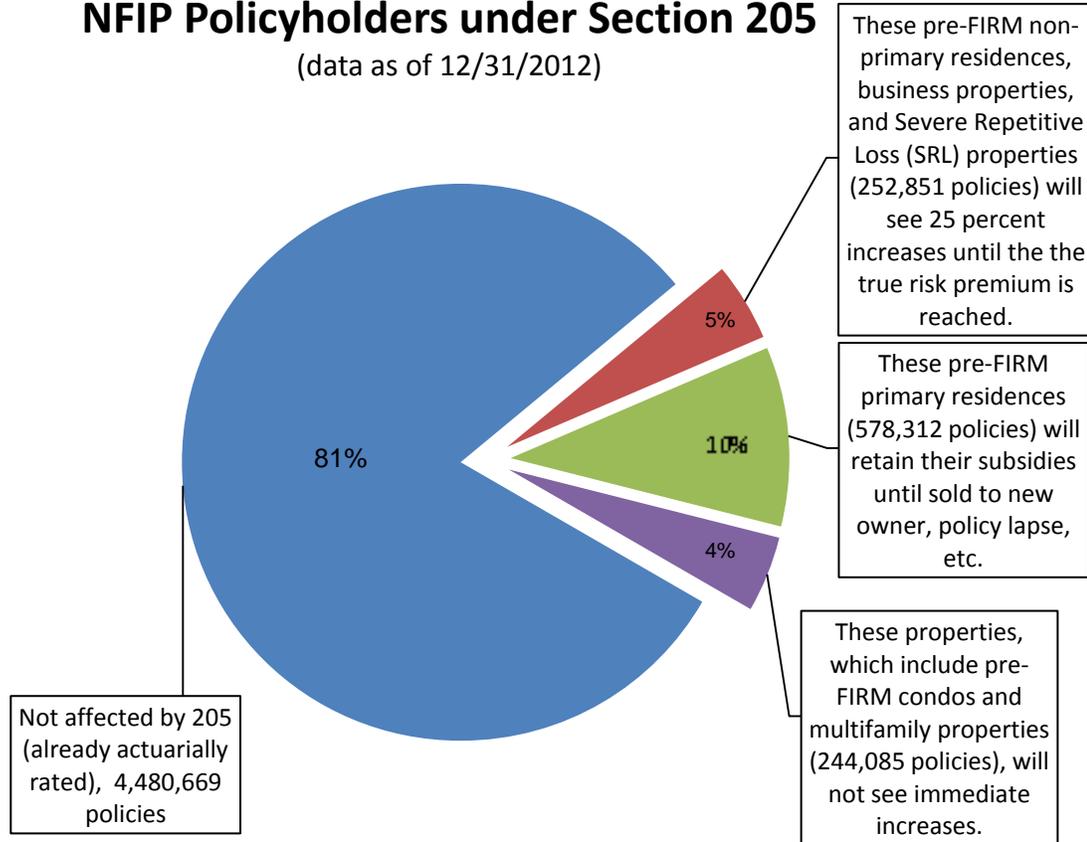




Who Will Be Impacted by Rate Increases under Section 205?

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 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 will see immediate changes to their premiums.
- **There are 10 percent of all policies which are subsidized primary residences and will keep their subsidy, unless or until:**
 - They sell their property (new rates will be charged to the next owner if they insure);
 - They allow their policy to lapse; or
 - They purchase a new policy (after July 6, 2012).

- **The remaining four percent includes subsidized condominiums and non-condo multifamily structures.** These policy holders will keep their subsidies for now and until FEMA has developed additional 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; and some will see minor to moderate premium increases. But there are some policyholders who will see large increases.
- **Mitigation steps could be taken to drastically reduce the premium** for many of those with a large increase. One example is a multi-story home with a basement, which could be mitigated by filling in the basement. This is not an easy choice, but possibly the right step to take in light of flood risk.
- **States and communities should consider focusing their grants and mitigation efforts** where owner initiated mitigation is not a reasonable solution and assistance is needed.