

Biggert Watters Flood Insurance Reform Act of 2012

What have we gotten ourselves into?

Why was the Biggert-Waters Reform Act of 2012 passed?

- Over the years, the costs and consequences of flooding have continued to increase. For the NFIP to remain sustainable, its premium structure must reflect the true risks and costs of flooding. This is a primary driver for many of the changes required under the law.

What flood damage looks like



After the fact



What caused all this?

- On September 9, 1965, Hurricane Betsy, a Category 3 hurricane, hit the Louisiana coast, causing
- Lake Pontchartrain to overflow its banks and resulting in widespread flooding. Betsy was the first
- natural disaster to generate more than \$1 billion in damages. At the time, there was little flood
- insurance because private insurers were unwilling to offer protection to offset flood losses. In
- response, Congress created the NFIP in 1968 as a quid pro quo program that would regulate the
- nation's floodplains with land-use controls and building requirements that communities located in
- SFHA must adopt and enforce for property owners to be eligible for insurance under the program.

History

- Temporary reauthorizations... remember them
 - Closings held up for unavailability of NFIP insurance
 - Instability in the market
 - During an already difficult time

History continued

- Throughout the history of the NFIP there have been only rare occasions where the premium dollars collected have not been enough to pay claims presented.
- Only nine years did this happen. Two of them were back to back and one of them was catastrophic.

The Big One

- What was her name?
- Caused the NFIP to borrow
 - About \$20,000,000,000 which they have never repaid.
 - They can't
 - Table of policies/premiums and losses

The Big One

- What was her name? KATRINA
- Caused the NFIP to borrow
 - About \$20,000,000,000 which they have never repaid.
 - They can't
 - Table of policies/premiums and losses

Table 1. Top 20 Significant Flood Events Covered by the National Flood Insurance Program
(1978-November 30, 2012; \$ nominal)

Rank	Event	Date	Number of Paid Losses	Amount Paid	Average Paid Loss
1	Hurricane Katrina	Aug. 2005	167,671	\$16,264,188,476	\$97,001
2	Hurricane Ike	Sept. 2008	46,412	2,664,167,040	57,391
3	Hurricane Ivan	Sept. 2004	27,658	1,590,436,206	57,504
4	Hurricane Irene	Aug. 2011	43,848	1,302,111,631	29,696
5	Tropical Storm Allison	June 2001	30,663	1,103,877,235	36,000
6	Louisiana Flood	May 1995	31,343	585,071,593	18,667
7	Hurricane Isabel	Sept. 2003	19,869	493,452,308	24,835
8	Hurricane Rita	Sept. 2005	9,517	472,774,099	49,677
9	Hurricane Floyd	Sept. 1999	20,437	462,252,753	22,618
10	Tropical Storm Lee	Sept. 2011	9,748	442,259,918	45,369
11	Hurricane Opal	Oct. 1995	10,343	405,527,543	39,208
12	Tropical Storm Isaac	Aug. 2012	10,126	407,251,178	40,218
13	Hurricane Hugo	Sept. 1989	12,840	376,433,739	29,317
14	Hurricane Wilma	Oct. 2005	9,614	365,030,822	37,975
15	Nor'Easter	Dec. 1992	25,142	346,150,356	13,768
16	Midwest Flood	June 1993	10,472	272,819,515	26,052
17	PA, NJ, NY Floods	June 2006	6,423	228,743,070	35,613
18	Torrential Rain – TN	Apr. 2010	4,108	228,248,545	55,562
19	Nor'Easter	Apr. 2007	8,636	225,657,504	26,130
20	Hurricane Fran	Sept. 1996	10,315	217,843,972	21,119

Source: U.S. Department of Homeland Security, Federal Emergency Management Agency, *Significant Flood Events as of November 30, 2012*, located at <http://www.fema.gov/policy-claim-statistics-flood-insurance/policy-claim-statistics-flood-insurance/policy-claim-13-9>.

On December 7, 2012, the Office of Management and Budget (OMB) submitted to Congress a request for a FY2013 supplemental budget appropriation for an additional \$60.4 billion to respond to the impacts of Hurricane Sandy in all affected states. The OMB supplemental budget appropriation request included an additional \$9.7 billion in NFIP borrowing authority. On January 4, 2013, Congress passed, and President signed into law, H.R. 41 to provide a \$9.7 billion increase in the NFIP's borrowing authority (from \$20.725 billion to \$30.425 billion) to pay flood claims related to Hurricane Sandy. The law was considered the first step toward providing supplemental disaster relief to flood victims affected by Sandy.

On January 15, 2013, the House approved the Disaster Relief Appropriations Act of 2013, H.R. 152, to provide \$17 billion to fund FEMA's Disaster Relief Fund, the Transportation Department's Federal Transit Authority Emergency Relief Program, and the Community Development Block Grant program. The House also agreed to an amendment to H.R. 152 that provided an additional \$33.4 billion in disaster funding for various long-term recovery and rebuilding efforts. On January 29, 2013, President Barack Obama signed into law H.R. 152.

Table 3. NFIP Program Statistics
(as of December 31, 2011; \$ nominal)

Calendar Year	Number of Policies in Force	Total Written Premium	Total Face Value of Coverage	Total Number of Claims Paid	Total Payments Made to Policyholders
1972-1977	NA	NA	NA	4,441	\$18,035,658
1978	1,446,354	\$111,250,585	\$50,500,956,000	29,122	\$147,719,253
1979	1,843,441	\$141,535,832	\$74,375,240,000	70,613	\$483,281,219
1980	2,103,851	\$159,009,583	\$99,259,942,000	41,918	\$230,414,295
1981	1,915,065	\$256,798,488	\$102,059,859,000	23,261	\$127,118,031
1982	1,900,544	\$354,842,356	\$107,296,802,000	32,831	\$198,295,820
1983	1,981,122	\$384,225,425	\$117,834,255,000	51,584	\$439,454,937
1984	1,926,388	\$420,530,032	\$124,421,281,000	27,688	\$254,642,874
1985	2,016,785	\$452,466,332	\$139,948,260,000	38,676	\$368,238,794
1986	2,119,039	\$518,226,957	\$155,717,168,000	13,789	\$126,384,695
1987	2,115,183	\$566,391,536	\$165,053,402,000	13,400	\$105,432,378
1988	2,149,153	\$589,453,163	\$175,764,175,000	7,758	\$51,022,523
1989	2,292,947	\$632,204,396	\$265,218,590,000	36,245	\$661,658,285
1990	2,477,861	\$672,791,834	\$213,588,265,000	14,766	\$167,896,816
1991	2,532,713	\$737,078,033	\$223,098,548,000	28,549	\$353,681,702
1992	2,623,406	\$800,973,357	\$236,844,980,000	44,650	\$710,225,154
1993	2,828,558	\$890,425,274	\$267,870,761,000	36,044	\$659,059,461
1994	3,040,198	\$1,003,850,875	\$295,935,328,000	21,583	\$411,075,128
1995	3,476,829	\$1,140,808,119	\$349,137,768,000	62,441	\$1,295,578,117
1996	3,693,076	\$1,275,176,752	\$400,681,650,000	52,677	\$828,036,508
1997	4,102,416	\$1,509,787,517	\$462,606,433,000	30,338	\$519,537,378
1998	4,235,138	\$1,668,246,681	\$497,621,083,000	57,348	\$886,327,133
1999	4,329,985	\$1,719,652,696	\$534,117,781,000	47,247	\$754,970,800
2000	4,369,087	\$1,723,824,570	\$567,568,653,000	16,362	\$251,720,536
2001	4,458,470	\$1,740,331,079	\$611,918,920,000	43,589	\$1,277,002,489
2002	4,519,799	\$1,802,277,937	\$653,776,126,000	25,312	\$433,644,094
2003	4,565,491	\$1,897,687,479	\$691,786,140,000	36,838	\$780,492,440
2004	4,667,446	\$2,040,828,486	\$765,205,681,000	55,825	\$2,232,042,331
2005	4,962,011	\$2,241,264,140	\$876,679,658,000	212,778	\$1,771,131,056,660
2006	5,514,895	\$2,604,844,133	\$1,054,087,148,000	24,592	\$640,623,771
2007	5,655,919	\$2,843,422,049	\$1,141,242,230,000	23,129	\$612,351,594
2008	5,684,275	\$3,066,729,200	\$1,197,659,846,000	74,266	\$3,450,249,017
2009	5,704,198	\$3,202,267,224	\$1,233,005,263,000	30,821	\$772,390,723
2010	5,559,313	\$3,348,222,091	\$1,227,932,424,400	27,165	\$708,992,043
2011	5,585,797	\$3,477,338,993	\$1,264,043,634,800	65,315	\$1,847,881,892

Source: U.S. Department of Homeland Security, FEMA's Office of Legislative Affairs.

Summary of information on the NFIP

- Approximately 5.6 million policies in force
- Average premium is approximately \$622.00
- Total of premium dollars collected in 2011
- \$3,477,338,993 from 5,585,797 policies
- Borrowing to pay claims from Super Storm Sandy has put the NFIP in excess of \$24,000,000,000 in Debt to the US tax payers. BW 12 forces the NFIP to come up with a plan of repayment.
- More than two months after Superstorm Sandy struck, the House approved \$9.7 billion to pay flood insurance claims for the many home and business owners flooded out by the storm. (Jan 4,2013)

Biggert-Waters Flood Insurance Reform Act of 2012 (BW12) Timeline

Date of Implementation	Who Is Affected	What Will Happen	Why Is It Changing
July 10, 2012	Owners of property: <ul style="list-style-type: none"> that is affected by flooding on Federal land caused, or exacerbated by, post-wildfire conditions on Federal land, and who purchased flood insurance fewer than 30 days before the flood loss and within 60 days of the fire containment date. 	<ul style="list-style-type: none"> If a flood occurs under certain conditions, an exception to the 30-day waiting period is implemented for a policy purchased not later than 60 days after the fire containment date. 	<ul style="list-style-type: none"> BW 12 Section 100241 created a third exception to the 30-day waiting period for insurance coverage for private properties affected by flooding from Federal lands as a result of post-wildfire conditions.
October 19, 2012	<ul style="list-style-type: none"> Policyholders in the Missouri River Basin (ND, SD, IA, NE, KS, MO) who had claims on a policy purchased from May 1-June 6, 2011, and were not damaged by flood for 30 days after purchase date. 	<ul style="list-style-type: none"> When certain conditions are met, an alternative effective date for the policy or the increased coverage is established as the 30th day after the policy purchase date, without regard for the otherwise applicable flood in progress exclusion, for claims denied based on Exclusion V. 	<ul style="list-style-type: none"> BW 12 Section 100227(b) provides an alternative effective date for qualifying policies that had claims from flooding of the Missouri River that started June 1, 2011.
January 1, 2013	<ul style="list-style-type: none"> Homeowners with subsidized insurance rates on non-primary residences Properties receiving subsidized insurance rates are those structures built prior to the first Flood Insurance Rate Map (pre-FIRM properties) that have not been substantially damaged or improved. 	<ul style="list-style-type: none"> 25 percent increase in premium rates each year until premiums reflect full risk rates 	<ul style="list-style-type: none"> BW 12 calls for the phase-out of subsidies and discounts on flood insurance premiums. This premium increase is outlined in Section 100205. The phase out of subsidies affecting non-primary residences was also mandated by earlier 2012 legislation, HR 5740.
October 1, 2013	<ul style="list-style-type: none"> Owners of business properties with subsidized premiums Owners of severe repetitive loss properties consisting of 1-4 residences with subsidized premiums. Owners of any property that has incurred flood-related damage in which the cumulative amounts of claims payments exceeded the fair market value of such property. 	<ul style="list-style-type: none"> 25 percent increase in premium rates each year until premiums reflect full risk rates 	<ul style="list-style-type: none"> BW 12 calls for the phase-out of subsidies and discounts on flood insurance premiums. These premium increases are outlined in Section 100205.

Biggert-Waters Flood Insurance Reform Act of 2012 (BW12) Timeline

When	Who Is Affected	What Will Happen	Why Is It Changing
October 1, 2013 cont.	Owners of property <ul style="list-style-type: none"> not insured as of the date of enactment of BW 12 (subject to a possible exception in Section 100207 of BW 12); with a lapsed NFIP policy; that has been purchased after the date of enactment of BW 12. 	<ul style="list-style-type: none"> Full-risk rates will apply to these policies. 	<ul style="list-style-type: none"> BW 12 calls for the elimination of subsidies and discounts on flood insurance premiums. These premium increases are outlined in Section 100205.
Late 2014	<ul style="list-style-type: none"> Other property owners, including non-subsidized policyholders, affected by map changes 	<ul style="list-style-type: none"> Full-risk rates will be phased in over five years at a rate of 20 percent per year to reach full risk rates. 	<ul style="list-style-type: none"> BW 12 calls for the phase-out of subsidies and discounts on flood insurance premiums This premium increase is outlined in Section 100207.

Pre-FIRM

- Pre-FIRM structures were built before
 - 9/30/1977 Topsail Beach
 - 5/2/1977 Surf City
 - 4/2/1987 North Topsail Beach
 - 7/2/1987 Onslow County
 - 2/15/1985 Pender County

October 2013 Rate changes

- Standard annual rate increases are as follows effective October 1, 2013:
- 5% Reserve Fund Assessment on all policies except PRP and GFIP policies
Assessment is levied on the total premium excluding the federal policy fee.
- Post-FIRM V Zones: Premiums will increase 11%.
- Pre-FIRM V Zones: Premiums will increase 17%.
In addition to the 25% increase imposed by BW12 to remove the subsidy.
- Post-FIRM A1-A30 and AE Zones: Premiums will increase 6%.
- Pre-FIRM A Zones: Premiums will increase 16%
In addition to the 25% increase imposed by BW 12 to remove the subsidy.
- X Zones - Standard-Rated Policy: Premiums will increase 8%.

These Pre-FIRM structures are not rated with an elevation certificate

- Not same as Grandfathered rates
- Their rates are considered
 - Subsidized
 - Not actuarially sound
 - These homes will experience rate increases of 25% each year until they achieve actuarially sound rates
 - What can be done to stop this?

What properties are affected?

- All Pre-FIRM structures will see 25% increases annually effective October 1, 2013 until full risk rates are achieved which are:
 - Business properties
 - Non-Primary residence homeowners
 - Severe Repetitive Loss Properties
 - Any structure which has received payments for flood claims accumulating to its fair market value
- All Pre-FIRM properties which are included in the list below will see full risk rates effective immediately
 - All Pre-FIRM properties sold or transferred after July 6, 2012
 - All Pre-FIRM properties which have had a lapse in their flood policies after the current term
 - All Pre-FIRM properties which were not insured as of the effective date of July 6, 2012 under an NFIP flood policy

Pre-FIRM fixes

- Get an elevation certificate to determine your actuarial sound rate
- Raise the house above BFE in the current zone
- Demolish and rebuild
- OR pay REALLY high flood insurance premiums

Summation and questions

- Pre-FIRM A flood zone secondary homes will see an overall increase of 41%
- Pre-FIRM V zone homes will see an overall increase of 42%
- These increases are already posted for 2013

What about Grandfathering?

- **SEC. 100207. PREMIUM ADJUSTMENT.**
- Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), as amended by section 100205, is further amended
- by adding at the end the following:
- “(h) PREMIUM ADJUSTMENT TO REFLECT CURRENT RISK OF FLOOD.—Notwithstanding subsection (f), upon the effective date
- of any revised or updated flood insurance rate map under this
- Act, the Flood Disaster Protection Act of 1973, or the Biggert-
- Waters Flood Insurance Reform Act of 2012, any property located
- in an area that is participating in the national flood insurance
- program shall have the risk premium rate charged for flood insurance
- on such property adjusted to accurately reflect the current
- risk of flood to such property, subject to any other provision of
- this Act

TABLE 3E. REGULAR PROGRAM – POST-FIRM CONSTRUCTION RATES
ANNUAL RATES PER \$100 OF COVERAGE

On or after October 1, 2013, also use this table to rate Pre-FIRM buildings whose current FIRM became effective on or after October 1, 1981, and that
1) Are newly purchased or newly insured on or after July 6, 2012; or 2) Have policies that are reinstated on or after October 4, 2012, after a lapse in coverage

1981 POST-FIRM V1-V30, VE ZONE RATES¹

ELEVATION OF THE LOWEST FLOOR ABOVE OR BELOW BFE ADJUSTED FOR WAVE HEIGHT ²	ELEVATED BUILDINGS FREE OF OBSTRUCTION ³				
	CONTENTS		BUILDING		
	Residential	Non-Residential	Replacement Cost Ratio .75 or More ⁴	Replacement Cost Ratio .50 to .74 ⁴	Replacement Cost Ratio Under .50 ⁴
+4 or more	0.54	0.54	0.90	1.19	1.83
+3	0.57	0.57	1.03	1.41	2.11
+2	0.85	0.91	1.42	1.89	2.86
+1	1.19	1.24	2.06	2.71	3.79
0	1.62	1.74	2.70	3.48	4.82
-1	2.32	2.39	3.58	4.62	6.37
-2	3.32	3.50	4.80	6.19	8.39
-3	4.34	4.60	5.58	7.09	9.27
-4 or below	***	***	***	***	***

1 Policies for 1975 through 1981 Post-FIRM and Pre-FIRM buildings in zones VE and V1-V30 will be allowed to use the Post-'81 V-Zone rate table if the rates are more favorable to the Insured. See Instructions in this section for V-Zone Optional Rating.

2 Wave height adjustment is not required in those cases where the FIRM indicates that the map includes wave height.

3 Free of Obstruction – The space below the lowest elevated floor must be completely free of obstructions or any attachment to the building, or may have:

- (1) Insect screening, provided that no additional supports are required for the screening; or
- (2) Wooden or plastic lattice with at least 40% of its area open and made of material no thicker than 1/2 inch; or
- (3) Wooden or plastic slats or shutters with at least 40% of their area open and made of material no thicker than 1 inch.
- (4) One solid breakaway wall or a garage door, with the remaining sides of the enclosure constructed of insect screening, wooden or plastic lattice, slats, or shutters.

Any of these systems must be designed and installed to collapse under stress without jeopardizing the structural support of the building, so that the impact on the building of abnormally high tides or wind-driven water is minimized.

Any machinery or equipment below the lowest elevated floor must be at or above the BFE.

4 These percentages represent building replacement cost ratios, which are determined by dividing the amount of building coverage being purchased through the NFIP by the replacement cost. See the Replacement Cost Ratio subsection in this section for more details.

NOTE: Use Submit-for-Rate procedures if there is an elevator below the BFE enclosed with lattice, slats, or shutters (including louvers).

*****SUBMIT FOR RATING**

1981 POST-FIRM V1-V30, VE ZONE Non-Elevated Buildings

SUBMIT FOR RATING

1981 POST-FIRM UNNUMBERED V ZONE

SUBMIT FOR RATING

TABLE 3F. REGULAR PROGRAM – POST-FIRM CONSTRUCTION RATES
ANNUAL RATES PER \$100 OF COVERAGE

On or after October 1, 2013, also use this table to rate Pre-FIRM buildings whose current FIRM became effective on or after October 1, 1981, and that
1) Are newly purchased or newly insured on or after July 6, 2012; or 2) Have policies that are reinstated on or after October 4, 2012, after a lapse in coverage

1981 POST-FIRM V1-V30, VE ZONE RATES^{1,2}

ELEVATION OF THE LOWEST FLOOR ABOVE OR BELOW BFE ADJUSTED FOR WAVE HEIGHT ³	ELEVATED BUILDINGS WITH OBSTRUCTION ⁴				
	CONTENTS		BUILDING		
	Residential	Non-Residential	Replacement Cost Ratio .75 or More ⁵	Replacement Cost Ratio .50 to .74 ⁵	Replacement Cost Ratio Under .50 ⁵
+4 or more	.70	.70	1.95	2.59	3.84
+3	.75	.75	2.09	2.75	3.97
+2	1.01	1.01	2.31	3.01	4.29
+1	1.27	1.33	2.68	3.47	4.93
0	1.75	1.84	3.26	4.23	5.93
-1 ⁶	2.39	2.53	4.15	5.37	7.47
-2 ⁶	3.41	3.65	5.46	7.05	9.64
-3 ⁶	4.46	4.73	6.18	7.87	10.38
-4 or below ⁶	***	***	***	***	***

- 1 Policies for 1975 through 1981 Post-FIRM and Pre-FIRM buildings in zones VE and V1-V30 will be allowed to use the Post-'81 V-Zone rate table if the rates are more favorable to the insured. See instructions in this section for V-Zone Optional Rating.
- 2 Rates provided are only for elevated buildings, except those elevated on solid foundation walls. For buildings elevated on solid foundation walls, and for non-elevated buildings, follow the Submit-for-Rate procedures.
- 3 Wave height adjustment is not required in those cases where the FIRM indicates that the map includes wave height.
- 4 With Obstruction – The space below has an area of less than 300 square feet with breakaway solid walls or contains machinery or equipment below the BFE. If the space below has an area of 300 square feet or more, or if any portion of the space below the elevated floor is enclosed with non-breakaway walls, submit for rating. If the enclosure is at or above the BFE, use the "Free of Obstruction" rate table on the preceding page. The elevation of the bottom enclosure floor is the lowest floor for rating (LFE). See Elevated Buildings – Post-FIRM V-Zone Construction in this section for more details.
- 5 These percentages represent building replacement cost ratios, which are determined by dividing the amount of building coverage being purchased through the NFIP by the replacement cost. See the Replacement Cost Ratio subsection in this section for more details.
- 6 For buildings with obstruction, use Submit-for-Rate procedures if the enclosure below the lowest elevated floor of an elevated building, which is used for rating, is 1 or more feet below the BFE.

NOTE: Use Submit-for-Rate procedures if there is an elevator below the BFE.

*****SUBMIT FOR RATING**

1981 POST-FIRM UNNUMBERED V ZONE

SUBMIT FOR RATING

Section 100207 continued

- Any increase in the risk premium rate charged for flood
- insurance on any property that is covered by a flood insurance
- policy on the effective date of such an update that is a result
- of such updating shall be phased in over a 5-year period, at the
- rate of 20 percent for each year following such effective date.

In the case of any area that was not previously designated as an

- area having special flood hazards and that, pursuant to any
- issuance, revision, updating, or other change in a flood insurance
- map, becomes designated as such an area, the chargeable risk
- premium rate for flood insurance under this title that is purchased
- on or after the date of enactment of this subsection with respect
- to any property that is located within such area shall be phased
- in over a 5-year period, at the rate of 20 percent for each year
- following the effective date of such issuance, revision, updating,
- or change.”

Grandpa may already be dead!

- Section 207 eliminates the savings from grandfathering structures based on any current grandfathering format.
- Unless a new bill is approved which reverses this fact is passed and signed into law, this is already fact.
- The NFIP has not decided upon how/when this law will take affect. SFI Group, Inc. will update you as information becomes available.

When will NFIP Grandfathering be eliminated?

- Currently, the NFIP Grandfather procedure provides eligible property owners the option of using risk data from previous Flood Insurance Rate Maps (FIRMs) if a policyholder maintained continuous coverage through a period of a FIRM revision or if a building was constructed “in compliance” with the requirements for the zone and BFE reflected on a previous FIRM. A provision of BW-12, however, requires FEMA to use revised flood risk data (zone and BFE) after a map revision. The legislation provides a 5-year mechanism to phase-in the new rates. This provision impacts the NFIP Grandfather procedure and will be implemented in the latter half of 2014. Many of the precise details of this implementation are still under development.**

How does this affect us?

A changing to VE

- Flood premiums will increase by 20% of the difference each year until full actuarial rates are reached.
- Original premium was \$365.00
- New premium is \$4324.00
- Renewal premium after map adoption will be \$1157 then \$1949, then \$2741, then \$3533, then \$4324 assuming no rate increases each year.

Not too bad

- Let's get UNGRANDFATHERED from an X zone into a current AE zone
- Slab on grade construction
- Negative 6 elevation
- Prior flood premium \$376.00
- Actuarial rated policy premium \$15,201
- Difference is... you can't afford it!

What happens to Condos?

- One local condo complex will eventually see an increase in flood premiums from approximately \$13,800 per year to about \$83,000 as a result of this removal of grandfathering.

Insurance for Everything Important to You.



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As you may know, most property insurance policies do not cover your home or business for the peril of flood. With the increasing occurrence of flood events over the past few years, this protection has never been more vital. At SFI Group, Inc. We have a full staff of insurance agents with extensive experience writing flood insurance for many types of properties. We have full access to the National Flood Insurance Program. For those properties located in a Coastal Barrier Resource area, we have worked with companies to be able to write flood insurance on the private market. We can obtain flood insurance for you when it is not available from NFIP. Coastal Barrier Resource or COBRA zones are not eligible for federal flood insurance. Additionally, there are some areas which are designated as Otherwise Protected Areas or OPA's where federal flood insurance is not available. Finally, there are some communities which do not participate in the National Flood Insurance Program.

At SFI Group, Inc. we can write flood insurance for you in many cases when your property is not eligible for federal flood insurance. Click on our subcategories to learn more about this important topic.

[2012 NFIP Reform Act \(PDF\)](#)
[2013 FEMA Flood Manual \(PDF\)](#)
[The National Flood Insurance Program Community Status Book](#)
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- [Summary of Flood Coverage \(PDF\)](#)
- [2007 Guide to Mandatory Purchase Requirement \(PDF\)](#)
- [Flood Insurance Guidance to Lenders \(PDF\)](#)
- [Flood Insurance vs Disaster Assistance \(PDF\)](#)
- [Lowest Floor Guide \(PDF\)](#)
- [FEMA NFIP Definitions](#)

The National Flood Insurance Program is administered by the Federal Emergency Management Agency. The flood policies authorized under this directive are written by various carriers throughout the United States. The rates for flood insurance do not vary from company to company. Therefore it is imperative you find an insurance agent who actually knows what they are doing when writing a flood insurance policy.

The agents at SFI Group have received extensive training on the ins and outs of "federal flood insurance". Our agents are intimately familiar with the various rules that pertain to assigning the proper rate classification to your flood insurance policy. The knowledgeable SFI Group staff has extensive experience writing flood insurance under the grandfathering rules. We will work for you to develop the lowest rate possible for your flood insurance. Let us take the hassle out of your flood insurance purchase. We can write flood insurance for the NFIP in all 50 states.

Start the process today and let SFI Group show you how a trained insurance professional can truly make a difference!

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This website is not intended as a solicitation to sell insurance in those states where SFI Group, Inc is not properly licensed to sell insurance.

Licensed to operate in:
VA, NC, SC, GA, FL, AL, MS, LA, DE, and TX

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910-329-4449 Fax

Sneads Ferry

104 Lakeside Dr
 PO Box 519
 Sneads Ferry, NC 28460
910.327.3388 Local
910.327.3234 Fax

Mississippi Coast



Superstorm Sandy



Is there any option for people who are now in a flood zone, did not have substantial damage, but now the BFE is 10 feet higher than previously and face dramatic rate increases?

- FEMA's Hazard Mitigation Assistance (HMA) HMA programs provide funds for projects that reduce the risk to individuals and property from natural hazards. These programs enable mitigation measures to be implemented before, during, and after disaster recovery. Local jurisdictions develop projects that reduce property damage from future disasters and submit
- grant applications to the State. The States submit applications to FEMA based on State criteria and available funding. The HMA programs include:
- • Hazard Mitigation Grant Program (HMGP) - The Hazard Mitigation Grant Program provides grants to implement long-term hazard mitigation measures after a major disaster declaration. The purpose of HMGP is to reduce the loss of life and property due to natural disasters and to enable mitigation measures to be implemented during recovery from a disaster.
- • Flood Mitigation Assistance (FMA) - The Flood Mitigation Assistance program provides funds on an annual basis so that measures can be taken to reduce or eliminate risk of flood damage to buildings insured under the NFIP.
- • Pre-Disaster Mitigation Program (PDM) - The Pre-Disaster Mitigation Program provides nationally competitive grants for hazard mitigation plans and projects before a disaster event. States can receive PDM funds regardless of whether or not there has been a disaster declared in that state.
- FEMA encourages property and business owners interested in implementing mitigation activities to contact their local community planning, emergency management, or State Hazard Mitigation Officer for more information. Individuals and businesses may not apply directly to the State or FEMA, but eligible local governments may apply on behalf of a private entity. Your community will be working with the State to develop applications for HMA funding and implement the approved mitigation projects. Information about the HMA programs can be found at <http://www.fema.gov/hazard-mitigation-assistance>.

From FEMA webpage

- **North Carolina**

- Chris Crew

State Hazard Mitigation Officer

Hazard Mitigation Branch Chief

North Carolina Department of Public Safety

4238 Mail Service Center

Raleigh, NC 27699

Phone: (919) 825-2305

Email: john.crew@ncem.org

In Summation

- Change is a coming.
- Don't represent anything about future flood premiums as they relate to a structure.
- Don't get caught in that trap.
- Have them call



Insurance for Everything Important to You.