New Preliminary FEMA Flood Insurance Rate Maps (FIRMs) have been issued for Bergen County

- Risk has changed since last maps (2005) and affects flood insurance purchase requirements
- Expect FIRMs to be official for insurance purposes in late 2016

Federal legislation has changed FEMA’s National Flood Insurance Program removing long-standing subsidies

Key actions for residents:
- Understand their risk and flood insurance purchase requirements
- Buy flood insurance: call several agents
  - Not all agents that sell flood insurance understand it
- Consult resources for help
  - [www.floodsmart.gov](http://www.floodsmart.gov)
  - [www.region2coastal.com](http://www.region2coastal.com)
# Flood Insurance Rate Map Update

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<tbody>
<tr>
<td>FEMA conducts regional technical flood study</td>
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<tr>
<td>Preliminary Flood Insurance Rate Maps (FIRMs) released</td>
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<td>Comments and appeals</td>
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<td>Final mapping</td>
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<td>FIRM adopted</td>
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Insurance purchase requirements don’t take effect until maps are adopted.

- www.region2coastal.com
## Appeals and Comments Process

### Public review period of Flood Insurance Rate Maps

<table>
<thead>
<tr>
<th>Comments</th>
<th>Appeals</th>
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<tbody>
<tr>
<td><strong>Timing</strong></td>
<td>Accepted anytime</td>
</tr>
<tr>
<td><strong>Requirements</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>What submissions can address</strong></td>
<td>Location of municipal boundaries</td>
</tr>
<tr>
<td></td>
<td>Road name errors and revisions</td>
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<tr>
<td></td>
<td>Requests to incorporate Letters of Map Change (LOMAs, LOMR-Fs and LOMRs)</td>
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<td>Other possible omissions or potential improvements to the maps</td>
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</table>

Must contain supporting data and documentation
Property Specific “Appeals”

- **Letters of Map Change**
  - LOMA’s
    - Official letter from FEMA stating whether your home is mapped in or out of the Special Flood Hazard Area
    - Often requires elevation data and Elevation Certificate (EC)
      - EC’s require a Licensed Surveyor
  - LOMR-F’s (Letter of Map Revision based on Fill)
    - Use when a home or non-residential structure has been elevated correctly and appropriately on engineered fill

- **Can be submitted at any time**
  - Will be revalidated when new maps are finalized if structure is above new BFE
FEMA’s National Flood Insurance Program

Player | Responsibility
--- | ---
FEMA | Administers NFIP
NATIONAL FLOOD INSURANCE PROGRAM | Underwrites almost all residential flood risk
Sample providers who sell flood insurance policies and manage claims as per FEMA’s guidance
Allstate | MetLife
Farmers Insurance

RiskMAP
Increasing Resilience Together
The Biggert-Waters Act passes

History of Flood Insurance

1927
Great Mississippi Flood

1968
National Flood Insurance Program created within HUD

1973
Mandatory Flood Insurance Purchase Requirement

1979
FEMA established and NFIP moved from HUD to FEMA

1983
New York City adopts its first Flood Insurance Rate Map

2005
Hurricane Katrina hits the Gulf Coast

2012
The Homeowner Flood Insurance Affordability Act is passed

2014
Hurricane Sandy hits the Northeast
**NFIP Challenges**

- Pre-Sandy, NFIP was $18B in debt to Treasury ($16B from Katrina)
- Expected Sandy payouts are $12-15B
- Subsidized rates do not adequately reflect actual flood risk

**July 2012: Biggert-Waters Flood Insurance Reform Act**

- Prohibit premium subsidies on new or lapsed policies
- Phase out subsidies for all policies
- Require banks to enforce purchase requirements more vigorously
- Analyze affordability impacts by April 2013

**March 2014: Homeowner Flood Insurance Affordability Act**

- Repeals triggers for new or lapsed policies
- Caps rate increases at 18% annually (some exceptions)
- Enables newly mapped properties to purchase preferred risk rate for 1 year
- Authorizes additional funds for affordability study

**Rates are going up 18% per year plus fees for primary residents**
“Newly Mapped In” to SFHA

- When new maps become effective, flood insurance rates will start at “PRP” rates and increase 18% per year upon renewal (does not include new fees)

- Increases continue until premiums reach projected Full Risk Rating X-zone rate

Projected Rate Cap

$2,640

Policy can be transferred with property

12 years

X Zone/A Zone With basement
Building $250,000
Contents $100,000

Newly Mapped

$452

$493

$581

$685

$808
Subsidized Policies

- Subsidies are being phased out
- Elevation Certificate **needed** for appropriate rating

Current Subsidized Rate

- $2,500
- $2,975
- $3,535
- $4,197
- $4,977
- $6,984

Projected Rate Cap

AE Zone

With basement

Building $250,000

Contents $100,000

Rate cap will depend on structure elevation

6 years
Rates increase based on building height relative to expected flood height. Home elevation will reduce risk and premiums.
Effective April 1, 2015, Policyholders must provide proof their property is a primary residence to avoid excessive surcharges.
Options to lower premiums

Mitigation

- Elevate structure
- Partially fill and vent basements
- Partial mitigation for partial credit

Increased deductibles

Type and amount of coverage

- Structural coverage up to $250,000 – will depend on lender
- Contents coverage up to $100,000 – not mandatory
Heat Risk and Mitigation

Heat waves kill more Americans every year, on average, than any other extreme weather event

- Extreme heat kills more people by worsening chronic health conditions than through heat stroke
- In the NYC metro area, most heat stroke deaths occur in homes without air conditioning

What you can do:

- Monitor the weather forecast for upcoming heat waves
- Check on family, neighbors and friends to make sure they are safe and cool