



National Flood Insurance Program (NFIP)
April 01, 2020 Program Changes: A Summary

See: [FEMA Bulletin W-19014](#) April 01, 2020 & January 01, 2021 Program Changes

The changes outlined in this summary apply to new business and renewals that will become effective on or after April 01, 2020.

All premium increases effective April 01, 2020 comply with all the requirements of both Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowners Flood Insurance Affordability Act of 2014. [Other NFIP changes effective April 1, 2020 are listed on page 2.](#)

Premium Increases - April 01, 2020

Special Flood Hazard Areas		
Pre-FIRM	Policies rated without an elevation certificate	Average Total Increase (includes Federal Policy Fee and HFIAA Surcharge)
Primary Residences	A, AO, AH, A1-A30, AE, A99, AR, V, VE, V1-V30	7.5%
Non-Primary Residences Severe Repetitive Loss properties, Substantially Improved properties, and Nonresidential Business	A, AO, AH, A1-A30, AE, A99, AR, V, VE, V1-V30	23.1-25%
Post-FIRM	Policies rated with an elevation certificate	Total Increase
All occupancy types	V, V1-30, & VE	5.6%
All occupancy types	A1-A30, AE	5%
All occupancy types	AO, AH, AOB, AHB	2.7%
All occupancy types	Unnumbered A	5.1%
Non Special Flood Hazard Areas		
		Combined Premium Increase / Total Increase
Pre-FIRM/Post-FIRM all occupancy types	Standard rated B, C, X, A99 & AR	3.8-4.2%

- Premiums will increase from an estimated average of \$873 per policy to \$972 for an average increase of 11.3% (HFIAA surcharge or the Federal Policy Fee are not included)
- When the HFIAA and Federal Policy Fee are included, the total amount billed the policyholder will increase from \$993 to \$1,092 for an average increase of 9.9%
- There is **NO** change to the Deductible Factor, Federal Policy Fee, HFIAA Surcharge, or Probation Surcharge.
- The Reserve Fund Assessment will have an increase of 3% for all policies, **including Preferred Risk and Newly Mapped policies**, (% increase is include in average percentage increase listed above)
- Policies in the Severe Repetitive Loss Program (SRL) will have an increase of 5% in the SRL Premium, (% increase is include in average percentage increase listed above)

NOTE: For changes effective January 1, 2020 for Preferred Risk and Newly Mapped policies, please refer to the communication: https://www.wrightflood.net/static/corp/documents/January_01_2020ChangeSummary.pdf



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Other Changes – Effective April 1, 2020:

Primary Residence Guidance

FEMA is updated Primary Residence Determination Guidance. If the mailing address and property address are the same on a policy or application, and the policy or application indicates that coverage is for a primary residence, insurers can issue the policy with the primary residence indicator without requiring additional documentation. If the addresses do not match, and the policy indicates coverage is for a primary residence, supporting documentation is still required.

As a reminder of acceptable documentation of Primary Residence, one of the following forms showing the property address is needed:

- Homestead Tax Credit form for Primary Residence;
- Driver's license;
- Automobile registration;
- Proof of insurance for a vehicle;
- Voter's registration;
- Documents showing where children attend school; or
- A signed and dated primary residence verification statement

Non-Residential Floodproofing Premium Credit

Effective April 1, 2019, FEMA is updating guidance for the non-residential building Floodproofing rating credit. FEMA is changing the methodology used to establish a rate for a non-residential floodproofed building. Instead of establishing the premium rate based on the elevation difference of the floodproofed elevation (if at least 1 foot above the Base Flood Elevation), FEMA will establish the base rate from the elevation difference between the lowest floor elevation of the building and the Base Flood Elevation. FEMA will apply a credit (percentage discount) to that rate based on the information provided for the Floodproofing components. Prior to submitting a request for Floodproofing credit, please contact our underwriting department to review the documentation that must be submitted; a complete file is required of the WYO Company to submit to FEMA.

V-Zone Risk Rating Factor Form

For policies effective on or after April 1, 2020, FEMA is discontinuing the use of the V-Zone Risk Rating Factor Form. Policies currently receiving a discount by using the V-Zone Risk Rating Factor Form will be provided special rates.