BW-12 Quick Reference Flow Chart

Note: This flow chart does not reflect the impacts to all Pre-FIRM structures that have been affected by a map change. FEMA is still analyzing the impacts Section 100207 of BW-12 will have on rates other than pre-FIRM subsidized premiums upon the effective date of a new, revised, or updated FIRM. For now, grandfathering and the Preferred Risk Policy Eligibility Extension remain cost-saving options for policyholders when maps are updated.

Definitions:

BFE - Base Flood Elevation
BW-12 - Biggert Waters Flood Insurance Reform Act 2012
EC - Elevation Certificate
FEMA - Federal Emergency Management Agency
FIRM - Flood Insurance Rate Maps
NFIP - National Flood Insurance Program
SFHA - Special Flood Hazard Areas

Useful Links:
www.fema.gov/bw12
www.floodsmart.gov

My structure is located in a SFHA (A or V zone)

NO →

BW-12 IMPACTS

- Flood Insurance is not mandatory in non-SFHA (X or D zones). However, flood insurance is recommended since 25% of flood claims received are from non-SFHA.
- If you do have an NFIP policy, expect the following annual rate increases:

X Zones: 1 - 8 % D Zones: 25%

YES ↓

I have a Federally Backed Mortgage

NO →

Federal mandatory purchase requirement does not apply since you don't have a Federally Backed Mortgage. However, Flood Insurance is recommended since your structure is located in a high risk flood zone.

Note: Individual lenders still have the option to require flood insurance as a requirement of company policy.

For SFHA (A or V zone) policyholders, see anticipated rate increases based on the date your current policy was acquired.

YES ↓

Flood Insurance is a mandatory condition of your loan

My structure was built before:
9/3/80 (Oahu)
6/1/81 (Maui)
11/4/81 (Kauai)
5/3/82 (Hawaii)

YES → Pre-FIRM Structure

NO → Post FIRM Structure

BW-12 IMPACTS

- Flood Insurance Rates are already based on Full Risk Rating.
- Annual rate increases will apply. Post-FIRM V zone policies can expect an 11% increase. While Post-FIRM A zones will see a 6 - 8% rate increase.

I purchased my home or policy before 7/6/12

BW-12 IMPACTS

- For Primary residence, flood insurance polices may continue to be renewed using subsidized rates until the property is sold to a new owner or the policy lapses. However, the subsidized rates will increase approximately 16-17% beginning 10/1/13.
- For Non-Primary Residences, Businesses, Severe Repetitive Loss properties or properties with cumulative claim payments exceeding the Fair Market Value, flood insurance premiums will increase 25% each year until Full-Risk Rates are reached.
- IMPORTANT !! Avoid allowing your existing policy to lapse. Lapsing a policy will trigger Full Risk Rating and the need for an Elevation Certificate.

I reinstated my policy on or after 10/4/12

BW-12 IMPACTS

- For Pre-FIRM residence or Businesses with a reinstated policy on or after 10/4/12, flood insurance premiums will be based on Full Risk Rates beginning 10/1/13.
- An Elevation Certificate will be required to Full Risk Rate your policy after 10/1/13.
- Premiums will be based on the lowest floor elevation compared to the BFE, as documented on the Elevation Certificate (EC).
- Tentative rates available for 1 year until EC is submitted.

I purchased my home or policy between 7/6/12 - 10/1/13

BW-12 IMPACTS

- Flood Insurance premiums were based on subsidized rates at the time of purchase.
- Upon first renewal on or after 10/1/13, flood insurance premiums for Primary, Non-Primary, and Business properties will be based on Full Risk Rates.
- An Elevation Certificate will be required to Full Risk Rate your policy after 10/1/13.
- Premiums will be based on the lowest floor elevation compared to the BFE, as documented on the Elevation Certificate (EC).
- Tentative rates available for 1 year until EC is submitted.

I purchased my home or policy on or after 10/1/13

BW-12 IMPACTS

- Flood Insurance will be based on Full Risk Rates.
- An Elevation Certificate will be required to Full Risk Rate your policy after 10/1/13.
- Premiums will be based on the lowest floor elevation compared to the BFE, as documented on the Elevation Certificate (EC).
- Tentative rates available for 1 year until EC is submitted.

For more information on BW-12, read the October 2013 Special Edition of the Wai Halana @ www.hawaiinfip.org

October 2013