

# HOMEOWNER FLOOD INSURANCE AFFORDABILITY ACT (HFIAA)

## SUMMARY OF APRIL 1, 2016 CHANGES

### ANNUAL PREMIUM RATE INCREASES\*

#### **25% Annual Premium Rate Increase**

Applies to the following Pre-FIRM Subsidized Policies: Non-Primary Residences, Businesses, Severe Repetitive Loss Properties (includes cumulative damage), & Substantially Damaged/Improved Properties

#### **18% Annual Premium Rate Increase Cap**

Applies to all individual policies not included in the 25% increase group

#### **15% Average Annual Premium Rate Increase**

Applies to all risk classes not included in the 25% increase group

#### **5% Average Annual Premium Rate Increase Minimum**

Applies to all Pre-FIRM subsidized policies not included in the 25% group

#### **15-18% Annual Premium Rate Increase in Year 2**

Applies to all policies newly mapped into SFHA. In year 1, policy pays Preferred Risk Property premium rate. [More on new rating calculation.](#)

*\*Premium increases do NOT include all fees or surcharges*

### FEE & SURCHARGE CHANGES

#### **Federal Policy Fee**

Most Policies: Increases from \$45 → \$50 annual fee

Preferred Risk Policies: Increases from \$22 → \$25 annual fee

#### **Reserve Fund Assessment** (calculated into premium increases)

Most Policies: Remains a 15% annual fee

Preferred Risk Policies: Increases from 10% → 15% annual fee

#### **HFIAA Surcharge** (no changes to the HFIAA Surcharge)

Primary Residences: \$25 annual surcharge

Non-Primary Residences/Businesses: \$250 annual surcharge

### OTHER CHANGES

#### **Lapsed Pre-FIRM, Grandfathered, or Newly Mapped:**

Renewed policies are not eligible for previously subsidized rates.

**Implementation of Clear Communication:** NFIP insurers must report current flood zone, FIRM info, & BFE (if available) for all new business policies effective on/after April 1, 2016 AND for all policy renewals on/after October 1, 2016.



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**Sources:** NFIP, WYO Bulletin W-15046, [Cover Memo & Attachments](#) & [Summary](#). See Wetlands Watch [HFIAA Summary of April 1, 2015 Changes](#) for more info.