



Homeowners Flood Insurance Affordability Act of 2014

H.R. 3370

Flood Insurance Premiums

- Restores grandfathered rates
- Eliminates the home sale trigger for grandfathered properties
- Refunds excessive premiums for those already paid
- Creates a 5 percent floor for annual increases on pre-FIRM primary residences, and caps all per-property increases at 18 percent of pre-Biggert Waters rates per year
- Includes language requiring FEMA to “strive” to minimize the number of policies with annual premiums that exceed one percent of the total coverage provided by the policy (i.e., \$200,000 of coverage should have an annual premium of no more than \$2,000). Exceptions that exceed this threshold are to be reported to Congress.
- Requires FEMA to issue new rate tables within eight months after enactment, and requires the Agency to consult with Write Your Own insurance companies in the development of the rates.
- Establishes a new annual surcharge of \$25 on primary residence policies and \$250 on secondary residences and businesses
- Requires premium rates to include consideration of flood mitigation efforts on a property
- Allows the option of a high deductible plan of \$10,000

Mapping

- Allows homeowners and communities who successfully appeal remapping to recover the costs of appeal
- Requires maps to take into account non-structural flood mitigation features, and that FEMA must work with states, local community and property owners to identify these features
- Requires FEMA to implement a flood mapping program that results in technically credible flood hazard data, which must be reviewed by FEMA’s Technical Mapping Advisory Council
- Before beginning any map update, FEMA must notify communities of the models it intends to use and give them 30 days to consult with FEMA as to the appropriateness of the model. The first Independent Data Submission must be given a 30 day comment period in the community and the community can provide data to supplement or modify existing data, and local U.S. Senators and Representatives must be provided information about the mapping process and timelines as well.

Studies

- Increases funding for FEMA to implement its affordability study (from \$750,000 under Biggert Waters to \$2.5 million under H.R. 3370)
- Requires a study on voluntary community based flood insurance policies
- Requires FEMA to monitor and report the impact, if any, of rate increases on small businesses (100 employees or less), non-profits, houses of worship and low-income residences (value equal to 25 percent or less of median home value in the state), based on criteria such as lapsed policies and late payments, and to make recommendations to address those impacts. The first study must be within 18 months and then semi-annually thereafter.

Other

- Requires FEMA to designate a Flood Insurance Advocate