

## **FEMA Communicates Flood Risk Information to Policyholders**

In January 2017, FEMA will begin the next phase of implementation of Section 28, Clear Communication of Risk, of the [Homeowner Flood Insurance Affordability Act of 2014](#) (HFIAA), which requires the Agency to clearly communicate full flood risk determinations to individual property owners. To meet this requirement, the National Flood Insurance Program (NFIP) reviewed the flood risk and underwriting information for every flood insurance policy, and is writing to all NFIP policyholders to communicate how their flood risk impacts their premium rate.

Policyholders will begin receiving one of seven letters, depending upon their policy, in 2017. Policyholders who renewed policies in October 2016 through December 2016 will also receive their first mailing at this time. The letter will continue to be mailed at each subsequent renewal. With flood risk information varying from one policy to the next, the letter encourages each policyholder to contact their insurance agent to discuss their policy and options. It may also be helpful to visit [FEMA.gov/cost-of-flood](http://FEMA.gov/cost-of-flood).

In addition to Section 28, HFIAA requires gradual insurance rate increases to properties that currently receive artificially low (or subsidized) rates, rather than immediate increases to reflect the property's full flood risk. HFIAA requires increases to premiums for most subsidized properties by no less than 5 to 15 percent annually, but no more than 18 percent for an individual policyholder – with limited exceptions – until the premium reaches its full-risk insurance rate. Approximately 80 percent of National Flood Insurance Program policyholders currently pay full-risk rates and are minimally impacted by these increases.