



A Service of your Agent and...
National Association of Professional Insurance Agents



Why is my flood insurance premium increasing?

Even though you purchase your insurance through an independent agent, your flood insurance is written by a federal entity called the National Flood Insurance Program (NFIP). In July 2012, Congress passed laws that made major reforms to the NFIP. As such, rates are likely to increase to reflect the true flood risk of your property and many premium discounts that you may have received are being eliminated.

Does this affect me?

Below are some of the most common reasons your premium may increase:

- Change of ownership on the insured property
- Lapse in flood insurance coverage
- Increased risk of flood damage to property
- Substantial damage to the insured property
- Major improvements to the property

What types of premium discounts are being removed?

The NFIP is taking immediate action to eliminate a variety of premium discounts. These include discounts for:

- Non-primary residences
- Severe Repetitive Loss properties (residential properties that have had four NFIP claim payments over \$5,000 in which at least two payments exceed the market value of the building)
- Business properties
- Properties that have incurred major flood damage

Did You Know?

- Floods happen in all 50 states and *everyone* lives in a flood zone
- Most homeowners insurance does not cover flood damage
- Floods are the #1 most common natural disaster in the United States
- The average flood insurance claim is more than \$35,000

Is there a way to save money *and* be properly insured?

The best thing you can do is talk to your professional independent insurance agent about your coverage options and let them find solutions that fit your needs. Their knowledge and professionalism is your greatest asset.

