

NAR Issue Brief

Flood Insurance Comparison

Current Law (Biggert-Waters)	House Substitute (H.R. 3370)	Original Senate Bill (S. 1926)
Sec. 205-Sale/New Policy Trigger (premium increase triggered by property/new policy purchase)	<p>Repeals Sec. 205-Sale/New Policy Trigger (including sale of second home/business)</p> <p>Returns to allowing the new owner to assume the old policy at the current rate (i.e. policy stays with property, not owner)</p> <p>Refunds to those who paid the increased premium, including those who were not warned prior to property purchase</p>	<p>Delays for 4 Years</p> <p>No refunds</p>
Sec. 207-Remapping Trigger (5-yr phase-out of grandfathering triggered by new flood map)	<p>Repeals Sec. 207-Remapping Trigger</p> <p>Restores grandfathering of properties in flood zone when built to code (including grandfathered second home/business)</p> <p>Restores rate phase-in for newly mapped</p>	<p>Delays for 4 Years</p>
Annual premium increases	<p><u>GENERALLY IF BUILT BEFORE 1975...</u></p> <p>Primary Home: Sets 5% floor and 18% ceiling per property (current law allows higher as long as the average per flood zone doesn't exceed 20%)</p> <p>Second Home/Business: 25% increases until reach full risk (same as current law)</p> <p><u>GENERALLY IF BUILT AFTER 1975...</u></p> <p>Primary Home, Second Home or Business: Sets 18% ceiling per property (down from the 20% average per flood zone)</p>	<p>Does not change current law</p>
Offset	<p>\$25 assessment on all NFIP primary homes; \$250 on the businesses and second homes in the NFIP</p>	<p>No offset</p>