

How will Flood Insurance Affect the Value of your Home?

Brought to You by

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History

- The National Flood Insurance Program (NFIP) was created by Congress in 1968. Every 4 years Congress needs to reauthorize the NFIP. 2017 is when the NFIP needs congressional authorization.
- If you have a federally backed mortgage, and you reside in a designated flood zone, you are required to purchase flood insurance.
- There are 22,000 Flood Zone Communities located in all 50 states.
- In 2012 there were 5.5 million flood policies in force through the NFIP. With the new Flood Maps, with higher elevations, there will be over 10 million flood policies in effect.
- In 2012 the Biggert-Waters Act was passed. This caused premiums to rise dramatically.
- In 2014 we helped pass the Homeowners Flood Insurance Affordability Act (HFIAA). This bill provided temporary relief and slowed down the exorbitant rise in flood insurance premiums.
- Updated Flood Maps are being released throughout the country, the last set of maps being released in 2019.

Stop FEMA Now

Maximum Yearly Increases up to 25%

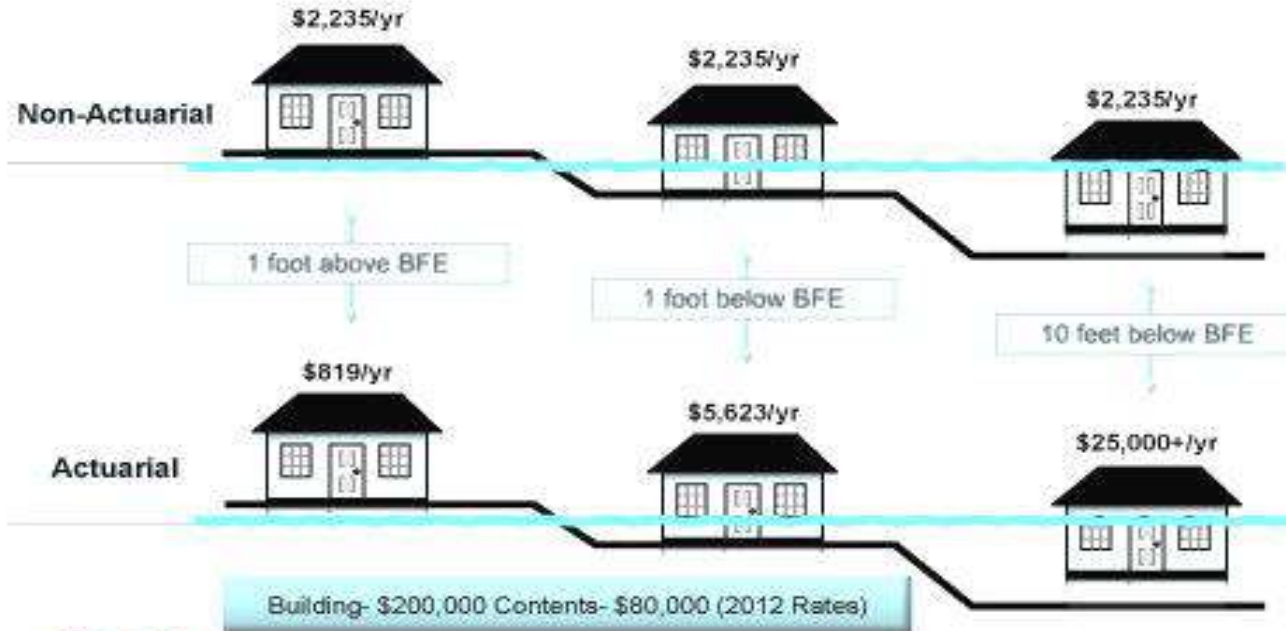
Primary Homes - will receive up to a 15% compounded yearly increase, until they reach their “actuary rate”. There will also be a \$25 yearly surcharge.

Secondary , Investment, Substantially Damaged, SRL (Severely Repetitive Loss) and Commercial Property Owners - will receive up to a 25% compounded yearly increase, until they reach their “actuary rate”. There will be a \$250 yearly surcharge on these properties.

What is your “Actuary Rate”

NFIP Rating Examples: The Impact of Loss of Subsidies

Rate comparisons



Elevation Certificate Explained

Elevation Certificate Explained

Elevation Certificate. The Elevation Certificate (EC) is required for all V zones and most A zones when the risk was constructed after publication of the Flood Insurance Rate Map (FIRM). See the CEET section of the NFIP Manual for further clarification. All elevation-related risks received on or after January 1, 2007 must include 2 photographs of the building regardless of which EC form is used.

Name: Name does not need to match the App.

Address: Address and City must match that on app. If not matching, document explanation.

Map Panel Number: Must match app.

Required: Diagram 1-4 is non-elevated building. Diagrams 5-8 are elevated. Diagrams 9-8 have enclosures.

Lowest floor: For AE and A numbered zones of diagram number 1-4 or for areas in enclosure for diagram 6-8. Also, for V zones in diagram 1-4, or non-compliant.

Always required: If diagram no. in (C) is 1-4, and item (d) is more than 2 ft above item (f) document foundation type.

Highest Adjacent Grade: Grade required only for zones AO and A non-numbered.

For A zones with diagram 6-8: If (b) is -2, and (g) is the same or greater than enclosure egress, storage, use (b) for lowest floor. Otherwise, use (g).

Signature: The signature of a surveyor, architect or engineer is required. The form must also be dated. The exception is A non-numbered without BFE and AO. In this exception, the applicant or agent signature is provided in section E.

Policy Number: Transmittal or policy number is not required but will help expedite processing.

Rating Information: Match Zone (B) is required. Base Flood (BF) is required except with A non-numbered zone. Also should match app or document discrepancy.

If not "finished construction": a new EC is required unless construction is done. Enclose app copies.

Necessary in all V zones: Use as lowest floor of diagram 1, or if enclosure is less than 300 sq ft of breakaway walk.

Seal is required: OR license number (see below).

A license number is required: in all zones. (See Section 2007.) Only exceptions is zone A non-numbered without BFE or zone AO.

Form Information: FEMA Form 81-01, January 2003. Replaces all previous editions.

Form Fields:

- SECTION A - PROPERTY OWNER INFORMATION:** BUILDING OWNER'S NAME, BUILDING STREET ADDRESS, CITY, STATE, ZIP CODE, COMPANY NAD NUMBER.
- SECTION B - FLOOD INSURANCE RATE MAP (FIRM) INFORMATION:** COMMUNITY NUMBER, SECONDARY NAME, FIRM NUMBER, ELEVATION, FIRM EFFECTIVE DATE, FIRM FLOOD ZONE, BASE FLOOD ELEVATION.
- SECTION C - BUILDING ELEVATION INFORMATION (SURVEY REQUIRED):** BUILDING ELEVATION BASED ON, CONSTRUCTION DATE, BUILDING NUMBER, NUMBER OF FLOORS ABOVE FINISHED FLOOR, NUMBER OF FLOORS BELOW FINISHED FLOOR, NUMBER OF FLOORS ABOVE FINISHED FLOOR, NUMBER OF FLOORS BELOW FINISHED FLOOR.
- SECTION D - SURVEYOR, ENGINEER, OR ARCHITECT CERTIFICATION (OPTIONAL):** TITLE, COMPANY NAME, CITY, STATE, ZIP CODE, SIGNATURE, DATE, TELEPHONE.

IMPORTANT: In these spaces, copy the corresponding information from Section A.

SECTION D - SURVEYOR, ENGINEER, OR ARCHITECT CERTIFICATION (CONTINUED)

SECTION E - BUILDING ELEVATION INFORMATION (SURVEY NOT REQUIRED) FOR ZONE AO AND ZONE A (WITHOUT BFE)

SECTION F - PROPERTY OWNER (OR OWNER'S REPRESENTATIVE) CERTIFICATION

SECTION G - COMMUNITY INFORMATION (OPTIONAL)

Form Fields:

- SECTION A:** POLICY NUMBER, POLICY NUMBER, COMPANY NAD NUMBER.
- SECTION D:** CITY, STATE, ZIP CODE, COMPANY NAD NUMBER.
- SECTION E:** BUILDING DIAGRAM NUMBER, BUILDING NUMBER, NUMBER OF FLOORS ABOVE FINISHED FLOOR, NUMBER OF FLOORS BELOW FINISHED FLOOR.
- SECTION F:** ADDRESS, CITY, STATE, ZIP CODE, SIGNATURE, DATE, TELEPHONE.
- SECTION G:** COMMUNITY NUMBER, DATE CERTIFICATE OF COMMUNITY OCCUPANCY ISSUED.

Comments: Comments often provide valuable insight. Please read surveyor's comments carefully.

Form Information: FEMA Form 01-01, January 2003. Replaces all previous editions.

Is a 25% flood insurance increase Affordable?

This is how a 25% compounded increase affects us.

Current Premium	Increase(25%)	Surcharge	Premium
Year 0			\$2,000
Year 1	\$500	\$250	\$2,750
Year 2	\$687	\$250	\$3,687
Year 3	\$921	\$250	\$4,858
Year 4	\$1,214	\$250	\$6,322
Year 5	\$1,580	\$250	\$8,152
Year 6	\$2,038	\$250	\$10,440
Year 7	\$2,610	\$250	\$13,300
Year 8	\$3,325	\$250	\$16,875
Year 9	\$4,218	\$250	\$21,343
Year 10	\$5,335	\$250	\$26,928

How will this affect our local and national economies?

How will this negatively impact the value of the properties in a flood zone?

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How do I lower my Flood Insurance Premium?

Depending on your particular situation, some or all of these solutions may help lower your premiums

- Make sure your Flood Agent “rated” your home correctly
- Add Flood Vents (Visit www.FloodFlaps.com)
- Backfill crawl space or basement
- Raise your home above the BFE
- Your town can apply for discounts on Flood Ins. Premiums
- Lower your deductible
- Sign up for “PRP rate”

How does the rise in Flood Insurance Premiums affect the value of your property?

\$100K Mortgage @ 4.25% rate, 30 years fixed=
\$500 a month (\$6,000 yearly)

If your property has a a \$500 a month flood insurance premium, that property loses \$100K of mortgaging buying power.

This is a
\$11,494
yearly
flood
insurance
premium
for a
home
valued at
\$128,000

Date: 12/20/2013

National Flood Insurance Program
U.S. Department of Homeland Security
P. O. Box 2965
Shawnee Mission, KS 66201-1365



FEMA

>000959 3762464 0001 092201 10Z
Insured



[Redacted]
Brunswick, GA 31525

Agency

[Redacted]
Brunswick, GA 31520

RE: Policy Number [Redacted]
Insured's Name [Redacted]

Property Location [Redacted]
Brunswick, GA 31525

Dear Agency:

We have received an endorsement request for flood insurance for the above referenced property in the amount of 30,800 Building Coverage and 23,400 Contents Coverage with a premium payment of \$5,875.00. Based on the risk rating factors indicated on the endorsement, the correct premium for the coverage requested is \$11,494.00. The premium on this policy, therefore, has been underpaid by \$5,619.00.

In accordance with the terms specified in the Standard Flood Insurance Policy, section VII.G, Reduction and Reformation of Coverage, in order to receive the originally requested coverage as of the original effective date, the underpaid premium must be received by us within 30 days of the date of this letter. If we do not receive the underpayment by that date, we will issue the policy with coverage in the amount that the submitted premium would purchase.

The enclosed remittance form should be returned with the payment due.

Sincerely,
Underwriting Department
1-800-638-6620

CC: Insured
Lender

This pre-firm house sold for \$128,000
In September 2012. The premium is nearly
10% of the value. How does this make sense?

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00659 3762464 000900 0019 00010001



Flood insurance premium
in 2013 - \$4,600

Flood insurance premium in
2014 - \$65,738,00

Never Flooded. This is my
2nd home - "Mansion"

This is what a \$65,000
premium looks like.

This home has never
flooded.

The max coverage is for
a \$250,000 policy.

Hartford Insurance Company of the Midwest
Flood Insurance Processing Center
P.O. Box 1052
Hartford, WI 53001
Phone: 800-363-5663 Fax: 866-528-3209

January 18, 2014 **EOP**

[Redacted]

POLICY NUMBER: [Redacted]
INSURED NAME: [Redacted]
Property: [Redacted]

REDUCE COVERAGE AT RENEWAL DUE TO SHORT PREMIUM

Dear Producer:

The amount of premium submitted to renew the Flood Insurance policy listed above was insufficient to maintain the amounts of coverage on the existing Flood policy. The policy has been issued but coverage has been reduced based on the amount of premium received, as shown below.

Building	\$ 17,400
Contents	\$ 0

[] Additional comments:

Please remit the additional premium of \$61,035.00 *Plus 4,676.00 paid* to coverage *total new rate is \$65,738.00* back to the amounts purchased on the previous policy. The premium is payable within 30 days of the date of this letter. Coverage increase will be effective on the inception date of the policy. If coverage will be increased with a 30-day waiting period from the date premium is received. *\$65,738.00*

If you have any questions, please contact us at the phone number listed above or by email at csr@hifloodpro.net.

Thank you.

Flood Insurance Processing Center JXB doc:REDRM
cc: [Redacted]

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This home is being elevated because the property will become “unmarketable” because of the exorbitant rise in premiums”



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GeorgeKasimos@gmail.com

