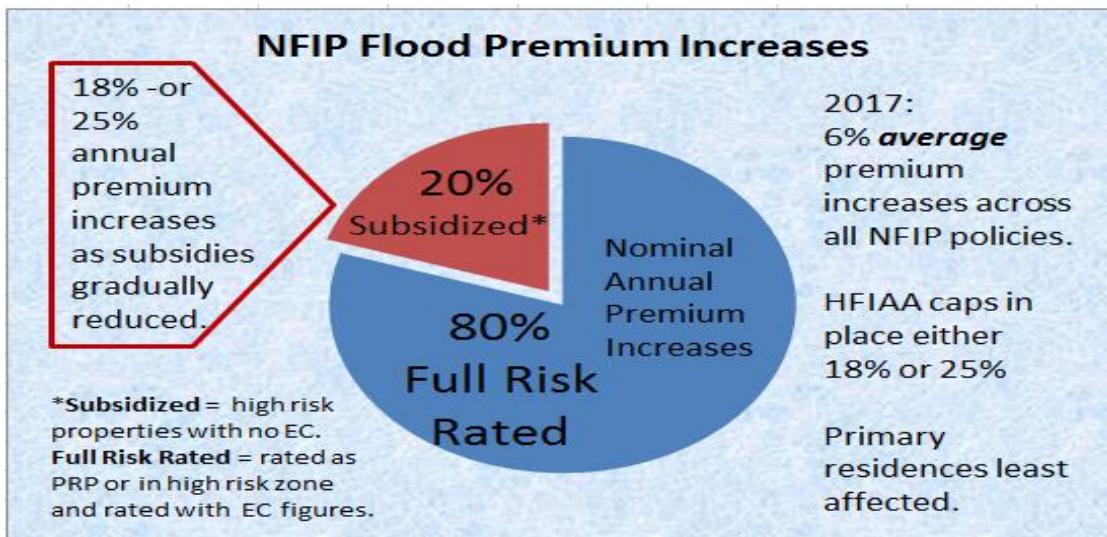


So, what's up with all the premium increases on my flood policy?

We understand this question and hope the graphic below explains the overview of how NFIP premiums will increase in the future.

We felt if policyholders understood the NFIP premium long range plan **and where their policy fits into that plan** they might better understand the annual increases for their specific flood policy.

We developed this graphic with that in mind.....



How NFIP premium increases work:

- 80% of the NFIP policies, those rated with risk-based rates, can anticipate getting nominal increases on an annual basis.
- The remaining 20% of total NFIP policies (Pre-FIRM Special Flood Hazard Areas/High Risk Properties) are receiving subsidized rates that are now being phased out as required by the flood reform laws.*
 - These are high risk properties with subsidized rates not based on the actual risk of flooding for that specific property.
 - **Primary residences and non-business properties in this 20% group may see premium increases subject to an annual premium cap at 18% annually due to flood reform laws, until full risk rates are reached.**

- **Business properties and secondary residences, severe repetitive loss properties and substantially improved properties may see premium increases up to 25% annually, due to flood reform laws until full risk rates are reached.**

On average across all flood policies, 2017 will see a 6% premium increase...but we caution that the average NFIP policy increase should not be used to plan for a specific policy increase. Rather we recommend that policyholders understand where they fit into the NFIP overall premium plan to anticipate their future increases.

*It is important to note that policyholders with subsidized policies will not be able to identify when the increases reach full risk rates until they purchase and provide an elevation certificate to identify the full risk factors of their individual properties.