



National Flood Insurance Program

NFIP Rates: The Tide is
Changing

NCBIWA

Lisa Sharrard, CFM, ANFI, CPM Owner/Agent
U.S. Flood Solutions LLC
Choice Flood Insurance LLC
www.simplyflood.com lisa@simplyflood.com
(803)865-4297

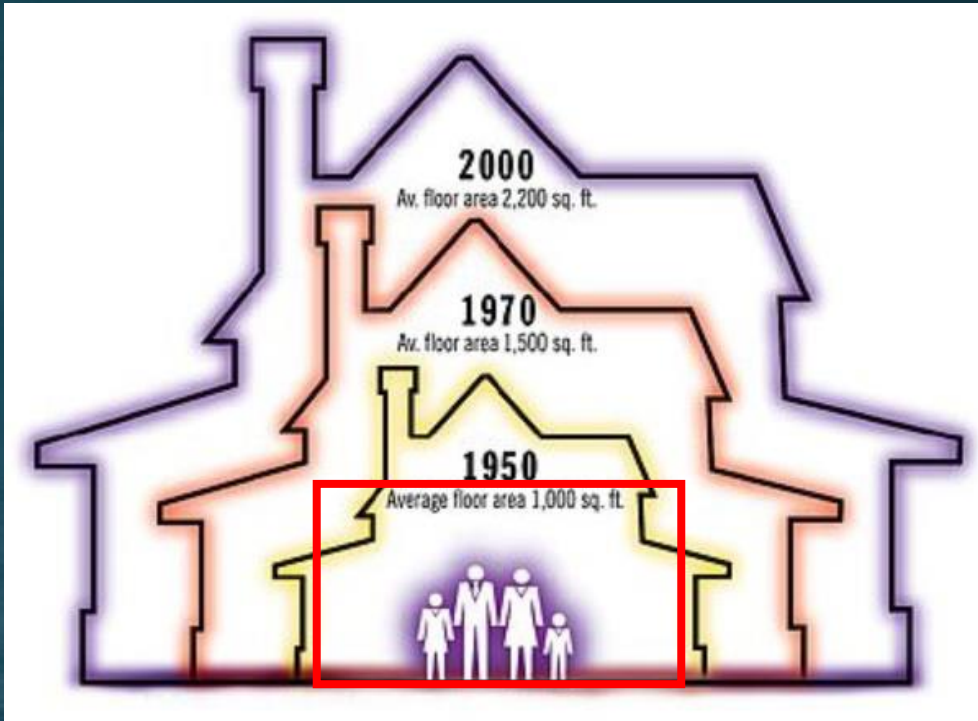
RISK RATING 2.0

Deliver FAIRER Rates

Reflecting the cost to rebuild

Because of increased housing sizes and related costs, the current system overcharges inexpensive homes

The new rates will use replacement cost data to estimate the cost to rebuild the home, correcting the current inequalities



RISK RATING 2.0 WHAT IS CHANGING?

- REDUCING COMPLEXITY
 - ELIMINATING ELEVATION CERTIFICATES
 - SIMPLIFYING PREMIUM DISCOUNT RULES
- INCREASING INVESTMENT IN MITIGATION
 - EXPANDING MITIGATION CREDITS
 - EXPANDING CRS
- ADDRESSING INEQUITIES
 - LEVERAGING MORE INFO
 - REFLECTING PRIOR CLAIMS
 - FACTORING COST TO REBUILD

New Policies
OCTOBER 1, 2021
Renewals
APRIL 1, 2022

Statutory caps r& CRS remain in place



Equity in Action premiums will more accurately reflect a property's unique flood risk by considering a broader range of variables.

Current Rating Methodology

FEMA-sourced data

Rating Variables

- Flood Insurance Rate Map Zone
- Base Flood Elevation
- Foundation Type
- Structural Elevation (Special Flood Hazard Area Only)

1% Annual Chance of Flooding (Frequency)

Fees and Surcharges



Risk Rating 2.0 Methodology*

FEMA-sourced data

Additional data sources: Federal government-sourced data, commercially available third-party

Cost to Rebuild

Rating Variables

- Distance to Coast/Ocean/River
- River Class
- Flood type — Fluvial/Pluvial
- Ground Elevation
- First Floor Height
- Construction Type/Foundation Type

Broader Range of Flood Frequencies

Fees and Surcharges

*Additional variables are not shown here

What can policyholders with steep flood insurance costs today expect under new pricing methodology?

Methodology	Single-Family Home Maximum Policy Cost*
Current Rating Methodology	\$45,925
Risk Rating 2.0	\$12,125

Policyholders paying the most under the current methodology will see dramatic decreases when they transition to Risk Rating 2.0.



FEMA

11/11/2021

*Amounts shown include premium, fees, assessments, and surcharges

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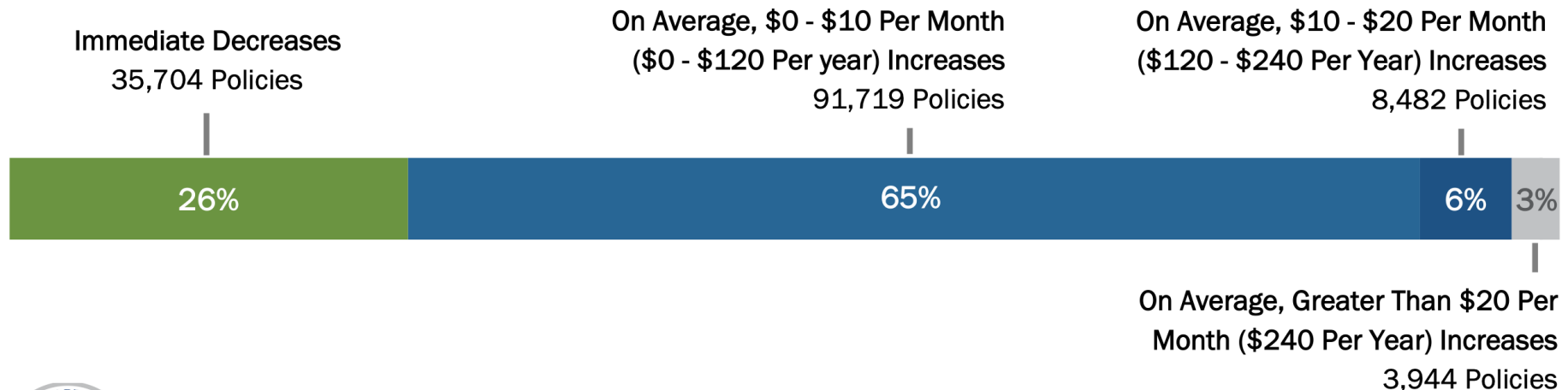
Federal Emergency Management Agency

Impacts in NC

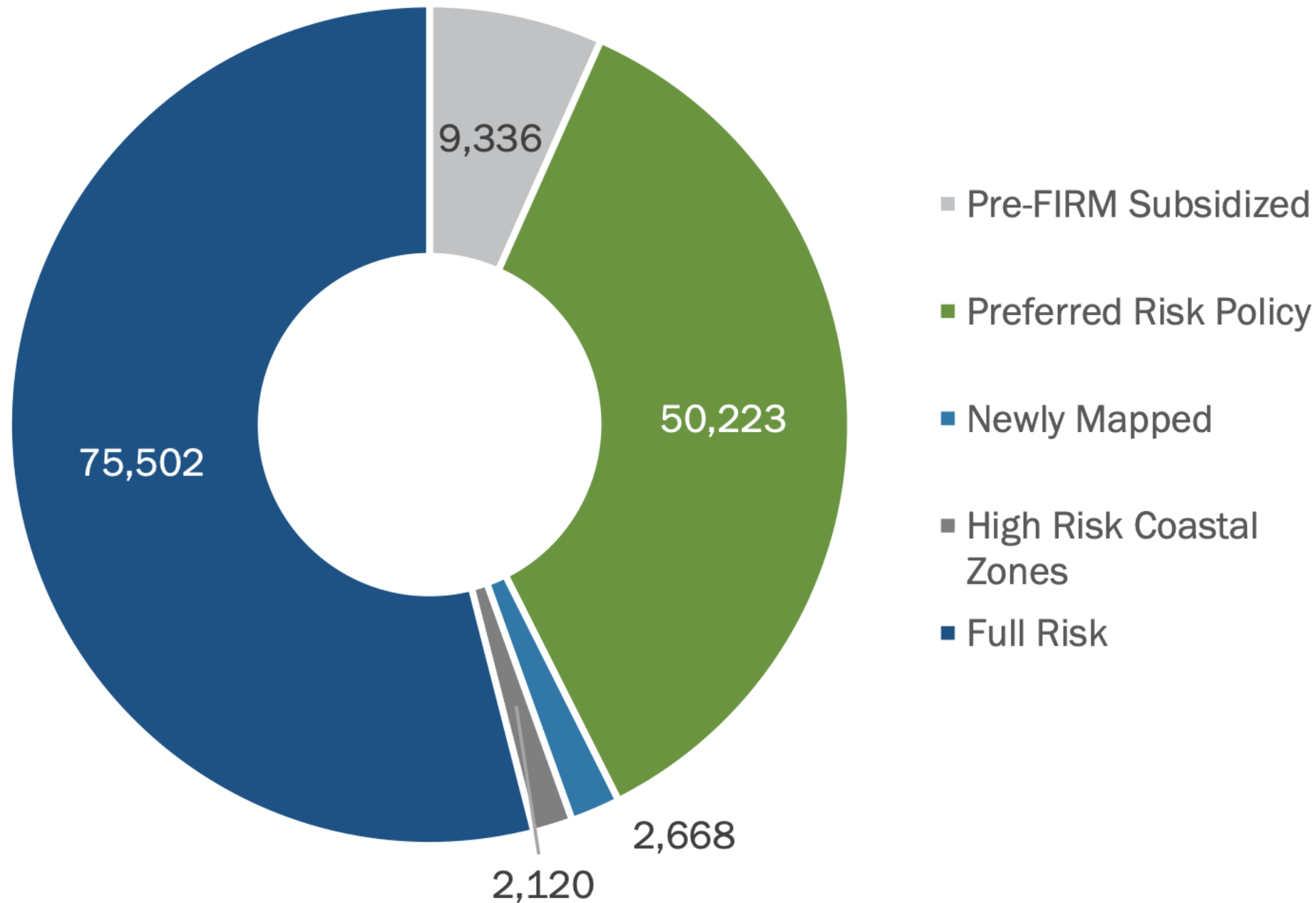


NFIP Policies in Force in NC	Properties in NC Not Covered by NFIP Policy	Average NFIP Claim Payout in NC in the Past 10 Years	Average Individual Assistance Claim Payout in NC in the Past 10 Years
139,800	3.8 million	\$29,300	\$4,600

Risk Rating 2.0 in North Carolina



NFIP Policies in Force in NC by Rate Class



CAPS APPLY 15-18% Annually

25% increases for

- SRL,
- NON-Primary,
- Businesses

RATING INFORMATION

BUILDING OCCUPANCY: RESIDENTIAL UNIT
NUMBER OF UNITS: N/A
PRIMARY RESIDENCE: NO
PROPERTY DESCRIPTION: SLAB ON GRADE (NON-ELEVATED), 4 FLOOR(S)
PRIOR NFIP CLAIMS: 0 CLAIM(S)

DATE OF CONSTRUCTION: 01/01/1995
CURRENT FLOOD ZONE: AE
FIRST FLOOR HEIGHT (FEET): 1.0
FIRST FLOOR HEIGHT METHOD: FEMA DETERMINED

MORTGAGEE / ADDITIONAL INTEREST INFORMATION**FIRST MORTGAGEE:****LOAN NO:** N/A**SECOND MORTGAGEE:****LOAN NO:** N/A**ADDITIONAL INTEREST:****LOAN NO:** N/A**DISASTER AGENCY:****CASE NO:** N/A
DISASTER AGENCY:**RATE CATEGORY — RATING ENGINE**

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
BUILDING:	\$250,000	\$2,000
CONTENTS:	N/A	N/A

COVERAGE LIMITATIONS MAY APPLY. SEE YOUR POLICY FORM FOR DETAILS.

Full Risk Premium is subject to change. Your property's NFIP flood claims history can affect your premium. For questions about your flood insurance policy rating, contact your agent or insurance company. To learn more about your flood risk, please visit FloodSmart.gov/floodcosts. Mitigation discounts apply if there are approved flood vents and/or machinery & equipment is elevated appropriately.

ENDORSEMENT EFFECTIVE DATE: 10/01/2021 12:01 AM
ENDORSEMENT PREMIUM: \$0.00
CHANGES APPLIED TO:
FIRST MORTGAGEE

COMPONENTS OF TOTAL AMOUNT DUE

BUILDING PREMIUM:	\$339.00
CONTENTS PREMIUM:	\$0.00
INCREASED COST OF COMPLIANCE (ICC) PREMIUM:	\$0.00
MITIGATION DISCOUNT:	(\$7.00)
COMMUNITY RATING SYSTEM REDUCTION:	(\$0.00)
FULL RISK PREMIUM:	\$332.00
ANNUAL INCREASE CAP DISCOUNT:	(\$0.00)
NEWLY MAPPED DISCOUNT:	(\$44.00)
DISCOUNTED PREMIUM:	\$288.00
RESERVE FUND ASSESSMENT:	\$52.00
HFIAA SURCHARGE:	\$250.00
FEDERAL POLICY FEE:	\$47.00
PROBATION SURCHARGE:	\$0.00
TOTAL ANNUAL PREMIUM:	\$637.00
PRORATA PREMIUM ADJUSTMENT:	\$0.00
ADJUSTED ANNUAL PREMIUM:	\$637.00

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IN WITNESS WHEREOF, I have signed this policy below and hereby enter into this Insurance Agreement

28480 Risk Rating 2.0 +4 built 2019

Property Description

Home Phone:

Work Phone:

Cell Phone:

Email:

Phone Number: (803) 865-4297

Producer Code: 107599

Email: LISA@CHOICEFLOODINSURANCE.COM

Flood Zone and Community Information

CommunityName: WRIGHTSVILLE BEACH, TOWN OF

Current Flood Zone: AE

Community Number: 375361

Map Panel Suffix: K

Map Panel: 3166

FIRM Date: 06/12/1970

Program Status: Active and participating

County: NEW HANOVER

Occupancy Information

Occupancy Type: Single-Family Home

Foundation Information

Foundation: Elevated with enclosure on posts, piles or piers

Available Options

Rate Method	Premium	Building Coverage	Contents Coverage	Deductibles
Rating Engine	\$1,064.00	\$250,000.00	\$0.00	1250 / 0
Rating Engine	\$1,058.00	\$250,000.00	\$0.00	2000 / 0
Rating Engine	\$1,029.00	\$250,000.00	\$0.00	5000 / 0
Rating Engine	\$983.00	\$250,000.00	\$0.00	10000 / 0

Choice Flood
Insurance

Rate Comparison

- Date of Construction 1986
- VE Flood Zone
- Slab
- 3 floors
- Premium \$474 full coverage \$5K deductible
- RCV \$395,593
- Premium \$893 full coverage \$5K deductible

GLIDE PATH



Discounts offered

- Mitigation Discounts up to 5%
 - Proper Flood Openings
 - Appliances located first floor or above
 - Mechanical Equipment above the first floor (full story)
 - Calculated then subtract Policy Expense Constant & Loss Constant
- Newly Mapped (mitigation discount)
- CRS Discount (Less Mitigation discount)
- Deductibles



Overall impacts

- Coastal A-Zones (LIMWA). Now factored in rating
 - Affected by 1.5 to 3 foot wave
 - Shown on New Maps
- Severe Repetitive Loss Properties
 - Rate reprieve until next claim is filed
 - Once claim is filed: 20 years rolling period for evaluation



QUESTIONS?

Thank you for joining us

*We look forward to continuing
the conversation with you*

Choice Flood Insurance LLC

*Lisa Sharrard, CFM, ANFI, CPM
Insurance Agent*

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Writing Flood Insurance Nationwide

