



# **Federal Legislative Update Regarding the National Flood Insurance Program and Related Topics**

Senate Banking and Insurance Committee  
December 10, 2013

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# Federal Legislative Update

- Over a dozen bills have been introduced in the House and Senate specifically addressing Biggert-Waters (BW-12) implementation and rate increases.
- The majority of bills have not seen any action.
- On November 19, 2013, the Housing and Insurance Subcommittee of the House Committee on Financial Services held a hearing on the implementation of BW-12.



# Selected Bills With Provisions to Delay BW-12 Rate Increases

- Department of Homeland Security Appropriations Act 2014 (H.R. 2217)
  - Prohibits appropriations for carrying out Section 100207 of BW-12. Delays implementation of 100207 for one year.
- Homeowners Flood Insurance Relief Act of 2013 (H.R. 3312)
  - Requires BW-12 rate increases be phased in over 10 years at 10% annually. Premiums collected in excess of this rating shall be refunded.

# Selected Bills With Provisions to Delay BW-12 Rate Increases (cont.)

- H.R. 3380
  - Prohibits rate increases (in effect as of September 30, 2013) until FEMA updates all flood maps pursuant to Section 100216 of BW-12.
- Keeping Flood Insurance Affordable Act of 2013 (H.R. 3511)
  - Prohibits rate increases for certain non-primary residences and certain business properties until FEMA addresses flood mapping and affordability concerns.

# Selected Bills With Provisions to Delay BW-12 Rate Increases (cont.)

- Homeowner Flood Insurance Affordability Act of 2013 (H.R. 3370) and (S. 1610)
  - Prohibits rate increases for certain properties pursuant to provisions of Sections 100205 and 100207 of BW-12, while restoring pre-FIRM subsidies for applicable properties.



# Flood Insurance Related Topics

- Informational Memorandum OIR-13-03M
  - Florida Office of Insurance Regulation issued the memorandum on October 28, 2013 to property insurers.
- Homeowners Choice Property & Casualty Insurance Company, Inc.
  - Admitted property insurer approved to offer flood insurance coverage in Florida.
- Underwriters at Lloyds
  - Flood program currently being offered in Florida.



# Informational Memorandum OIR-13-03M

- Issued to property insurers exploring the feasibility of writing primary flood insurance coverage in Florida.
- Provides suggestions for insurers considering entering the flood insurance business and serves as a means to facilitate the filing process.
- Reflects the Office's initial review of Federal and State legal requirements that may apply to the issuance of private flood coverage.

# Informational Memorandum OIR-13-03M (cont.)

- Recognition of financial capacity.
- Options for developing rates for primary flood coverage.
- Options for developing forms for primary flood coverage.





# Homeowners Choice Property & Casualty Insurance Company

- Homeowners Choice has filings approved to begin offering flood insurance coverage as an endorsement to its homeowners insurance policy. The effective date of the program is January 1, 2014.
- Rates are based on the National Flood Insurance Program (NFIP) rates in effect prior to October 1, 2013.
- Forms are based on NFIP policy with revisions to incorporate requirements in Florida law.



# Underwriters at Lloyd's, London

- Insurer began writing flood insurance policies in November 2013.
- Coverage is identical to the NFIP policy.
- Simplified rate structure with rates 20-25% less than NFIP rate.



# Questions?

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