

**Independent Insurance Agents & Brokers of Louisiana**  
**9818 Bluebonnet Boulevard**  
**Baton Rouge, Louisiana 70810**  
**[www.IIABL.com](http://www.IIABL.com)**  
**(225) 819-8007**

**Technical Advisory**

**TA 312**

**April 4, 2014**

**Subject:** FEMA Overview of the Homeowner Flood Insurance Affordability Act of 2014

**Background:** FEMA issued the following Congressional Advisory and Overview of the Homeowner Flood Insurance Affordability Act of 2014. On March 21, 2014, President Obama signed the Homeowner Flood Insurance Affordability Act of 2014 into law. This law repeals and modifies certain provisions of the Biggert-Waters Flood Insurance Reform Act, which was enacted in 2012, and makes additional program changes to other aspects of the National Flood Insurance Program (NFIP) not covered by that Act. Many provisions of the Biggert-Waters Flood Insurance Reform Act remain and are still being implemented.

**[Please click on this link for the FEMA Overview which provides further details about this law.](#)**

**Main Points:** While FEMA actively works to implement the new law, we encourage policyholders to maintain and keep current flood insurance policies. FEMA does NOT recommend cancelling a flood insurance policy. Cancelling flood insurance policies now will leave policyholders unprotected during spring flooding and may cause policyholders to lose important discounts on their rate if they reinstate in the future.

- The new law lowers the recent rate increases on some policies, prevents some future rate increases, and implements a surcharge on all policyholders. The Act also repeals certain rate increases that have already gone into effect and provides for refunds to those policyholders. The Act also authorizes additional resources for the National Academy of Sciences to complete the affordability study.
- FEMA looks forward to working with Congress, the private Write Your Own insurance companies, and other stakeholders to implement these Congressionally mandated reforms and to working toward our shared goals of helping families maintain affordable flood insurance, ensuring the financial stability of the NFIP, and reducing the risks and consequences of flooding nationwide. FEMA will also continue to identify and publish special flood hazards and flood risk zones as authorized and required by Congress.
- FEMA has actively begun analyzing and prioritizing implementation of the new law. We will be working with the private Write Your Own insurance companies in the next few weeks to seek their input and expertise prior to issuing business practice bulletins.

- It will take some time to implement these changes. While the new law does require some changes to be made retroactively, applying to certain policies written after July 6, 2012, other changes require establishment of new programs, processes and procedures.
- FEMA's initial priority is assessing potential changes to the NFIP's business processes to stop policy increases for certain subsidized policyholders as outlined in the Act.
- FEMA also plans to issue guidance in the months ahead for the Write Your Own insurance companies to begin issuing refunds as outlined in the law for some policyholders who were previously impacted by subsidy phase outs.

More information on the new law and its impacts on the NFIP will be forthcoming.

**Necessary Action:** Please circulate this Technical Advisory to all agency personnel involved in flood insurance procurement.

**Please note that this Technical Advisory is intended to be educational and is not legal advice upon which you should rely. Please seek any legal opinion you may need from a qualified attorney.**