

NATIONAL FLOOD INSURANCE PROGRAM

Summary of Rate and Rule Changes

Effective May 1, 2008



Premiums will increase an average of 8% for policies written or renewed on or after May 1, 2008. This premium increase varies by zone as described below.



V Zones (coastal high-velocity zones)

Larger rate increases are being implemented again this year as a result of the Heinz Center's Erosion Zone Study, which clearly indicates that current rates significantly underestimate the increasing hazard from steadily eroding coastlines.

- **Post-FIRM V Zones:** Premiums will increase 10%.
- **Pre-FIRM V Zones:** Premiums will increase 10%.



A Zones (non-velocity zones, which are primarily riverine zones)

There will be increases that will keep Post-FIRM rates at actuarial levels and that will slightly decrease the amount of subsidy in Pre-FIRM rates.

- **Post-FIRM A1-A30 and AE Zones:** Premiums will increase 6% as per the NFIP's actuarial rate model.
- **Pre-FIRM AE Zones:** Premiums will increase 9%.
- **AO and AH Zones:** Premiums will increase 10%.
- **AOB and AHB Zones** (shallow flooding zones): Premiums will increase 6%.
- **Unnumbered A Zones** (remote A Zones where elevations have not been determined): Premiums will increase 8%.
- **A99 Zones** (approved flood mitigation projects, e.g., levees still in the course of construction): Premiums will increase 10%.
- **AR Zones:** Premiums will increase 10%.

X Zones (zones outside the Special Flood Hazard Area)

Standard Risk Policy: Premiums will increase 10%. **Please contact your Harleysville flood team representative for a complete list of your standard B,C or X policies. If eligible, upon your request, we will convert these to a Preferred Rate.**

Preferred Risk Policy (PRP): Premiums will increase 8%. **More Non-residential coverage options are available, and building coverage is extended to Other Residential buildings.**

Miscellaneous Items

- **Community Rating System (CRS) Discount:** Eliminated for structures where lowest floor elevation used for rating is at least 1 foot or more below the Base Flood Elevation with the exception of Post-FIRM V-Zone buildings with unfinished enclosures of 300 square feet or more that have breakaway walls. Inclusion of these V-Zone buildings will be considered at a later date following completion of an NFIP analysis. **Please contact your Harleysville flood team representative for a complete list of policies in your agency affected by this change.**
- **Federal Policy Fee:** Increased from \$30 to \$35.
- **Increased Cost of Compliance:** Premium will increase from \$1 to \$6 for PRP policyholders.
- **Mortgage Portfolio Protection Program (MPPP):** Premiums will increase about 15%.
- **Flood Insurance Application, PRP Application, and General Change Endorsement:** Eliminate the Social Security Number and indicate when coverage is a lender requirement without a waiting period.
- **Preferred Risk Policy:** Eligibility re-certification required at renewal when there has been a map change during the policy term that may affect the insured property.
- **New Risk Rating Method:** Developed for FEMA Special Rates not provided in the Specific Rating Guidelines.