



# We Want to Hear From You

On October 1, 2013, the **2012 Biggert-Waters Flood Insurance Reform Act** went into effect. *This new law might cause the flood insurance rates of over 268,000 homeowners in Florida to increase, including over 300 property owners in Cutler Bay.* Residents that have older homes or non-elevated structures have a higher level of flood risk and will face the greatest impact.

The Town of Cutler Bay seeks to implement a Flood Mitigation Plan with hopes of reducing the flood insurance rates of residents in Cutler Bay. Property owners that currently are required to have flood insurance, have experienced property loss/damage due to flood, or simply want to learn more about what the Town is doing to protect their property are encouraged to attend one or both of the meeting listed below. **Your input is important to us.**

### **Flood Mitigation Advisory Committee Meeting**

When: Thursday, October 24, 2013

Time: 5:30 pm – 6:30 pm

Location: Town Hall Council Chambers 10720 Caribbean Blvd.

### **Public Meeting to Discuss 2012 Biggert-Waters Flood Insurance Reform Act**

When: Thursday, October 24, 2013

Time: 6:30 pm – 8:30 pm

Location: Town Hall Council Chambers 10720 Caribbean Blvd.

For more information, please contact Sandra Cuervo, CFM Building & Code Compliance Division Manager, Department of Community Development at 305-234-4262 or visit the Town's website at [www.cutlerbay-fl.gov](http://www.cutlerbay-fl.gov).



On July 6, 2012 the President signed into law the Surface Transportation Bill (H.R. 4348), which included the Biggert-Waters Flood Insurance Reform Act 2012. The Act re-authorizes the National Flood Insurance Program (NFIP) through 2017.

The intent of the Biggert-Waters Act:

- (a) Is to make the NFIP more financially stable.
- (b) Increase flood insurance rates on certain classes of property to reflect true flood risk.
- (c) Increase rates for certain properties within a revised or updated map area to accurately reflect the flood risk.

Buying or selling a property, or allowing a policy to lapse may trigger rate changes. Subsidized rates for non-primary residences are being phased out now.

When a community adopts a new flood map, discount like grandfathering will be phased out (20% per year for five years) – meaning premiums will increase over time. Implementation Period – 2014.

Owners of subsidized **non-primary residences** in a Special Flood Hazard Area (SFHA) will see **25% increase annually** until rates reflect true risk. Implementation Period – January 1, 2013

Owners of subsidized property that has experienced severe repetitive flood losses or that has incurred flood cumulative damage with flood insurance payments exceeding the value of the structure will see 25% rate increase annually until rates reflect true risk. Implementation Period - 2013.

Owners of subsidized business properties in a SFHA will see 25% rate increase annually until rates reflect true risk. Implementation Period - 2013.

Owner of substantially damaged or substantially improved subsidized property will see 25% rate increase.

Owners of primary residences in SFHA will be able to keep their subsidized rates unless or until:

- (a) Owner sell the property (new rates will be charged to next owner if they insure);
- (b) Owner allow the policy to lapse;
- (c) Owner suffer severe, repeated flood losses; or
- (d) Owner purchase a new policy (after July 6, 2012)

How FEMA help communities lower flood risk and flood insurance premiums:

- (a) Community Rating System Program (Town of Cutler Bay – Rating #6 = 20% Discount for flood insurance policies in the SFHA).
- (b) Various mitigations grants
- (c) Technical advice on building and rebuilding to mitigate future flood damage

**Contacts:**

- Janice Mitchell, FEMA Region IV Insurance Specialist (770)-220-5441- [Janice.mitchell@fema.dhs.gov](mailto:Janice.mitchell@fema.dhs.gov)
- Yenier Vega, Stormwater Utility Manager – Town of Cutler Bay Public Works Department (305) 234-4262 – [yvega@cutlerbay-fl.gov](mailto:yvega@cutlerbay-fl.gov)


# BW-12 QUICK REFERENCE GUIDE



FEMA



## Subsidized Pre-FIRM Buildings in Special Flood Hazard Areas (SFHAs)

	Pre-FIRM Primary or Non-primary Residence or Business	Pre-FIRM Residence or Business With a Lapsed Policy	Pre-FIRM Primary Residence	Pre-FIRM Non-primary Residence	Pre-FIRM Severe Repetitive Loss or Cumulative Payments Exceeding Fair Market Value	Pre-FIRM Business**
<b>Policy Effective Date</b>	Policy first in effect <i>on or after</i> July 6, 2012*	Policy reinstated <i>on or after</i> October 4, 2012	Policy in effect <i>before</i> July 6, 2012	Policy in effect <i>before</i> July 6, 2012	Policy in effect <i>before</i> July 6, 2012	Policy in effect <i>before</i> July 6, 2012
<b>Premium Change (when and how)</b>	<b>October 1, 2013:</b> <ul style="list-style-type: none"> <li>Immediate shift to full-risk rates</li> <li>Tentative rates available for 1 year</li> <li>Elevation Certificate required</li> </ul>	<b>October 1, 2013:</b> <ul style="list-style-type: none"> <li>Immediate shift to full-risk rate</li> <li>Tentative rates available for 1 year</li> <li>Elevation Certificate required</li> </ul>	<b>October 1, 2013:</b> Average increases of 16-17 percent increases within the 20 percent cap authorized by law	<b>January 1, 2013:</b> <ul style="list-style-type: none"> <li>25 percent premium increase at renewal</li> <li>Elevation Certificate needed to determine full-risk rate</li> </ul>	<b>October 1, 2013:</b> <ul style="list-style-type: none"> <li>25 percent premium increase at renewal</li> <li>Elevation Certificate needed to determine full-risk rate</li> </ul>	<b>October 1, 2013:</b> <ul style="list-style-type: none"> <li>25 percent premium increase at renewal</li> <li>Elevation Certificate needed to determine full-risk rate</li> </ul>
	<b>Future:</b> Increases based on actuarial analysis and the Reserve Fund	<b>Future:</b> Increases based on actuarial analysis and the Reserve Fund	<b>Future:</b> Increases based on actuarial analysis and the Reserve Fund	<b>Future:</b> 25 percent annual increases until full-risk rates are reached	<b>Future:</b> 25 percent annual increases until full-risk rates are reached	<b>Future:</b> 25 percent annual increase until full-risk rates are reached
<b>All Pre-FIRM Buildings</b>						
<b>Map Changes</b>	FEMA is still analyzing the impacts section 100207 of BW-12 will have on rates other than pre-FIRM subsidized premiums upon the effective date of a new, revised, or updated FIRM.  For now, grandfathering and the Preferred Risk Policy Eligibility Extension remain cost-saving options for policyholders when maps are updated.					

\* Assignment of an NFIP policy is allowed. However, the assignment of an NFIP policy from a seller to a buyer occurring on or after July 6, 2012, could require re-rating and an Elevation Certificate for the buyer if it is currently rated with a subsidized rate (e.g., not a standard Zone X or PRP rate).

\*\* BW-12 calls for increases to business properties. Businesses are included in a larger group of non-residential properties. Consequently, all subsidized pre-FIRM policies for non-residential properties will see the same increase upon purchase or renewal on or after October 1, 2013.

# Town of Cutler Bay FEMA Flood Zone Map



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	FEMA Panels		AE-8
	AE-7		AH-9
	AE-8		VE-14
	AE-9		VE-15
	AE-10		VE-16
	AE-11		VE-17
	AE-12		VE-18
	AE-13		X
	AH-7		

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