



INFORMATIONAL LETTER

Dear Property Owner:

On July 6, 2012, the U.S. Congress passed the Biggert Waters Flood Insurance Reform Act of 2012. The Act calls on the Federal Emergency Management Agency (FEMA) and other agencies to make a number of changes to the way the National Flood Insurance Program (NFIP) is run. Some of these changes have already been put in place, and others will be implemented in the coming months. Key provisions of the legislation will require the NFIP to raise rates to reflect true flood risk, make the program more financially stable, and change how Flood Insurance Rate Map (FIRM) updates impact policyholders. The changes will mean premium rate increase for some – but not all – policyholders over time.

The new law encourages Program financial stability by eliminating some artificially low rates and discounts. Most flood insurance rates will now move to reflect full risk, and flood insurance rates will rise on some policies. Actions such as buying a property, allowing a policy to lapse, or purchasing a new policy can trigger rate changes. Fortunately, there are some actions you can take to minimize the effect of these increases.

Whether or not your rates increase, it may be possible to lower your flood insurance costs. You should talk to your insurance agent about specific insurance options available to you. Attached is a Fact Sheet, *Important Questions for Your Insurance Agent*, which you may find useful when you meet with your agent. Make sure you discuss deductibles, content coverage and structural coverage, and ask for an estimate for all of the options.

Your agent may recommend obtaining and *elevation certificate*. The elevation certificate is an important document used to determine the correct rating for your structure. A licensed surveyor or registered engineer will collect elevation data on your specific structure, which can be used to re-rate the policy. More information is available in the attached Fact Sheet, *Homeowner's Guide to Elevation Certificates*.

Additionally, elevating, rebuilding or altering your structure can lower flood risk and may reduce premiums. This includes building or rebuilding structures to higher elevations, adding flood vents, or filling in lower levels of a structure. Projects such as these require local permits, but may result in lower insurance premiums, or possibly removal from the floodplain. These types of projects should be discussed with the local Building Official. Please contact Ron Wheatley at 989-777-0940 ext. 215 if you are considering altering your structure.

Ron Wheatley
Building Official/Administrator
Bridgeport Charter Township

Enclosures: