



Mayor's Monthly Newsletter

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Good News On The Flood Insurance Front

Last month, both houses of Congress passed H.R.3370 - The Homeowner Flood Insurance Affordability Act of 2013, and the bill was signed into law. This legislation "permanently" amends the Biggert-Waters Act (hereafter B-W) to reduce its massive premium increases, and provide homeowners relief from other burdensome aspects of the legislation. Flood insurance rates will increase over time, but at a much slower rate than they would have under B-W. Support for the bill was broadly bipartisan with Congressman John Culberson co-sponsoring the legislation in the House. In the Senate, Ted Cruz voted for the bill while John Culberson opposed it. I want to thank those of you who joined me in contacting our elected officials to request passage of this legislation. Flood insurance has been the topic of several of my past newsletters, and I hope passage of this legislation will make this the last time I write about it.

It is important to note that H.B.3370 is not a reset to pre-Biggert-Waters policies, but most of you who have been hit with hefty premium increases will see some relief. The original intent of B-W was to restore solvency to a program bankrupted by major storms over the past few years. This was to be achieved through draconian rate increases levied on properties in flood prone areas. The new legislation includes rate increases, albeit at a much slower pace. Some key aspects of this bill:

- Removal of the premium increases that were calculated on Base Flood Elevation as previously mentioned - the big increases some of you saw over the past year
- Annual rate increases are capped at 15% (pre-B-W the average was 10% so this is an increase, but much less than implemented in B-W)
- Reinstatement of "Grandfathering" - meaning that properties built after the implementation of Flood Insurance Rate Maps (FIRM) will have protection from spikes in rates due to new mapping
- "Grandfathering" stays with the property if it is sold - protecting the buyer from increases due solely to the sale of the property - the new purchaser is treated the same as the current property owner
- Refunds due to policyholders who purchased pre-FIRM homes after implementation of B-W and were subsequently charged higher rates
- Annual Surcharges - the legislation applies an annual surcharge of \$25 for primary residences and \$250 for second homes and businesses

There are many more aspects to the bill depending on the circumstances such as the individual property's flood history, your recent rate increases and how they were calculated, etc., and I encourage you to contact your insurance carrier for the specific impact on your policy.

In our political system, nothing is "permanent". Our National Flood Insurance Program is still bankrupt and this legislation will not return it to solvency. To that end, it is my intent for the city to continue to pursue premium reductions for residential properties through the Community Rating System program, and to push for updates to the FIRM maps that reflect the significant improvements to local drainage resulting from upgrades to the bayous and detention ponds that city staff believes will reduce the number of properties in Jersey Village requiring flood insurance.

In closing, city elections are coming up with early voting starting April 28th and Election Day being May 10th, please take the time to go by city hall and cast your ballot.

Until next month.

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