

Biggert-Waters Flood Insurance Reform Act of 2012 (BW12) Timeline

Date of Implementation	Who Is Affected	What Will Happen	Why Is It Changing
January 1, 2013	<ul style="list-style-type: none"> Homeowners with subsidized insurance rates on non-primary residences Properties receiving subsidized insurance rates are those structures built prior to the first Flood Insurance Rate Map (pre-FIRM properties) that have not been substantially damaged or improved. 	<ul style="list-style-type: none"> 25 percent increase in premium rates each year until premiums reflect full risk rates 	<ul style="list-style-type: none"> BW 12 calls for the phase-out of subsidies and discounts on flood insurance premiums. This premium increase is outlined in Section 100205. The phase out of subsidies affecting non-primary residences was also mandated by earlier 2012 legislation, HR 5740.
October 1, 2013	<ul style="list-style-type: none"> Owners of business properties with subsidized premiums Owners of severe repetitive loss properties consisting of 1-4 residences with subsidized premiums. Owners of any property that has incurred flood-related damage in which the cumulative amounts of claims payments exceeded the fair market value of such property. 	<ul style="list-style-type: none"> 25 percent increase in premium rates each year until premiums reflect full risk rates 	<ul style="list-style-type: none"> BW 12 calls for the phase-out of subsidies and discounts on flood insurance premiums. These premium increases are outlined in Section 100205.
October 1, 2013 cont.	<p>Owners of property</p> <ul style="list-style-type: none"> not insured as of the date of enactment of BW 12 (subject to a possible exception in Section 100207 of BW 12); with a lapsed NFIP policy; that has been purchased after the date of enactment of BW 12. 	<ul style="list-style-type: none"> Full-risk rates will apply to these policies 	<ul style="list-style-type: none"> BW 12 calls for the phase-out of subsidies and discounts on flood insurance premiums. These premium increases are outlined in Section 100205.
Late 2014	<ul style="list-style-type: none"> Other property owners, including non-subsidized policyholders, affected by map changes 	<ul style="list-style-type: none"> Full-risk rates will be phased in over five years at a rate of 20 percent per year to reach full risk rates. 	<ul style="list-style-type: none"> BW 12 calls for the phase-out of subsidies and discounts on flood insurance premiums. These premium increases are outlined in Section 100207.