

CASUALTY ISSUES

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FEMA to Stagger Rollout of New Flood Insurance Rates

The Federal Emergency Management Agency informed insurers this week that it plans to defer the implementation of new flood insurance rates through the National Flood Insurance Program's (NFIP) [Risk Rating 2.0](#) initiative. The Risk Rating 2.0 initiative aims to change the NFIP's risk rating system to provide insurance rates that are "fairer" to consumers, easier to understand and unique to a given property's flood risk. It seeks to do this through utilization of best practices and technology used in the insurance industry. Risk Rating 2.0 was expected to go into effect Oct. 1, 2020. FEMA now plans to apply new rates to new customers starting Oct. 1, 2021 and for existing customers starting Apr. 1, 2022. The implementation timeline had raised concern from some because of a perceived lack of readiness and information provided to policyholders about the impending change.

If you have any questions regarding this *Academy Alert*, please contact Devin Boerm, deputy director of public policy, (boerm@actuary.org, 202-785-7880).

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