



FEMA

W-04095

November 24, 2004

MEMORANDUM TO: Write Your Own (WYO) Insurance Companies and  
NFIP Servicing Agent

A handwritten signature in black ink that reads "Charles M. Plaxico, Jr." with a stylized flourish at the end.

FROM: Charles M. Plaxico, Jr., Chief  
Risk Insurance Branch  
Mitigation Division

SUBJECT: Residential Condominium Building Association Policy  
(RCBAP) Inspection Program

The purpose of this memorandum is to inform the WYO Companies and the NFIP Servicing Agent of the status and progress of the NFIP Condominium Inspection Program, and what actions are required by the writing company to resolve the discrepancy found during the inspection.

Insurance Services Office, the FEMA inspection contractor, has completed the inspection of high-rise buildings in the states of California, Louisiana, Maryland, New Jersey, North Carolina, South Carolina, Texas, and Virginia. Inspections are scheduled for approximately 7,200 high-rise buildings insured under the RCBAP in Connecticut, Florida (beginning with Broward, Dade, and Collier Counties), Massachusetts, and New York. These buildings are elevation rated in special flood hazard areas. Only high-rise condominium buildings that were not previously inspected will be part of this inspection.

All policies inspected to date will be listed on each WYO Company's File Transfer Protocol (FTP) site at **bureau.nfipstat.com**. The first reports will be posted on December 15, 2004.

**Attached are Condominium Inspection Procedures, Underwriting Appeal Procedures, and Work Flow Charts.**

If you have any questions, please contact your WYO Program Coordinator.

Attachments

cc: Vendors, IBHS, FIPNC, WYO Standards, WYO Marketing Committee, Government Technical Monitor

Suggested Routing: Data Processing, Marketing, Underwriting

## **CONDOMINIUM INSPECTION PROCEDURES FOR WYO COMPANIES AND NFIP SERVICING AGENT**

The following information will be found at [bureau.nfipstat.com](http://bureau.nfipstat.com):

### **Reports:**

- The Discrepancy Notification Report (W2CIPNOT) will be posted by the 15<sup>th</sup> of each month. The report contains any policies that have been identified with a discrepancy between the information reported through TRRP and the inspection data. The Discrepancy Report will be located in the “Report” Folder on the FTP site. This non-cumulative report will be sorted in ascending order by Required Response Date, Policy Expiration Date, and Policy Number. If there is no data for the reporting month, a message on the FTP site will indicate “No Report.”
- The Appeal/Response Status Report (W2CIPRES) will be posted monthly, beginning January 15. This report will provide the BSA Underwriting response for any submitted appeal by a WYO company. This report is not cumulative, and will only reflect the decisions made by the BSA Underwriting Unit for the current month. If there is no data for the reporting month, a message on the FTP site will indicate “No Report.”
- The Historical Appeal/Response Status Report (W2CIPHIS) will be posted by the 15<sup>th</sup> of each month, beginning January 15. This report will reflect the history for all policies with discrepancies. If there is no data for the reporting month, a message on the FTP site will indicate “No Report.”

### **Data:**

- The “CondoInsp” folder will contain a FEMA Elevation Certificate, photographs of the risk, and a flood zone determination for each policy with a discrepancy. These documents will be posted monthly, beginning December 15.

It is important to note that the Reports and Data Files will be available on the FTP site with your normal monthly reports. Each WYO Company must download and save these files monthly, so that the information will be available to the company as needed.

WYO Companies are required to review each policy with a discrepancy and to correct the rating of the policy at renewal or to successfully appeal with the BSA Underwriting Unit. If there is a discrepancy found on a RCBAP, and the expiration date is more than 5 months from the discrepancy identification date, the issues(s) must be addressed at the upcoming renewal. For any policy with an expiration date that is within 5 months of the Discrepancy Notification Date, the WYO Company may postpone rating corrections until the subsequent renewal. The Required Response Date and the Renewal Year by which actions must be taken, and as described below, are set according to this 5-month rule.

Any policy identified with a discrepancy that has not been corrected, or successfully appealed, will be assigned a critical TRRP error. This error will appear on the Ineligible/Invalid Report (W2RPINVD) with error code PL004140 (condo inspection procedure policy ineligible for new business and renewal). Ineligible/Invalid errors have no tolerance for Data Submission Monitoring purposes.

If a policy for an inspected property is written with another WYO Company and continues to be incorrectly rated, the policy will also be assigned error code PL004140.

All WYO Companies must notify the NFIP Bureau and Statistical Agent (BSA) Underwriters about the status of corrections or appeals prior to the first day of the month prior to the policy's expiration date. This is the Required Response Date that appears on the W2CIPNOT report. This response can be sent via e-mail to [condoinsp@nfipstat.com](mailto:condoinsp@nfipstat.com), faxed to 301-918-1471, or mailed to the NFIP BSA Underwriting Unit, at P. O. Box 310, Lanham, MD 20706.

Failure to notify the BSA Underwriting Unit of your intended actions for the policy prior to the Required Response Date, or not appealing discrepancies prior to renewal, or not correcting discrepancies upon renewal will result in the assignment of the TRRP error code PL004140.

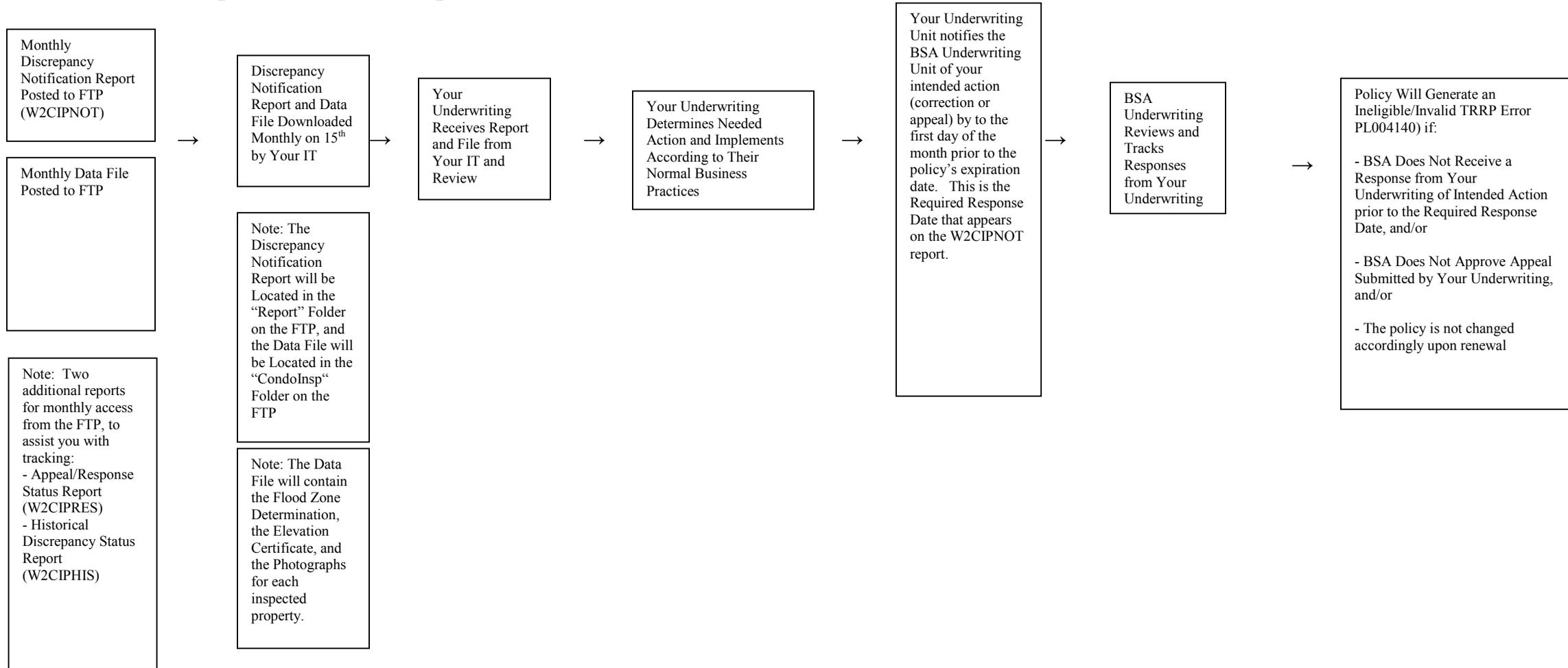
**CONDOMINIUM INSPECTION PROGRAM  
UNDERWRITING APPEAL PROCESS FOR WYO COMPANIES AND  
NFIP SERVICING AGENT**

Appeals are to be mailed to the NFIP BSA Underwriting Unit, P.O. Box 310, Lanham, MD 20706, faxed to 301-918-1471, or emailed to [condoinsp@nfipstat.com](mailto:condoinsp@nfipstat.com).

1. If you agree with the inspection findings and will be correcting the policy, notify the NFIP BSA Underwriting Unit by the first day of the month prior to the policy's expiration date.
2. If you disagree with the inspection findings, notify the NFIP BSA Underwriting Unit by the first day of the month prior to the policy's expiration date. This is the Required Response Date that appears on the W2CIPNOT report.
3. Written documentation must be provided for the discrepancy that is being appealed.
4. To appeal a flood zone, community number, map panel, or base flood elevation you must provide either a legible copy of the original FIRM with the property location marked, a community official's statement, or original Elevation Certificate.
5. To appeal the number of condo units, submit supporting documentation, such as a written statement from the agent or insured.
6. The appeal for all other discrepancies must include proper written documentation to support the appeal.
7. The BSA Underwriters must approve all appeals.
8. Responses to submitted appeals can be found on the W2CIPRES and/or W2CIPHIS reports.
9. FEMA will monitor the process.

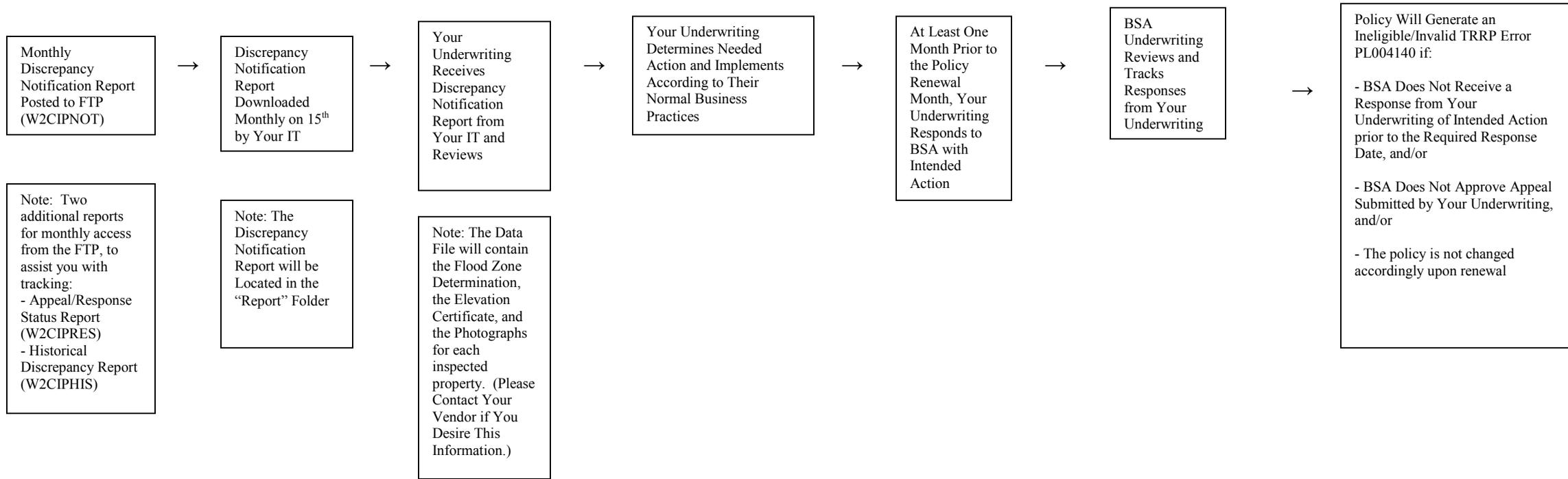
# Condominium Inspection Program Flow Chart

## Process for Independent WYO Companies & Vendors



# Condominium Inspection Program Flow Chart

## Process for Non-Independent WYO Companies



# Condominium Inspection Program Sample Timeline of Monthly Processing for WYO Companies and Vendors

**Timeline for Inspection Data posted on the FTP site on December 15, 2004, for policies expiring in June 2005**  
(The timeline for future notifications and expiration dates can be extrapolated from this timeline.)

