



FEMA

W-08087a

October 27, 2008

MEMORANDUM TO: Write Your Own (WYO) Company Principal Coordinators,
Vendors, and NFIP Servicing Agent

A handwritten signature in black ink that reads "Edward L. Connor".

FROM: Edward L. Connor
Acting Federal Insurance Administrator
National Flood Insurance Program

SUBJECT: Updated – Extended Eligibility for Preferred Risk Policies
in the City of San Mateo, CA, Community No. **060328**

Prior to the remapping of the City of San Mateo in October 2001, approximately 1,000 property owners in that community purchased Preferred Risk Policies (PRPs) to take advantage of the low-cost policy before the revised Flood Insurance Rate Map (FIRM) became effective. The revised FIRM placed these properties in a Special Flood Hazard Area (SFHA), where they were no longer eligible for a PRP once the new FIRM went into effect, and the NFIP map grandfathering rules do not apply to the PRP. However, these properties were allowed to renew as PRPs for several years, instead of being rewritten as standard X-Zone rated policies after their initial policy year.

In May 2008, many property owners received notification from their insurance companies that their PRP flood policies could no longer be renewed as PRPs, but must be rewritten to standard X-Zone policies if they wanted their flood insurance to continue. These property owners were surprised to learn that their PRPs could not be grandfathered after being allowed to renew their PRPs for several years. Based on information received at a community meeting in 2001, they mistakenly believed that their property would be grandfathered continuously if they purchased a PRP before the effective date of the new FIRM.

In order to ease the transition for the policyholders who purchased a PRP before the October 2001 map revision, FEMA has determined that any of these misrated policies renewing before May 1, 2009, will be allowed one additional year of rating as a PRP before they must be rewritten as standard X-Zone policies. In addition, WYO Companies must cancel and rewrite standard policies in the City of San Mateo that were re-underwritten from PRP to standard X-Zone policies effective on or after May 1, 2008. These policies also are eligible for the one additional year of rating as a PRP before they must be rewritten as standard X-Zone policies. Please note that this determination involves only a limited number of WYO Companies, who will be provided with a listing of the affected policies.

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We recognize that this is an additional effort on the part of the companies to implement this new processing requirement as soon as possible. If you have any questions concerning this memorandum, please contact your Business Analyst. Once again, your cooperation and assistance in carrying out this requirement is appreciated.

cc: IBHS, FIPNC, Government Technical Representative

Required Routing: Data Processing, Underwriting, Marketing