



FEMA

W-12028

April 16, 2012

MEMORANDUM TO: Write Your Own (WYO) Principal Coordinators and the  
National Flood Insurance Program (NFIP) Servicing Agent

A handwritten signature in cursive script that reads "Jhun de la Cruz".

FROM: Jhun de la Cruz  
Chief, Underwriting Branch  
Risk Insurance Division

SUBJECT: Addendum to October 1, 2012, Program Changes

The purpose of this memorandum is to provide several updated pages for the October 1, 2012, Program Changes bulletin (W-12027) dated April 4, 2012. The additional changes and corrections are described below.

- Revised building and contents rates – The percentage increase for Post-FIRM V Zone rates is corrected from 6% to 8%. An updated summary page reflecting this revised percentage is attached, along with revised pages RATE 8 and CONDO 20.
- Pages PRP 5 and PRP 6 have been corrected to reflect the October 1, 2012, effective date in the table headers.
- TRRP page 4-14A and Edit Specifications page 46-A have been added to clarify that for the Building Over Water data element, Mortgage Portfolio Protection Program (MPPP) policies are not allowed to report blanks for new business on or after October 1, 2012.

Please use these updated pages when processing your system changes effective October 1, 2012.

If you have any questions, please contact the iService Underwriting Department at [Underwriting@nfipiservice.com](mailto:Underwriting@nfipiservice.com).

Attachments

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Accounting, Claims, Data Processing, Marketing, Underwriting

National Flood Insurance Program  
October 1, 2012, Rate and Rule Changes: A Summary

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**Premium Increases**

Premiums will increase an average of 5% for policies written or renewed on or after October 1, 2012. The average premium change by zone varies as described below. The premium for a particular policy may change more or less than the average change.

- **V Zones** (coastal high-velocity zones)  
Rate increases are being implemented again this year as a result of the Heinz Center's Erosion Zone Study, which clearly indicates that current rates significantly underestimate the increasing hazard from steadily eroding coastlines.
  - *Post-FIRM V Zones*: Premiums will increase 8%.
  - *Pre-FIRM V Zones*: Premiums will increase 10%.
  
- **A Zones** (non-velocity zones, which are primarily riverine zones)
  - *Post-FIRM A1-A30 and AE Zones*: Premiums will increase 2%.
  - *Pre-FIRM AE Zones*: Premiums will increase 9% to decrease the amount of subsidy in our Pre-FIRM rate.
  - *AO, AH, AOB and AHB Zones* (shallow flooding zones): Premiums will increase 1%.
  - *Unnumbered A Zones* (remote A Zones where elevations have not been determined): Premiums will increase 2%.
  - *A99 Zones* (approved flood mitigation projects, e.g., levees still in the course of construction) and *AR Zones*: Premiums will increase 5%.
  
- **X Zones** (zones outside the Special Flood Hazard Area)
  - *Standard Risk Policy*: Premiums will increase 5%.
  - *Preferred Risk Policy (PRP)*: Premiums will increase 3%.
  
- **Mortgage Portfolio Protection Program (MPPP)**: Premiums will increase 10%.
  
- **Other**: Other than updates to Provisional rates, there are no additional changes (to Tentative Rates, ICC premiums, Federal Policy Fee, deductibles, etc.) that would affect the premium for an individual policy.

# REVISED

## TABLE 3F. REGULAR PROGRAM – POST-FIRM CONSTRUCTION RATES

ANNUAL RATES PER \$100 OF COVERAGE

### 1981 POST-FIRM V1-V30, VE ZONE RATES<sup>1,2</sup>

ELEVATION OF THE LOWEST FLOOR ABOVE OR BELOW BFE ADJUSTED FOR WAVE HEIGHT <sup>3</sup>	ELEVATED BUILDINGS WITH OBSTRUCTION <sup>4</sup>				
	CONTENTS		BUILDING		
	Residential	Non-Residential	Replacement Cost Ratio .75 or More <sup>5</sup>	Replacement Cost Ratio .50 to .74 <sup>5</sup>	Replacement Cost Ratio Under .50 <sup>5</sup>
+4 or more	.64	.64	1.77	2.35	3.49
+3	.68	.68	1.98	2.61	3.97
+2	.92	.92	2.31	3.01	4.29
+1	1.27	1.33	2.68	3.47	4.92
0	1.94	2.04	3.26	4.22	5.93
-1 <sup>6</sup>	2.66	2.81	4.15	5.37	7.47
-2 <sup>6</sup>	3.79	4.05	5.46	7.05	9.64
-3 <sup>6</sup>	4.95	5.26	6.18	7.86	10.38
-4 or below <sup>6</sup>	***	***	***	***	***

- 1 Policies for 1975 through 1981 Post-FIRM and Pre-FIRM buildings in zones VE and V1-V30 will be allowed to use the Post-'81 V-Zone rate table if the rates are more favorable to the insured. See instructions in this section for V-Zone Optional Rating.
- 2 Rates provided are only for elevated buildings, except those elevated on solid foundation walls. For buildings elevated on solid foundation walls, and for non-elevated buildings, follow the Submit-for-Rate procedures.
- 3 Wave height adjustment is not required in those cases where the FIRM indicates that the map includes wave height.
- 4 With Obstruction – The space below has an area of less than 300 square feet with breakaway solid walls or contains equipment below the BFE. If the space below has an area of 300 square feet or more, or if any portion of the space below the elevated floor is enclosed with non-breakaway walls, submit for rating. If the enclosure is at or above the BFE, use the “Free of Obstruction” rate table on the preceding page. The elevation of the bottom enclosure floor is the lowest floor for rating (LFE). See Elevated Buildings – Post-FIRM V-Zone Construction in this section for more details.
- 5 These percentages represent building replacement cost ratios, which are determined by dividing the amount of building coverage being purchased through the NFIP by the replacement cost. See the Replacement Cost Ratio subsection in this section for more details.
- 6 For buildings with obstruction, use Submit-for-Rate procedures if the enclosure below the lowest elevated floor of an elevated building, which is used for rating, is 1 or more feet below the BFE.

**\*\*\*SUBMIT FOR RATING**

### 1981 POST-FIRM UNNUMBERED V ZONE

<b>SUBMIT FOR RATING</b>
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**REVISED**

**TABLE 5B. RCBAP HIGH-RISE AND LOW-RISE CONDOMINIUM RATES**

**(Including Townhouse/Rowhouse)**

ANNUAL RATES PER \$100 OF COVERAGE

**1981 POST-FIRM V1-V30, VE ZONE RATES<sup>1,2</sup>  
ELEVATED BUILDINGS WITH OBSTRUCTION<sup>3</sup> BELOW THE  
BEAM SUPPORTING THE BUILDING'S LOWEST FLOOR**

<b>ELEVATION OF THE BOTTOM OF THE FLOOR BEAM OF THE LOWEST FLOOR ABOVE OR BELOW THE BFE ADJUSTED FOR WAVE HEIGHT AT BUILDING SITE<sup>4</sup></b>	<b>BUILDING RATE</b>	<b>CONTENTS RATE</b>
+4 or more	1.47	.64
+3	1.57	.68
+2	1.94	.92
+1	2.43	1.33
0	3.26	2.04
-1 <sup>5</sup>	4.15	2.81
-2 <sup>5</sup>	5.46	4.05
-3 <sup>5</sup>	6.18	5.26
- 4 or lower <sup>5</sup>	***	***

- 1 Policies for 1975 through 1981 Post-FIRM and Pre-FIRM buildings in zones VE and V1-V30 will be allowed to use the Post-'81 V-Zone rate table if the rates are more favorable to the insured. See instructions in the Rating section for V-Zone Optional Rating.
- 2 Rates provided are only for elevated buildings, except those elevated on solid perimeter foundation walls. For buildings elevated on solid perimeter foundation walls, and for non-elevated buildings, use the *Specific Rating Guidelines* document.
- 3 With Obstruction – The space below has an area of less than 300 square feet with breakaway solid walls or contains equipment below the BFE. If the space below has an area of 300 square feet or more, or if any portion of the space below the elevated floor is enclosed with non-breakaway walls, submit for rating. If the enclosure is at or above the BFE, use the “Free of Obstruction” rate table on the preceding page. The elevation of the bottom enclosure floor is the lowest floor for rating (LFE). See the Rating section for details.
- 4 Wave height adjustment is not required in those cases where the Flood Insurance Rate Map indicates that the map includes wave height.
- 5 For buildings with obstruction, use Submit-for-Rate procedures if the enclosure below the lowest elevated floor of an elevated building, which is used for rating, is 1 or more feet below the BFE.

**\*\*\*SUBMIT FOR RATING**

**TABLE 5C. RCBAP HIGH-RISE AND LOW-RISE BUILDING RATES**

**(Including Townhouse/Rowhouse)**

ANNUAL RATES PER \$100 OF COVERAGE

**1981 POST-FIRM V-ZONE RATES**

<b>SUBMIT FOR RATING</b>
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# REVISED

## PRP COVERAGE LIMITS AVAILABLE EFFECTIVE OCTOBER 1, 2012

### 1-4 FAMILY RESIDENTIAL BUILDING AND CONTENTS COVERAGE COMBINATIONS<sup>1, 2, 3</sup>

WITH BASEMENT OR ENCLOSURE <sup>4</sup>			WITHOUT BASEMENT OR ENCLOSURE <sup>5</sup>		
BUILDING	CONTENTS	PREMIUM	BUILDING	CONTENTS	PREMIUM
\$ 20,000	\$ 8,000	\$159	\$ 20,000	\$ 8,000	\$129
\$ 30,000	\$ 12,000	\$191	\$ 30,000	\$ 12,000	\$165
\$ 50,000	\$ 20,000	\$243	\$ 50,000	\$ 20,000	\$217
\$ 75,000	\$ 30,000	\$285	\$ 75,000	\$ 30,000	\$254
\$100,000	\$ 40,000	\$313	\$100,000	\$ 40,000	\$282
\$125,000	\$ 50,000	\$334	\$125,000	\$ 50,000	\$303
\$150,000	\$ 60,000	\$353	\$150,000	\$ 60,000	\$322
\$200,000	\$ 80,000	\$389	\$200,000	\$ 80,000	\$353
\$250,000	\$100,000	\$417	\$250,000	\$100,000	\$376

### RESIDENTIAL CONTENTS-ONLY COVERAGE<sup>1, 2, 6</sup>

CONTENTS ABOVE GROUND LEVEL MORE THAN 1 FLOOR		ALL OTHER LOCATIONS (BASEMENT-ONLY NOT ELIGIBLE)	
CONTENTS	PREMIUM	CONTENTS	PREMIUM
\$ 8,000	\$51	\$ 8,000	\$70
\$ 12,000	\$67	\$ 12,000	\$95
\$ 20,000	\$99	\$ 20,000	\$132
\$ 30,000	\$113	\$ 30,000	\$151
\$ 40,000	\$126	\$ 40,000	\$169
\$ 50,000	\$138	\$ 50,000	\$186
\$ 60,000	\$150	\$ 60,000	\$204
\$ 80,000	\$175	\$ 80,000	\$225
\$100,000	\$200	\$100,000	\$245

### OTHER RESIDENTIAL BUILDING AND CONTENTS COVERAGE COMBINATIONS<sup>1, 2, 3</sup>

With Basement or Enclosure<sup>4</sup>

CONTENTS COVERAGE	\$8,000	\$12,000	\$20,000	\$30,000	\$40,000	\$50,000	\$60,000	\$80,000	\$100,000	
BUILDING COVERAGE	\$ 20,000	\$173	\$187	\$201	\$214	\$227	\$238	\$249	\$260	\$270
	\$ 30,000	\$187	\$202	\$215	\$229	\$241	\$252	\$264	\$274	\$284
	\$ 50,000	\$222	\$237	\$250	\$264	\$276	\$287	\$299	\$309	\$319
	\$ 75,000	\$239	\$253	\$267	\$280	\$293	\$304	\$315	\$325	\$336
	\$100,000	\$262	\$276	\$289	\$303	\$315	\$327	\$338	\$348	\$358
	\$125,000	\$269	\$283	\$297	\$310	\$322	\$334	\$345	\$355	\$366
	\$150,000	\$274	\$288	\$302	\$315	\$328	\$339	\$350	\$361	\$371
	\$200,000	\$306	\$320	\$334	\$347	\$359	\$371	\$382	\$392	\$403
	\$250,000	\$323	\$338	\$351	\$365	\$377	\$388	\$400	\$410	\$420

### OTHER RESIDENTIAL BUILDING AND CONTENTS COVERAGE COMBINATIONS<sup>1, 2, 3</sup>

Without Basement or Enclosure<sup>5</sup>

CONTENTS COVERAGE	\$8,000	\$12,000	\$20,000	\$30,000	\$40,000	\$50,000	\$60,000	\$80,000	\$100,000	
BUILDING COVERAGE	\$ 20,000	\$144	\$157	\$168	\$179	\$190	\$200	\$209	\$218	\$227
	\$ 30,000	\$163	\$174	\$185	\$197	\$207	\$217	\$227	\$236	\$244
	\$ 50,000	\$199	\$210	\$221	\$233	\$243	\$253	\$263	\$272	\$280
	\$ 75,000	\$219	\$231	\$242	\$252	\$263	\$273	\$282	\$291	\$300
	\$100,000	\$238	\$249	\$261	\$271	\$281	\$291	\$301	\$310	\$318
	\$125,000	\$247	\$259	\$270	\$280	\$290	\$300	\$309	\$318	\$327
	\$150,000	\$254	\$266	\$277	\$287	\$298	\$307	\$316	\$325	\$334
	\$200,000	\$283	\$295	\$306	\$316	\$327	\$336	\$345	\$353	\$362
	\$250,000	\$299	\$310	\$321	\$332	\$342	\$351	\$361	\$369	\$377

1 Add the \$50 Probation Surcharge, if applicable.

2 Premium includes Federal Policy Fee of \$20.

3 Premium includes ICC Premium of \$5. Deduct this amount if the risk is a condominium unit.

4 Do not use this section of the table for buildings with crawlspaces or subgrade crawlspaces; see footnote 5. Use this section of the table if a building elevated on a crawlspace has an attached garage without openings.

5 Use this section of the table for buildings with crawlspaces or subgrade crawlspaces.

6 Use this "All Residential Contents-Only Coverage" premium table for individual residential condominium unit contents-only policies.

# REVISED

## PRP COVERAGE LIMITS AVAILABLE EFFECTIVE OCTOBER 1, 2012 (continued)

### NON-RESIDENTIAL BUILDING AND CONTENTS COVERAGE COMBINATIONS<sup>1, 2</sup>

With Basement or Enclosure<sup>3</sup>

CONTENTS COVERAGE		\$50,000	\$100,000	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000	\$450,000	\$500,000
BUILDING COVERAGE	\$ 50,000	\$924	\$1,191	\$1,446	\$1,689	\$1,921	\$2,141	\$2,350	\$2,547	\$2,733	\$2,907
	\$100,000	\$1,309	\$1,576	\$1,830	\$2,073	\$2,305	\$2,526	\$2,735	\$2,931	\$3,117	\$3,291
	\$150,000	\$1,592	\$1,859	\$2,114	\$2,357	\$2,588	\$2,809	\$3,018	\$3,215	\$3,400	\$3,574
	\$200,000	\$1,746	\$2,013	\$2,267	\$2,510	\$2,742	\$2,962	\$3,171	\$3,368	\$3,554	\$3,728
	\$250,000	\$1,854	\$2,121	\$2,375	\$2,618	\$2,850	\$3,070	\$3,280	\$3,476	\$3,662	\$3,836
	\$300,000	\$1,973	\$2,240	\$2,495	\$2,738	\$2,969	\$3,190	\$3,399	\$3,596	\$3,781	\$3,955
	\$350,000	\$2,105	\$2,372	\$2,627	\$2,870	\$3,101	\$3,322	\$3,530	\$3,727	\$3,912	\$4,086
	\$400,000	\$2,192	\$2,459	\$2,713	\$2,956	\$3,188	\$3,408	\$3,616	\$3,813	\$3,998	\$4,173
	\$450,000	\$2,291	\$2,557	\$2,812	\$3,055	\$3,287	\$3,507	\$3,715	\$3,912	\$4,097	\$4,271
	\$500,000	\$2,399	\$2,666	\$2,920	\$3,163	\$3,395	\$3,615	\$3,823	\$4,020	\$4,205	\$4,380

### NON-RESIDENTIAL BUILDING AND CONTENTS COVERAGE COMBINATIONS<sup>1, 2</sup>

Without Basement or Enclosure<sup>4</sup>

CONTENTS COVERAGE		\$50,000	\$100,000	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000	\$450,000	\$500,000
BUILDING COVERAGE	\$ 50,000	\$584	\$726	\$862	\$992	\$1,115	\$1,233	\$1,344	\$1,449	\$1,548	\$1,641
	\$100,000	\$782	\$924	\$1,060	\$1,190	\$1,313	\$1,431	\$1,542	\$1,647	\$1,746	\$1,839
	\$150,000	\$929	\$1,071	\$1,207	\$1,337	\$1,461	\$1,578	\$1,689	\$1,794	\$1,893	\$1,986
	\$200,000	\$1,083	\$1,225	\$1,361	\$1,490	\$1,614	\$1,731	\$1,843	\$1,948	\$2,047	\$2,139
	\$250,000	\$1,186	\$1,328	\$1,464	\$1,593	\$1,717	\$1,834	\$1,946	\$2,051	\$2,150	\$2,242
	\$300,000	\$1,295	\$1,437	\$1,573	\$1,703	\$1,826	\$1,944	\$2,055	\$2,160	\$2,259	\$2,351
	\$350,000	\$1,353	\$1,496	\$1,632	\$1,761	\$1,885	\$2,002	\$2,114	\$2,219	\$2,318	\$2,410
	\$400,000	\$1,418	\$1,560	\$1,696	\$1,826	\$1,950	\$2,067	\$2,178	\$2,284	\$2,382	\$2,475
	\$450,000	\$1,489	\$1,632	\$1,767	\$1,897	\$2,021	\$2,138	\$2,250	\$2,355	\$2,453	\$2,546
	\$500,000	\$1,567	\$1,709	\$1,845	\$1,975	\$2,098	\$2,216	\$2,327	\$2,432	\$2,531	\$2,623

### NON-RESIDENTIAL CONTENTS-ONLY COVERAGE<sup>1, 2</sup>

CONTENTS ABOVE GROUND LEVEL MORE THAN 1 FLOOR		ALL OTHER LOCATIONS (BASEMENT-ONLY NOT ELIGIBLE)	
CONTENTS	PREMIUM	CONTENTS	PREMIUM
\$ 50,000	\$167	\$ 50,000	\$357
\$100,000	\$244	\$100,000	\$533
\$150,000	\$321	\$150,000	\$708
\$200,000	\$399	\$200,000	\$883
\$250,000	\$476	\$250,000	\$1,058
\$300,000	\$553	\$300,000	\$1,233
\$350,000	\$630	\$350,000	\$1,408
\$400,000	\$708	\$400,000	\$1,583
\$450,000	\$785	\$450,000	\$1,758
\$500,000	\$862	\$500,000	\$1,933

1 Add the \$50 Probation Surcharge, if applicable.

2 Premium includes Federal Policy Fee of \$20.

3 Do not use this section of the table for buildings with crawlspaces or subgrade crawlspaces. See footnote 4.

4 Use this section of the table for buildings with crawlspaces or subgrade crawlspaces.

A summary of the October 2012 TRRP Plan updates (Change 17) is as follows:

Part 4 – Data Dictionary	<ul style="list-style-type: none"><li>• Building Over Water Type:</li></ul> Revised text regarding reporting requirement for MPPP policies (Risk Rating Method '9').
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**DATA ELEMENT:** Building over Water Type

**ALIAS:** None

**ACRONYM:** WYO (PMF) BLDG-WATER-TYPE

**FILE:** Policy Master (PMF)

**DESCRIPTION:**

This is the type code that determines if the insured building is not over water, partially over water, or fully/entirely over water.

**EDIT CRITERIA:** Alphanumeric, Acceptable Values:

- 1 - Not over Water
- 2 - Partially over Water
- 3 - Fully/Entirely over Water

**LENGTH:** 1

**DEPENDENCIES:** Information is obtained from the Flood Insurance Application.

**SYSTEM FUNCTION:** Coverage

**REPORTING REQUIREMENT:** Required

**NOTE:**

- Policies with original new business dates prior to October 1, 2009, can report blanks.
- Policies with original new business dates on or after October 1, 2009, reported with Risk Rating methods '7', 'P', 'Q' (Preferred Risk), or 'G' (Group Flood), can report blanks.
- Policies with original new business dates on or after October 1, 2009, and prior to October 1, 2012, reported with Risk Rating method '9' (MPPP) can report blanks.
- Policies with original new business dates on or after October 1, 2012, and reported with Risk Rating method '9' (MPPP) must report '1', '2', or '3'.
- Policies with original new business dates on or after October 1, 2009, reported with Risk Rating methods '1' (Manual), '2' (Specific), '3' (Alternative), '4' (V-Zone Risk Factor Rating), '5' (Underinsured Condo), '6' (Provisional), '8' (Tentative), 'A' (Optional Post '81 V Zone), 'S' (Special Rates) or 'F' (Leased Federal Properties) are **not** allowed to report blanks.
- Policies with New/Rollover indicator 'R' or 'Z' can only be reported with '1', '2', '3', or blank regardless of the original new business date.
- Policies with Elevated Building indicator 'N' must report a '1' if original new business dates are on or after October 1, 2009.
- Policies reported with Building over Water Type '3' and original construction dates on or after October 1, 1982 are **ineligible** for flood insurance.

**DATA ELEMENT:** Building Use Type

**ALIAS:** None

**ACRONYM:** WYO (PMF) BLDG-USE-TYPE

**FILE:** Policy Master (PMF)

**DESCRIPTION:**

This type code will identify the specific usage of the insured building.

**EDIT CRITERIA:** Alphanumeric, Acceptable values:

- 01 - Main House/Building
- 02 - Detached Guest House
- 03 - Detached Garage
- 04 - Agricultural Building
- 05 - Warehouse
- 06 - Poolhouse/Clubhouse/Other Recreational Building
- 07 - Tool/Storage Shed
- 08 - Other

**LENGTH:** 2

**DEPENDENCIES:** Information is obtained from the Flood Insurance Application.

**SYSTEM FUNCTION:** Coverage

**REPORTING REQUIREMENT:** Required

**NOTE:**

- Policies with original new business dates prior to October 1, 2009, can report blanks in the Building Use Type.
- Contents-only coverage policies can report blanks in the Building Use Type.
- Policies with Risk Rating methods '3' (Alternative), '6' (Provisional), '8' (Tentative), 'F' (Leased Federal Properties), '7', 'P', 'Q' (Preferred Risk), '9' (MPPP), or 'G' (Group Flood), can report blanks.
- Policies with New/Rollover indicator 'R' or 'Z' can be reported with '01', '02', '03', '04', '05', '06', '07', '08' or blank regardless of the original new business date.

A summary of the October 2012 Edit Specifications updates (Change 11) is as follows:

Part 1 (1.2) - Instructions	New and Revised Edits effective October 1, 2012
Part 2 - Edits Dictionary	PL024030: Basement/Enclosure/Crawlspace Type  PL201010: Building Over Water Type  PL139030: CRS Classification Credit Percentage  PL032030: Obstruction Type  PL032040: Obstruction Type  PL034040: Original Construction Date / Substantial Improvement Date <b>(new)</b>  PL059050: Policy Termination Date <b>(new)</b>  PL041060: Risk Rating Method  PL041070: Risk Rating Method

NEW AND REVISED EDITS EFFECTIVE OCTOBER 1, 2012

DATA ELEMENT -----	ORDER -----	ERROR CODE -----
BASEMENT/ENCLOSURE/CRAWLSPACE TYPE	30	PL024030
BUILDING OVER WATER TYPE	10	PL201010
CRS CLASSIFICATION CREDIT PERCENTAGE	30	PL139030
OBSTRUCTION TYPE	30 40	PL032030 PL032040
ORIGINAL CONSTRUCTION DATE/SUBSTANTIAL IMPROVEMENT DATE	40	PL034040
POLICY TERMINATION DATE	50	PL059050
RISK RATING METHOD	60 70	PL041060 PL041070

