



FEMA

W-14060

December 11, 2014

MEMORANDUM FOR: 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  
Branch Chief, Underwriting  
Risk Insurance Division

SUBJECT: Agent Transfers of Business from One Insurer to Another

The purpose of this memorandum is to provide additional guidance and clarifications to underwriting procedures for a transfer of business. When agents or producers move any or all of their existing book(s) of business from one insurer to another, this is considered a transfer of business. The new insurer must collect all underwriting information required at the time of the transfer in order to verify the correct rating and issuance of the policy. A declarations page usually does not provide all the required underwriting information.

#### Specific Underwriting Requirements and Clarifications

- The new insurer may use the elevation information on the declarations page issued by the previous insurer *only* when both the Lowest Floor Elevation (LFE) and the Base Flood Elevation (BFE) are provided. The elevation information on the previous declarations page must be validated when there is a discrepancy in the building description, such as, but not limited to, instances where the Application indicates a basement or an enclosure, and the previous declarations page does not, or where the Application describes a non-elevated building and the previous declarations page describes an elevated building.
- All elevation-rated policies being transferred that are effective on or after April 1, 2015, require photographs. The photographs on file with the previous insurer may be submitted to the new insurer and used to issue coverage if there have been no structural changes that affect the building's rating.

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- The insurer must also obtain, either from the insured or the agent, the documentation required to verify primary/non-primary residence status.
- A Preferred Risk Policy (PRP) transfer requires that the receiving insurer has documented eligibility, including verification of the flood zone. Newly Mapped Properties will require documentation of both the current and previous flood zones.
- The Residential Condominium Building Association Policy (RCBAP) requires all information needed to issue and rate the policy, including photographs and Replacement Cost Valuation (RCV) documentation.
- When agents transfer any or all of their existing book of business without changing insurers, the insurer may endorse the existing policies without reunderwriting the files.
- A transfer of business does not include conversions of an insurer's entire book of business from one insurer or third-party administrator to another. When an insurer acquires another insurer's book of business, all underwriting files must be transferred in their entirety to the new insurer.

Thank you for your attention and cooperation in this matter. If you have any questions, please contact Joe Cecil of my staff at [Joseph.Cecil@fema.dhs.gov](mailto:Joseph.Cecil@fema.dhs.gov).

cc: Vendors, IBHS, FIPNC, Government Technical Representative

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