



**FEMA**

W-15001

January 13, 2015

**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:** NFIP Duplicate Policy Clarification

As previously announced, in accordance with Section 100228 of the Biggert-Waters Reform Act of 2012, the NFIP has implemented the requirement for agent and policyholder notification in cases where duplicate coverage is indicated. Please refer to WYO Bulletins W-13070 (June 1, 2014, Program Changes), dated December 16, 2013, and W-14070 (NFIP Policy Address Reporting – Duplicate Policy Reports), dated August 21, 2014, for more information about the requirement.

Duplicate policies with building coverage on the same building are prohibited (except for individual units within residential condominium buildings). If more than one policy with building coverage covers the same building, all but one of the policies must be canceled or endorsed to remove building coverage. A policy can also be endorsed to reflect a unique property address.

In order to assist insurers in identifying potential duplicate coverage with another carrier, FEMA provides each insurer two reports (file names W2RPDUP1 and W2RPDUP2) on a restricted (due to personal information) File Transfer Protocol (FTP) site. Policies listed on these reports are not eligible for claim payment until the duplicate policy error is resolved and validated. If the insurer is able to validate that the policy is not a duplicate policy and no property address change is required, the insurer should document the underwriting file with supporting documentation and report a "1" for the Valid Policy Indicator reported to the NFIP system of record through Transaction Record Reporting and Processing (TRRP). If duplicate policies are inadvertently issued for the same building, the NFIP will pay coverage for building damages solely on one policy in the name of the building owner. Tenant(s) may be named on this policy with the building owner, but may not purchase separate building coverage in their own names.

## NFIP Duplicate Policy Clarification

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The NFIP would like to clarify that if an insured or agent does not respond to a request for information regarding duplicate coverage, the insurer may issue a renewal offer and the policy may be renewed. The insurer should document in the policy file that the required letter was sent and a response was not received or was incomplete. In this situation, the policy will continue to be identified as a duplicate policy on the duplicate policy reports and will continue to receive Edit Specification error code PL004200. The policy will appear on the duplicate policy reports and receive the error if it does not have a unique property address, or if the policy is not identified as a valid policy by the Valid Policy Indicator reported through TRRP.

Effective April 1, 2015, the error type for error code PL004200 is being changed from a critical error to a non-critical error. In addition, policies identified with error code PL004200 will appear on the Ineligible/Invalid Policy Error Detail and Summary Reports, also available on the restricted FTP site.

Attached is an updated policyholder notice to reflect the clarification. This updated notice must be used for policies renewing effective on or after April 1, 2015.

For any questions, please contact your NFIP Legacy Systems Services Business Analyst at [Business-Analysts@nfipstat.fema.gov](mailto:Business-Analysts@nfipstat.fema.gov).

Attachment

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Data Processing, Underwriting, Marketing

**NATIONAL FLOOD INSURANCE PROGRAM (NFIP)  
SAMPLE DUPLICATE POLICY, BUILDING COVERAGE NOTICE**

<Date>  
<Named Insured>  
Mailing Address: < >

Policy # < >  
Property Address: < >

Dear Policyholder:

This letter is to notify you that National Flood Insurance Program (NFIP) policy records for the building insured on the flood policy identified above indicate that more than one NFIP policy with building coverage is currently in force for the building. As part of the reforms passed in the Biggert-Waters Flood Insurance Reform Act of 2012, the NFIP prohibits duplicate policies with building coverage on the same building, except for individual units within residential condominium buildings (the association may purchase a Residential Condominium Building Association Policy, and a unit owner may purchase a policy on the Dwelling form, but in the event of a loss the combined payments under the two policies cannot exceed the maximum amount allowed by law). Furthermore, policies with building coverage must be in the name of the building owner with an aggregate liability for building coverage not to exceed the maximum limit offered under a single Standard Flood Insurance Policy (SFIP).

Note that the NFIP will only allow a single SFIP to respond to a building loss. In addition, open claims on buildings that have been identified with duplicate policies will not be paid until the duplicate policy is removed. It is the agent and the insured's responsibility to ensure that the duplicate policy issue is resolved.

**Please complete the information below, sign and date this notice, and return it to:**

<Company name and address>

Property Address: < >

**Are you a Tenant?**  Yes  No  
**If Yes, are you requesting Building Coverage?**  Yes  No

**If Yes:**

- **Building coverage must be removed from the policy, or the policy must be endorsed to include the building owner as a named insured.**
- **If the policy is endorsed to include the building owner as a named insured, any other SFIP providing building coverage for the building insured on this policy must be endorsed to remove the building coverage or canceled.**

PURSUANT TO 28 U.S.C. § 1746, I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES OF AMERICA THAT THE FOREGOING IS TRUE AND CORRECT. I UNDERSTAND THAT ANY FALSE STATEMENTS MAY CAUSE MY POLICY TO BE VOID, AND MAY BE PUNISHABLE BY FINE OR IMPRISONMENT UNDER APPLICABLE FEDERAL LAW.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Insured's Printed Name

**Contents coverage also may be available for contents owned by the building owner, and contents coverage also is available for each unit within the building for contents owned by the tenant. Ten percent of contents coverage may be applied to betterments or improvements. However, this will reduce the overall amount of contents coverage under the policy.**

If you have any questions about this notice, please call <company contact>.