



FEMA

Memorandum

W-04009

To: WYO Company Principal Coordinators and
NFIP Servicing Agent

From: Anthony S. Lowe 
Director, Mitigation Division
Emergency Preparedness and Response Directorate

Date: February 23, 2004

Re: Informing Policyholders of Preferred Risk Policy (PRP) Changes

The PRP changes present a significant marketing opportunity, and we encourage all WYO companies to aggressively market the enhanced PRP. It will help avoid the difficulties experienced several years ago after PRP limits were increased, when some standard policyholders, who could have qualified for the lower cost policy, were not informed of that option.

As a reminder, two new PRP products are effective May 1, 2004, i.e., the contents-only policy available to all occupancies other than unit-owners of residential condominiums, and the building and contents option available for non-residential structures. The new higher contents limits as of May 1, 2004, will be automatically increased when current PRP customers renew their policies (the liberalization clause does not apply).

We urge you to help your agents identify all eligible current customers, and encourage them to take advantage of the new PRP. For example, pre-screen the loss history and the flood zone (to the extent zone determination services are provided) to determine current customers' eligibility for the enhanced PRP.

You can begin these marketing activities now. Applications dated as of April 1, 2004, with a 30-day waiting period will qualify for the new PRP coverage on May 1, 2004.

In the coming weeks, we will provide you with various tools to assist you and your agents in communicating the benefits of the PRP. Assistance is also available from your NFIP Bureau Program Coordinator.

cc: Vendors, IBHS, FIPNC, FISCAA, WYO Marketing Committee,
Government Technical Representative

Suggested Routing: Marketing, Claims, Underwriting