

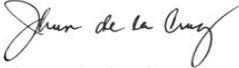


FEMA

W-13041

July 10, 2013

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

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

SUBJECT: Additional Guidance on the Procedures for Processing Renewals of Certain Pre-FIRM Subsidized Policies that are New, Lapsed, or Assigned

On June 14, 2013, FEMA issued Bulletin W-13033, Procedures for Processing Renewals of Certain Pre-FIRM Subsidized Policies that are New, Lapsed, or Assigned. This bulletin provides additional guidance, including a notice that must be used to inform affected policyholders, agents, and lenders of the actions required to renew their policies. In addition, the attached notice must be sent to all parties at least 60 days prior to the policy expiration date.

Please see the attached notice, which details the policies affected and provides the specific documentation required for policy renewal, including the following:

- An Elevation Certificate for Flood Insurance.
- Clear exterior photographs of the front and back of the building to be insured.
- A Renewal Application completed and signed by the agent.
- The annual premium determined with full-risk premium rates or tentative premium rates.

Thank you for your support as you implement these new procedures.

Attachment

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Data Processing, Marketing, Underwriting

**NATIONAL FLOOD INSURANCE PROGRAM  
NOTICE REGARDING YOUR POLICY RENEWAL**

<Date>

<Named Insured>

Policy # <       >

Mailing Address: <       >

Property Address: <       >

***IMPORTANT – YOUR ACTION IS REQUIRED***  
**A RENEWAL OFFER WILL NOT BE MADE FOR YOUR FLOOD INSURANCE POLICY**

The Biggert-Waters Flood Insurance Reform Act of 2012 eliminates subsidized<sup>1</sup> premium rates and mandates a building's full-risk premium rate be applied to the following National Flood Insurance Program (NFIP) policies:

- New policies written with an effective date on or after July 6, 2012
- Policies written as new business, or existing policies assigned to a new owner as a result of a property purchase on or after July 6, 2012
- Policies that have lapsed and been reinstated on or after October 4, 2012.

Our records indicate that your flood insurance policy receives NFIP subsidized premium rates, but is no longer eligible for those rates because it meets one of the above criteria. Since the subsidized rates used to determine the premium for your expiring policy are no longer available, a renewal bill cannot be provided without additional information.

To maintain NFIP coverage, your agent must complete a Renewal Application using full-risk premium rates. To determine the full-risk premium rates, you must provide your agent with the information and supporting documentation listed below, which was not required at the time your original policy was issued. You and your agent must submit this documentation and information for submission to and receipt by the insurer within 30 days of the expiration date shown on your policy.

- An Elevation Certificate for Flood Insurance.<sup>2</sup>
- Clear exterior photographs of the front and back of the building to be insured.
- A Renewal Application completed and signed by your agent.
- The annual premium determined with full-risk premium rates or tentative premium rates.

If you don't have an Elevation Certificate for your building, you will need to hire a surveyor to come to your property to complete the certificate.

In order to renew this policy, you must follow the instructions above. Neither you nor your lender will be sent a renewal bill by your insurer.

If you have difficulty in obtaining an Elevation Certificate prior to your expiration date, your agent may offer you a quote for the Renewal Application using tentative rates. The tentative rate procedure provides a mechanism to keep continuous coverage during the Renewal Application process while an Elevation Certificate is being procured. Tentative premium rates may be higher than your full-risk rate, and no flood loss can be settled before the full-risk premium is determined with an Elevation Certificate. A policy using tentative rates may not renew a second year under tentative rates, and coverage may not be increased until full-risk premium rates are determined. If the Elevation Certificate indicates the premium we received from the tentative rates is less than required for full-risk premium rates, the coverage limits shown on your declarations page will be reduced to match the initial premium we received. Premium received more than 30 days after expiration will result in a lapse in coverage.

Please note: All insurers who issue policies through the National Flood Insurance Program are mandated to follow these requirements as a result of the implementation of the Biggert-Waters Flood Insurance Reform Act of 2012.

Please contact your insurance agent for more information.

<sup>1</sup>Subsidized premium rates are discounted rates that have been traditionally available for structures built before a community first adopted FEMA Flood Maps and guidelines. The subsidized rates are determined with limited underwriting information and typically do not reflect the full risk of flood loss.

<sup>2</sup>Go to [www.fema.gov/library/viewRecord.do?id=7408](http://www.fema.gov/library/viewRecord.do?id=7408) for more information about the Elevation Certificate form and how to obtain one.