



FEMA

W-14047

August 21, 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: NFIP Policy Address Reporting – Duplicate Policy Reports

Beginning this fall, in accordance with Section 100228 of the Biggert-Waters Reform Act of 2012, the NFIP will implement the requirement for agent and policyholder notification in cases where duplicate coverage is indicated. Please refer to WYO Bulletin W-13070 (“June 1, 2014 Program Changes”), dated December 16, 2013, for more information about the requirement.

For all policies with an expiration date on or after January 1, 2015, at least 90 days prior to the policy expiration date, insurers must send a notice (see Attachment for samples) to the insured and agent for all policies where duplicate coverage is indicated. The insurer must obtain the data added to the current Application forms pertaining to tenant coverage and building coverage purchased. The information collected must be reported through the Transaction Record Reporting and Processing (TRRP) Plan.

With June 2014 data, the NFIP will provide insurers updated lists of policies that indicate more than one policy for building coverage that may have been issued for the same address. The lists are available on the insurers’ FTP site under the FTP folder ftpind/coxxxxx/duppol, with the file names of W2RPDUP1 and W2RPDUP2.

These lists are not exhaustive. Insurers are responsible for ensuring that duplicate building policies are not issued for the same building. Insurers must also include the building owner on the policy and report the appropriate tenant information through the TRRP Plan. If there is more than one building at the same property location, each building must be uniquely identified. 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. If duplicate policies are inadvertently issued for the same building, the NFIP will pay the building owner and any tenant(s) named on only one policy.

Duplicate Policy reports will be created and posted to WYO FTP sites monthly. The revised criteria used in developing the reports are as follows:

- Include Active policies for new business and renewals;
- Include Expired policies within **30 days** for renewals – still considered renewable;
- Include Condominium indicator ‘U’ for non-residential policies (Occupancy Type ‘4’);
- Exclude Condominium indicator ‘U’ for residential policies (Occupancy Types ‘1’, ‘2’, and ‘3’);
- Exclude Contents-Only policies (Building coverage equal zero and Contents coverage greater than zero); and
- Include Building Use Type Indicator

FEMA reviewed a sample of duplicate policies identified in the report and determined that in some cases, policies are falsely identified as duplicates because address-descriptive information is not reported, (e.g., unit number, apartment number, building number, etc.). To update these policy records, a TRRP correction transaction (‘23A’) with applicable descriptive information is required and should be included with your regular monthly TRRP submission. Please continue to use Address Line 2 to report address information. Additional descriptive information can also be included on Address Line 2 (provided there is enough space); otherwise, add the descriptive information to Address Line 1.

Here are some examples for reporting standard and descriptive addresses.

Examples – Standard Address

| | |
|------------------------------|--|
| Address Line 1: | Address Line 2: 100 Main Street |
| Address Line 1: | Address Line 2: 100 Main Street Apt. 102 |
| Address Line 1: | Address Line 2: 100 Main Street Unit #A |
| Address Line 1: | Address Line 2: 100 Main Street Building 507 |
| Address Line 1: Apt. 102 | Address Line 2: 100 Main Street |
| Address Line 1: Unit #A | Address Line 2: 100 Main Street |
| Address Line 1: Building 507 | Address Line 2: 100 Main Street |

Examples – Descriptive Address

| | |
|---------------------------------|--|
| Address Line 1: Lot 33 Block 10 | Address Line 2: Travis Road |
| Address Line 1: Travis Road | Address Line 2: Building 4A |
| Address Line 1: Red Barn Stop 4 | Address Line 2: Route 15 |
| Address Line 1: | Address Line 2: Route 15 Red Barn Stop 4 |

It is also important to report the appropriate Building Use Type Indicator. This type code will identify the specific usage of the insured building and is required for new business effective on or after October 1, 2009.

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For any questions, please contact your NFIP Legacy Systems Services Business Analyst at 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). Therefore, the NFIP will only allow a single SFIP to respond to a building loss. In order for the policy identified above to be renewed with building coverage (Coverage A), additional information is required to ensure eligibility for building coverage. It is the agent and the insured's responsibility to ensure that the duplicate policy issue is resolved before the policy is renewed.

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 containing building coverage for the building insured on this policy must be endorsed to remove the building coverage or cancelled.**

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>.