



FEMA

W-09079

November 19, 2009

MEMORANDUM FOR: Write Your Own Company Principal Coordinators and the  
National Flood Insurance Program Servicing Agent

FROM: Edward L. Connor  
Acting Federal Insurance Administrator  
National Flood Insurance Program

SUBJECT: Extended Eligibility for Preferred Risk Policies in  
Five California Communities

This memo extends Preferred Risk Policy (PRP) eligibility to certain properties that were inadvertently denied eligibility based on guidance provided in Write Your Own (WYO) Clearinghouse Bulletin W-08094, issued on December 11, 2008. That bulletin allowed affected properties newly placed in a Special Flood Hazard Area to be insured for 1 additional year under the Preferred Risk Policy (PRP) before the coverage would have to be rewritten to the standard X-Zone policy.

The extended PRP eligibility was based solely on the policy renewal effective date of December 2, 2009, in those communities with a new map effective date of December 2, 2008, and the policy renewal effective date of December 8, 2009, in those communities with a map effective date of December 8, 2008. The unintended result was that the low-cost PRP was not available to affected property owners who purchased a policy in good faith prior to the effective date of the map change, but whose policies had an effective date after the map change as a result of the 30-day waiting period for a new contract to take effect.

The express intent of FEMA was to allow 1 *additional* year of coverage as a PRP after the maps took effect before they must be rewritten to the standard X-Zone policy. To rectify this oversight, please use the following guidance to determine affected policies that should have an additional year of PRP eligibility.

<u>Community ID</u>	<u>Community</u>	<u>New Business Effective Date on or After</u>	<u>Renewal Before</u>
060394	Sutter County	December 1, 2008	January 1, 2010
060395	Live Oak City	December 1, 2008	January 1, 2010
060396	Yuba City	December 1, 2008	January 1, 2010
060262	Sacramento County	December 7, 2008	January 6, 2010
060266	City of Sacramento	December 7, 2008	January 6, 2010

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We recognize that this prolongs the additional effort on the part of the WYO Companies and the NFIP Direct Servicing Agent to implement this processing requirement. If you have any questions concerning this memorandum, please contact your Business Consultant. Your cooperation and assistance in carrying out this requirement are appreciated.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Data Processing, Underwriting, Marketing, Mapping