



FEMA

August 21, 2012

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

FROM: Edward L. Connor
Deputy Associate Administrator for Federal Insurance
Federal Insurance and Mitigation Administration

SUBJECT: Extension of Preferred Risk Policy Eligibility

The purpose of this memorandum is to announce the Extension of Preferred Risk Policy (PRP) Eligibility. While FEMA completes a study and analysis to develop an implementation strategy for the Biggert-Waters Flood Insurance Reform Act of 2012, policies written as PRPs under the PRP Eligibility Extension may continue to be renewed as PRPs beyond the previously designated 2-year period.

Under the initial 2-Year PRP Eligibility Extension, buildings newly mapped into a Special Flood Hazard Area (SFHA) on or after October 1, 2008, became eligible for the PRP for 2 years beginning on January 1, 2011. Buildings newly mapped into an SFHA on or after January 1, 2011, were also eligible for the PRP during the 2-year period following the map revision date. At the end of the 2-year period, the policies were required to be rewritten as standard-rated policies.

Beginning with the first renewal effective on or after January 1, 2013, policies issued under the PRP Eligibility Extension that meet the PRP loss history requirements will not be transitioned into standard X-zone rating, but will continue to be issued as PRPs at each renewal until further notice. Under the extension, new business PRPs may also continue to be issued for properties newly mapped into the SFHA as a result of a map revision that became effective on or after October 1, 2008.

For technical assistance regarding the continuation of the PRP Eligibility Extension, please contact Joe Cecil at (202) 212-2067.

Attachment

cc: Vendors, IBHS, FIPNC, Government Technical Representative