October 1, 2015

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

FROM: Roy E. Wright
Deputy Associate Administrator for Federal Insurance
Federal Insurance and Mitigation Administration

SUBJECT: April 1, 2016, Program Changes

The purpose of this memorandum is to provide notification of the changes that the NFIP will implement effective April 1, 2016. Many of these changes result from continued implementation of the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA) and the Biggert-Waters Flood Insurance Reform Act of 2012. The changes will require modifications to the NFIP Flood Insurance Manual, Transaction Record Reporting and Processing (TRRP) Plan, and the Edit Specifications document. Highlights of the Program Changes effective April 1, 2016, include the following:

- Updated premium rates conforming to HFIAA premium rate caps;
- Implementation of 25-percent rate increases for policies covering non-residential business properties;
- Increased Federal Policy Fee for all policies and increased Reserved Fund Assessment for Preferred Risk Policies (PRPs);
- New premium increases and rating procedures for PRPs, and policies rated under the Newly Mapped procedure;
- New base premium tables, replacing the previous premium tables, for PRPs and policies rated under the Newly Mapped procedure;
- Revised PRP/Newly Mapped Application form showing the premium calculations;
- Elimination of subsidies for certain pre-Flood Insurance Rate Map properties with policies that lapse and are reinstated;
- Clarifications concerning reformation of coverage; and
- Updated declarations page requirements.

Please see the following attachments for details of these upcoming Program changes:

- Attachment A – Summary of the NFIP April 2016 Program Changes
- Attachment B – Updated Rate Tables for the Rating and Condominium Sections of the NFIP Flood Insurance Manual Effective April 1, 2016
- Attachment C – New Rating Methodology and Revised Application Form for Preferred Risk Policies and Newly Mapped Policies Effective April 1, 2016
- Attachment D – Pre-FIRM Subsidy Eligibility Matrix Effective April 1, 2016
• Attachment E – Declarations Page Requirements Effective April 1, 2016
• Attachment F – TRRP Plan and Edit Specifications Changes Effective April 1, 2016

Procedures and materials for the implementation of HFIAA Section 28, Clear Communications, will be provided under separate cover. The next scheduled updates to the Community Rating System (CRS) Eligible Communities list will be effective May 1, 2016. The NFIP will provide the revised CRS list under separate cover by February 1, 2016.

Attachments

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Accounting, Claims, Data Processing, Marketing, Underwriting