



FEMA

July 2007

Dear *Flood Insurance Manual* Subscribers:

As we move forward to improve the National Flood Insurance Program (NFIP), it is my goal to ensure that you have up-to-date information so you can assist your customers in securing the best flood insurance protection available for their individual needs. Revisions have been made to the NFIP *Flood Insurance Manual* that will become effective October 1, 2007. All of the changes are reflected on the enclosed amended pages, and related footers have been modified to reflect the October 1, 2007, effective date. The significant revisions include the following:

- Expands the list of NFIP information resources available to all stakeholders (REF Section);
- Clarifies information about a tenant's improvements and betterments to a leased building and how a tenant may purchase additional coverage (GR, DEF Sections);
- Explains the contract agent rule, under the terms of the contract between a WYO Company and a producer govern the producer's authority to accept risks on behalf of the company and, for accepted risks, the policy waiting period and effective date of coverage (GR, DEF Sections);
- For the Residential Condominium Building Association Policy, provides separate explanations of replacement cost provisions and coinsurance provisions, in place of the former combined explanation (CONDO Section);
- Includes the reauthorized Residential Basement Floodproofing Certificate (FEMA Form 81-78) which may be used in approved communities through June 2010 (CERT Section);
- Stipulates, although a Renewal Notice is not generated for nonrenewed or canceled policies, an appropriate notice of policy expiration must be sent to any mortgagee named on the policy (REN Section);
- Expands the description of documentation required with use of Cancellation/Nullification Reason Code 19 to account for buildings removed from the Special Flood Hazard Area by multi-property Letters of Map Amendment or Letters of Map Revision (CN Section);
- Clarifies, Cancellation/Nullification Reason Codes 22 and 24, the canceled policy must be rewritten with the same company (CN Section);

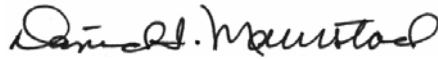
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- Revises the criteria for severe repetitive loss properties by removing the word “market” from the term “current market value” in the text and letters to the agent, lender, and policyholder (SRL Section); and
- Updates the Community Rating System Eligible Communities list (CRS section).

Thank you for your continued support of the NFIP.

Sincerely,

A handwritten signature in black ink, appearing to read "David I. Maurstad". The signature is fluid and cursive, with the first name "David" and last name "Maurstad" clearly distinguishable.

David I. Maurstad  
Federal Insurance Administrator  
National Flood Insurance Program

Enclosure

## Change Record Page

### Effective Date: October 1, 2007

Updates to the NFIP *Flood Insurance Manual* are distributed semiannually. Each change is highlighted by a vertical bar in the margin of the page. The effective date of each page is shown in the bottom right corner. Pages bearing the new effective date but no change bar simply indicate that text has shifted from one page to another.

Please keep this Change Record Page in your manual for reference.

Remove	Insert
i-viii, xiii-xiv	i-viii, xiii-xiv
REF 3-6	REF 3-6
GR 3-4, 7-8, 11-13	GR 3-4, 7-8, 11-13
APP 3-6	APP 3-6
RATE 15-16	RATE 15-16
CONDO 1-2, 7-8	CONDO 1-2, 7-8
LFG 1-2	LFG 1-2
CERT 7-8	CERT 7-8
REN 1-2	REN 1-2
CN 1-10	CN 1- <b>11</b>
CL 3-4	CL 3- <b>5</b>
MAP 3-4	MAP 3-4
CRS 1-29	CRS 1-29
SRL 1-8	SRL 1-8
DEF 1-6	DEF 1-6
IND 1-5	IND 1-5

