

# Appendix G: Leased Federal Properties

## I. General Information

The Federal Emergency Management Agency (FEMA) must charge full-risk rates for flood insurance for residential or non-residential properties leased from the Federal Government, referred to as Leased Federal Properties (LFPs), that the Administrator determines are located:

- On the river-facing side of any dike, levee, or other riverine flood-control structure; *or*
- Seaward of any seawall or other coastal flood-control structure.

The U.S. Army Corps of Engineers provides a list of property addresses meeting these criteria to FEMA.

## II. Notification Requirements

The National Flood Insurance Program (NFIP) maintains a list of LFP addresses, made available only to WYO insurers and the NFIP Direct. The insurer must determine whether property addresses for new or existing business appear on this list. Insurers must use full-risk rates for flood insurance policies with a matching address, in accordance with the procedures below.

- The insurer must notify existing insureds (and their agents and lenders) at least 120 days before renewal that their property is located on the river-facing side of any dike, levee, or other riverine flood-control structure, or seaward of any seawall or other coastal flood-control structure.
- The notice must include the requirement for such policies to be rated using full-risk rates. Insurers may modify the sample notification letters provided at the end of this section to coincide with the billing cycle of the company as necessary.
- To establish the full-risk rate, the insurer must obtain a FEMA Elevation Certificate (EC), which provides current Flood Insurance Rate Map (FIRM) information and the elevations of the building. The insurer must require at least two photographs (front and back) of the building.
- The insurer must cancel or nullify the renewal policy or issue the policy using tentative rates if the insurer does not receive the EC within 45 days from the date of the notice. Tentative rates use Risk Rating Method code “F” in the Transaction Record Reporting and Processing (TRRP) Plan.
- If using tentative rates, the insurer must follow the established tentative rate procedure (Refer to Tentative Rates in the How to Write section), which includes informing the parties of any missing information preventing full-risk rating of the policy. Additionally, the insurer must also include information on how the NFIP settles claims for a tentatively-rated property along with the tentative rate (Refer to the Rate Table Appendix).
- Policies within the 120-day window prior to renewal will not receive the LFP notice until the subsequent renewal.

### III. Appeals

A notice to insureds must inform them that they can challenge inclusion of their properties on the LFP list. The insured must submit documentation refuting the information that placed the property on the list. Examples of acceptable documentation include the following:

- A letter from a community official or land surveyor stating that the property is not located on the river-facing side of any dike, levee, or other riverine flood-control structure, or seaward of any seawall or other coastal flood-control structure.
- Documentation showing that the insured owns the property, not the Federal Government. The insured should submit this information to the insurer, who will validate the appeal request and forward it to FEMA for final review and determination. If FEMA approves the appeal, it will remove the property from the list, and the building may continue its previous rating.

If the insured does not provide acceptable documentation, or FEMA denies the appeal, the property remains on the list. The insurer has the following options:

- The insurer can issue a new policy or renew an existing policy for a single policy term using tentative rates. If the insured does not provide acceptable documentation prior to the next policy expiration date, the company must non-renew the policy.
- The insurer can cancel or nullify the renewal policy in accordance with its regular business practices.

The insurer may not process claims relating to a tentatively-rated policy until the insurer receives the underwriting information establishing a full-risk rate for the policy. Once the insurer notifies an insured of the property's inclusion on the LFP list, it cannot settle any subsequent flood loss until it receives the appropriate underwriting documentation (e.g., new EC and photographs) or proof that the property should not be on the list.

## IV. Sample Letters

### A. Sample Insured Notification Letter

#### **IMPORTANT FLOOD INSURANCE POLICY INFORMATION**

Insured's Name:

Property Address:

Policy Number:

Dear Policyholder:

This letter is to inform you that your property, which is covered by flood insurance, meets the criteria for a new subset of properties that must be charged actuarial rates, in accordance with the provisions of the Flood Insurance Reform Act of 2004, Sec. 106.

In accordance with the law, the Federal Emergency Management Agency (FEMA) must charge actuarial rates for any property meeting the following criteria:

- (1) Leased from the Federal Government, and
- (2) Located on the river-facing side of any dike, levee, or other riverine flood control structure, or seaward of any seawall or other coastal flood control structure.

In order for an actuarial rate to be developed, proper underwriting documentation, including a FEMA Elevation Certificate using current Flood Insurance Rate Map data and two photographs showing the front and back of the building, must be submitted to your flood insurer. The insurer must receive this information within 45 days of receipt of this notice to allow for rate calculation and processing of the renewal bill.

If your insurer does not receive the requested underwriting information in sufficient time to meet their renewal billing cycle, they can only renew the flood policy using tentative rates. Please be advised that a policy with tentative rates cannot be endorsed to increase limits or be renewed. In the event of a loss a tentatively rated policy will not receive a claim settlement until actuarial rates are determined. These rates, along with the amount of premium originally submitted, will determine the coverage available.

You may appeal this determination by furnishing your insurer with documentation verifying that your property does not meet the criteria listed above.

Your insurance agent has also received this notice concerning your property.

If you have questions about the information in this letter, please contact (your company name and telephone number).

**B. Sample Agent Notification Letter**

**IMPORTANT FLOOD INSURANCE POLICY INFORMATION**

Insured's Name:

Property Address:

Policy Number:

Dear Agent:

This letter is to inform you that your client's property, which is covered by flood insurance, meets the criteria for a new subset of properties that must be charged actuarial rates, in accordance with the provisions of the Flood Insurance Reform Act of 2004, Sec. 106.

In accordance with the law, the Federal Emergency Management Agency (FEMA) must charge actuarial rates for any property meeting the following criteria:

- (1) Leased from the Federal Government, and
- (2) Located on the river-facing side of any dike, levee, or other riverine flood control structure, or seaward of any seawall or other coastal flood control structure.

In order for an actuarial rate to be developed, proper underwriting documentation, including a FEMA Elevation Certificate using current Flood Insurance Rate Map data and two photographs showing the front and back of the building, must be submitted to the writing company. The writing company must receive this information within 45 days of receipt of this notice to allow for rate calculation and processing of the renewal bill.

A writing company that does not receive the requested underwriting information in sufficient time to meet their renewal billing cycle can only renew the flood policy using tentative rates. Please be advised that a policy with tentative rates cannot be endorsed to increase limits or be renewed. In the event of a loss a tentatively rated policy will not receive a claim settlement until actuarial rates are determined. These rates, along with the amount of premium originally submitted, will determine the coverage available.

Your client may appeal this determination by furnishing the writing company with documentation verifying that the property does not meet the criteria listed above.

This notice has also been sent to your client.

If you have questions about the information in this letter, please contact (your company name and telephone number).

**C. Sample Lender Notification Letter**

**IMPORTANT FLOOD INSURANCE POLICY INFORMATION**

Insured's Name:

Property Address:

Policy Number:

Dear Lender:

This letter is to inform you that your client's property, which is covered by flood insurance, meets the criteria for a new subset of properties that must be charged actuarial rates, in accordance with the provisions of the Flood Insurance Reform Act of 2004, Sec. 106.

In accordance with the law, the Federal Emergency Management Agency (FEMA) must charge actuarial rates for any property meeting the following criteria:

- (1) Leased from the Federal Government, and
- (2) Located on the river-facing side of any dike, levee, or other riverine flood control structure, or seaward of any seawall or other coastal flood control structure.

In order for an actuarial rate to be developed, proper underwriting documentation, including a FEMA Elevation Certificate using current Flood Insurance Rate Map data and two photographs showing the front and back of the building, must be submitted to the writing company. The writing company must receive this information within 45 days of receipt of this notice to allow for rate calculation and processing of the renewal bill.

A writing company that does not receive the requested underwriting information in sufficient time to meet their renewal billing cycle can only renew the flood policy using tentative rates. Please be advised that a policy with tentative rates cannot be endorsed to increase limits or be renewed. In the event of a loss a tentatively rated policy will not receive a claim settlement until actuarial rates are determined. These rates, along with the amount of premium originally submitted, will determine the coverage available.

Your client may appeal this determination by furnishing the writing company with documentation verifying that the property does not meet the criteria listed above.

This notice has also been sent to your client and their insurance agent.

If you have questions about the information in this letter, please contact (your company name and telephone number).