GUIDANCE FOR SEVERE REPETITIVE LOSS PROPERTIES

I. GENERAL DESCRIPTION

The primary objective of the Severe Repetitive Loss (SRL) properties strategy is to eliminate or reduce the damage to residential property and the disruption to life caused by repeated flooding. Approximately 9,000 insured properties have been identified with a high frequency of losses or a high value of claims. As these policies come up for renewal, they will be transferred to the National Flood Insurance Program (NFIP) Servicing Agent's Special Direct Facility (SDF).

The close supervision the SDF provides the group of policies, and the attention the group of properties receives when mitigation decisions are made, contribute to attaining the strategy's primary objective. The SRL group consists of any NFIP-insured residential property that has met at least 1 of the following paid flood loss criteria since 1978, regardless of ownership:

- 4 or more separate claim payments of more than $5,000 each (including building and contents payments); *or*
- 2 or more separate claim payments (building payments only) where the total of the payments exceeds the current value of the property.

In either case, 2 of the claim payments must have occurred within 10 years of each other. Multiple losses at the same location within 10 *days* of each other are counted as 1 loss, with the payment amounts added together.

The loss history includes all ownership of the property since 1978 or since the building's construction if built after 1978.

SRL properties with renewal dates of January 1, 2007, or later will be afforded coverage (new business or renewal) only through the SDF.

The agent/producer of record will remain in that capacity while the policy is in the SDF. The NFIP Servicing Agent will pay the agent/producer of record the standard 15% commission that is paid on all NFIP Direct business.

II. NOTIFICATION REQUIREMENTS

Policies that renew on or after January 1, 2007, and meet the SRL criteria will be transferred to the SDF for policy issuance. Any policy that meets the SRL criteria during the current term will be transferred to the SDF with the subsequent renewal. As requests for review (discussed in "III. Dispute Resolution" below) are successful, and the Federal Emergency Management Agency (FEMA) or its designee approves properties for mitigation, policies will be transferred out of the SDF.

When policies are to be transferred to the SDF, the NFIP Bureau and Statistical Agent (NFIP Bureau) will notify Write Your Own (WYO) Companies and the NFIP Servicing Agent at least 150 days prior to the expiration date. The companies will notify the affected policyholders, their agents/producers, and their lenders 90 days before expiration of the policy. This notice will explain that the policies are ineligible for coverage outside of the SDF. (See agent, lender, and policyholder SDF Notification Letters on pages SRL 3–8.) Offers to renew will be issued by the SDF approximately 45 days prior to the expiration date.

III. RE-UNDERWRITING REQUIREMENTS

All SRL policies that have been transferred to the NFIP SDF and will renew on or after October 1, 2012, must be re-underwritten before they can be renewed.

The NFIP SDF will require a new Application, photographs of the front and rear of the building, Elevation Certificate if applicable, and any additional documents to ensure that policy information and rates are current and correct. This documentation will be needed at least 120 days prior to the expiration date. Policies will be processed and issued based upon current rates, zone, and map information, except for those properties meeting the NFIP grandfathering eligibility rules.

IV. DISPUTE RESOLUTION

The designation of a property as an SRL property is based on the data on file with the NFIP. If the policyholder believes that the claims history is inaccurate, or if the property has already been mitigated to reduce future flooding, the designation may be challenged.

When a policyholder has documentation that the NFIP-insured property has not sustained the losses reported, a request for review may be presented, *in writing*, to the NFIP Bureau. All documentation to substantiate the review must be included with the request letter. The policy will remain in the SDF during the review.

The policyholder and agent/producer will be notified of the results of the review. If the policyholder's request for review is successful, and the policyholder requests that the policy be returned to the previous carrier, the SDF policy will be canceled and the full premium will be returned to the former carrier. Otherwise, the policy will be set up for release from the SDF at its next renewal. The carrier will write the policy using the SDF's effective dates. If, however, a loss occurs

both in the current term and before the policy can be returned to the former carrier, the SDF will continue to service the claim and will return the policy at the next renewal cycle, unless the new claim qualifies the property for the SDF.

If FEMA has approved the property for mitigation efforts other than buyout or demolition, the property will be removed from the SDF at the next renewal.

If the property is bought out or demolished under an approved FEMA mitigation project, and the mitigation efforts for the specific property are FEMA approved, the policy will be canceled and the pro-rata premium (less Federal Policy Fee and, if applicable, Probation Surcharge) will be refunded. When a property is bought out or demolished, any commission chargeback to the agent/producer will be forgiven.

V. SEVERE REPETITIVE LOSS GRANT PROGRAM

Through the Flood Insurance Reform Act of 2004 (FIRA 2004), Congress directed FEMA to develop a program to reduce future flood losses. The SRL Grant Program makes funding available for a variety of flood mitigation activities. Under this program, FEMA provides funds to state and local governments to make offers of assistance to NFIP-insured SRL residential property owners for mitigation projects that reduce future flood losses through:

- Acquisition or relocation of at-risk structures and conversion of the property to open space;
- Elevation of existing structures; *or*
- Dry floodproofing of historic properties.

SRL mitigation grants are provided to eligible applicant states/tribes/territories that, in turn, provide subgrants to local governments or communities. The applicant must have a FEMA-approved mitigation program in place that includes SRL properties.

State and local officials will prioritize SRL properties within their jurisdictions for SRL grants. They may contact the policyholder directly to determine the appropriate mitigation activity that will most effectively reduce future flood losses and to advise them of their inclusion in the SRL grant application. If a grant is awarded, a written offer will be made to the policyholder.

Participation in the SRL program is voluntary. However, SRL policyholders who refuse an offer of mitigation will be subject to an increase in their flood insurance premium rate equal to 150% of the chargeable rate for the property at the time the offer was made, as adjusted by any other premium adjustments otherwise applicable to the property. This increase will more accurately reflect the flood risk to the SRL property. Upon notification from FEMA of an SRL policyholder's declining an offer of mitigation under this program, the SDF will send a Premium Increase Notification Letter (pages SRL 9–10) to notify all holders of recorded interest for the property.

An SRL policyholder who has declined a mitigation offer may appeal the insurance premium rate increase within 90 days of the notification. The appeal must be based on 1 of the 6 provisions for appeal specified in the FIRA 2004. The SDF will postpone all rate increases for which a valid appeal was filed and will monitor the appeal's progress. If the policy renewal falls within the appeal period, the SDF will send the Renewal Billing Letter shown on page SRL 11. However, if the policy renewal falls after the appeal period, the SDF will send the Renewal Billing Letter shown on page SRL 12.

The law also provides for increased insurance premium rates if an SRL property whose owner declined an offer of mitigation incurs any subsequent flood loss with resulting NFIP payments in excess of $1,500 in aggregate. In this case, the premium rate will be increased an additional 50%, and the SDF will send the Renewal Billing Letter shown on page SRL 13. In no case will rate increases exceed the current actuarial rating for the structure.

More detailed information regarding SRL grant availability, eligibility requirements, tools, and application instructions is available on the FEMA website at http://www.fema.gov/government/grant/srl/index.shtm.

U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

FEMA

IMPORTANT FLOOD INSURANCE POLICY INFORMATION

Insured's Name:

Property Address:

Policy Number:

Dear Agent:

As you may be aware, your client's property, which is covered by flood insurance, has experienced repetitive flood losses under FEMA's National Flood Insurance Program (NFIP). This letter is to inform you that your client's property meets the criteria for a new subset of repetitive loss structures: insured properties with a high frequency of losses or a high value of claims. These properties are designated Severe Repetitive Loss (SRL) properties.

Congress recognized that SRL properties represent the greatest risk of sustaining repeated flood losses and, through the Flood Insurance Reform Act of 2004 (FIRA 2004), made it a top priority to reduce the number of SRL properties nationwide. As of March 2011, FEMA has identified approximately 9,000 properties that meet the standard for SRL. The loss characteristics of an SRL property must meet one of the following criteria based on paid flood losses since 1978, regardless of ownership:

(1) Four or more separate claim payments of more than $5,000 each (building and/or contents payments); or

(2) Two or more separate claim payments (building payments only) where the total of the payments exceeds the current value of the property.

In either case, two of the claim payments must have occurred within 10 years of each other. If there are multiple losses at the same location within 10 days of each other, they are counted as one loss, with the payment amounts added collectively.

The strategy for reducing the number of SRL properties is twofold: First, the NFIP has centralized the processing of all flood insurance policies of SRL properties in order for FEMA to obtain additional underwriting information, verify loss information, and collect information about the flood risk to the SRL properties. Second, FEMA has implemented a grant program authorized by FIRA 2004 to mitigate residential SRL properties. You need to be aware of the following:

- The Write Your Own (WYO) Insurance Companies that sell and service flood insurance under the NFIP will assign flood insurance policies for SRL properties, upon renewal, to a centralized processing center operated by the NFIP's Servicing Agent. This center is the Special Direct Facility (SDF).

Agent
Date
Page 2

- As a result, your client's policy will not be processed by the chosen WYO Company or by the traditional NFIP Direct Program. You will, however, continue to be the agent of record throughout the process. While the policy remains in the SDF, you will receive the same 15 percent commission that the NFIP Direct agents are given.

- Approximately 45 days prior to the renewal date of the policy, your client will receive a premium bill from the NFIP Servicing Agent. **This bill is the only bill that should be paid by your client.**

- For the time being, the SDF will be the only source for NFIP flood insurance coverage for your client's property. As always, the full premium amount and any related fees should be paid by the date indicated. The policy sent to your client will meet all the requirements of any mortgage company to the same extent as the current policy.

- You should encourage your client to continue to contact you directly for any service needs on the policy because you will remain the agent of record.

- The NFIP provides a procedure for your client to follow if he or she believes that FEMA has incorrectly included his or her insured property on its list of SRL properties.

The SRL Program may provide Federal grant funds to pay for up to 75 percent (up to 90 percent if certain state mitigation plan requirements are met) of the cost of eligible mitigation activities, such as elevating your client's residential NFIP-insured structure. Mitigated properties may qualify for reduced flood insurance rates. To obtain additional information on the SRL Program and other mitigation grant programs for residential and non-residential properties, please contact your local floodplain manager or state hazard mitigation official, or go to the FEMA Hazard Mitigation Assistance webpage at www.fema.gov/government/grant/hma.

FEMA's goal is to reduce the devastating effects of repetitive flood losses. If you have questions about this letter and the SRL procedures, please contact the NFIP Help Center by telephone at the toll-free number 1-866-395-7496.

Sincerely,

Edward L. Connor

Edward L. Connor
Deputy Administrator, Insurance
Federal Insurance and Mitigation Administration

U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

FEMA

IMPORTANT FLOOD INSURANCE POLICY INFORMATION

Insured's Name:

Property Address:

Policy Number:

Dear Lender:

As you may be aware, your client's property, which is covered by flood insurance, has experienced repetitive flood losses under FEMA's National Flood Insurance Program (NFIP). This letter is to inform you that your client's property meets the criteria for a new subset of repetitive loss structures: insured properties with a high frequency of losses or a high value of claims. These properties are designated Severe Repetitive Loss (SRL) properties.

Congress recognized that SRL properties represent the greatest risk of sustaining repeated flood losses and, through the Flood Insurance Reform Act of 2004 (FIRA 2004), made it a top priority to reduce the number of SRL properties nationwide. As of March 2011, FEMA has identified approximately 9,000 properties that meet the standard for SRL. The loss characteristics of an SRL property must meet one of the following criteria based on paid flood losses since 1978, regardless of ownership:

(1) Four or more separate claim payments of more than $5,000 each (building and/or contents payments); or

(2) Two or more separate claim payments (building payments only) where the total of the payments exceeds the current value of the property.

In either case, two of the claim payments must have occurred within 10 years of each other. If there are multiple losses at the same location within 10 days of each other, they are counted as one loss, with the payment amounts added collectively.

The strategy for reducing the number of SRL properties is twofold. First, the NFIP has centralized the processing of all flood insurance policies of SRL properties in order for FEMA to obtain additional underwriting information, verify loss information, and collect information about the flood risk to the SRL properties. Second, FEMA has implemented a grant program authorized by FIRA 2004 to mitigate residential SRL properties. You need to be aware of the following:

- The Write Your Own (WYO) Insurance Companies that sell and service flood insurance under the NFIP will assign flood insurance policies for SRL properties, upon renewal, to a centralized processing center operated by the NFIP's Servicing Agent. This center is the Special Direct Facility (SDF).

www.fema.gov

Lender
Date
Page 2

- As a result, your client's policy will not be processed by the chosen WYO Company or by the traditional NFIP Direct Program.

- Approximately 45 days prior to the renewal date of the policy, your client will receive a premium bill from the NFIP Servicing Agent. **This bill is the only bill that should be paid by your client.**

- For the time being, the SDF will be the only source for NFIP flood insurance coverage for your client's property. As always, the full premium amount and any related fees should be paid by the date indicated. The policy sent to your client will meet all the requirements of any mortgage company to the same extent as the current policy.

- The NFIP provides a procedure for your client to follow if he or she believes that FEMA has incorrectly included his or her insured property on its list of SRL properties.

The SRL Program may provide Federal grant funds to pay for up to 75 percent (up to 90 percent if certain state mitigation plan requirements are met) of the cost of eligible mitigation activities, such as elevating your client's residential NFIP-insured structure. Mitigated properties may qualify for reduced flood insurance rates. To obtain additional information on the SRL Program and other mitigation grant programs for residential and non-residential properties, please contact your local floodplain manager or state hazard mitigation official, or go to the FEMA Hazard Mitigation Assistance webpage at www.fema.gov/government/grant/hma.

FEMA's goal is to reduce the devastating effects of repetitive flood losses. If you have questions about this letter and the SRL procedures, please contact the NFIP Help Center by telephone at the toll-free number 1-866-395-7496.

Sincerely,

Edward L. Connor

Edward L. Connor
Deputy Administrator, Insurance
Federal Insurance and Mitigation Administration

U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

FEMA

IMPORTANT FLOOD INSURANCE POLICY INFORMATION

Insured's Name:

Property Address:

Policy Number:

Dear Policyholder:

As you may be aware, your property, which is covered by flood insurance, has experienced repetitive flood losses under FEMA's National Flood Insurance Program (NFIP). This letter is to inform you that your property meets the criteria for a new subset of repetitive loss structures: insured properties with a high frequency of losses or a high value of claims. These properties are designated Severe Repetitive Loss (SRL) properties.

Congress recognized that SRL properties represent the greatest risk of sustaining repeated flood losses and, through the Flood Insurance Reform Act of 2004 (FIRA 2004), made it a top priority to reduce the number of SRL properties nationwide. As of March 2011, FEMA has identified approximately 9,000 properties that meet the standard for SRL. The loss characteristics of an SRL property must meet one of the following criteria based on paid flood losses since 1978, regardless of ownership:

(1) Four or more separate claim payments of more than $5,000 each (building and/or contents payments); or

(2) Two or more separate claim payments (building payments only) where the total of the payments exceeds the current value of the property.

In either case, two of the claim payments must have occurred within 10 years of each other. If there are multiple losses at the same location within 10 days of each other, they are counted as one loss, with the payment amounts added collectively.

The strategy for reducing the number of SRL properties is twofold. First, the NFIP has centralized the processing of all flood insurance policies of SRL properties in order for FEMA to obtain additional underwriting information, verify loss information, and collect information about the flood risk to the SRL properties. Second, FEMA has implemented a grant program authorized by FIRA 2004 to mitigate residential SRL properties. You need to be aware of the following:

- The "Write Your Own" (WYO) Insurance Companies that sell and service flood insurance under the NFIP will assign flood insurance policies for SRL properties, upon renewal, to a centralized processing center operated by the NFIP's Servicing Agent. This center is the Special Direct Facility (SDF).

www.fema.gov

Policyholder
Date
Page 2

- As a result, your policy will not be processed by your chosen WYO Company or by the traditional NFIP Direct Program. Your agent, however, will continue to be the agent of record throughout the process.

- Approximately 45 days prior to the renewal date of your policy, you will receive a premium bill from the NFIP Servicing Agent. **This bill is the only bill that you should pay.**

- For the time being, the SDF will be the only source for NFIP flood insurance coverage for your property. As always, the full premium amount and any related fees should be paid by the date indicated. The policy sent to you will meet all the requirements of any mortgage company to the same extent as your current policy.

- You may continue to contact your agent directly for any service needs on the policy because he or she will remain the agent of record.

- The NFIP provides a procedure for you to follow if you believe that FEMA has incorrectly included your insured property on its list of SRL properties.

The SRL Program may provide Federal grant funds to pay for up to 75 percent (up to 90 percent if certain state mitigation plan requirements are met) of the cost of eligible mitigation activities, such as elevating your residential NFIP-insured structure. Mitigated properties may qualify for reduced flood insurance rates. To obtain additional information on the SRL Program and other mitigation grant programs for residential and non-residential properties, please contact your local floodplain manager or state hazard mitigation official, or go to the FEMA Hazard Mitigation Assistance webpage at www.fema.gov/government/grant/hma.

FEMA's goal is to reduce the devastating effects of repetitive flood losses. If you have questions about this letter and the SRL procedures, please contact the NFIP Help Center by telephone at the toll-free number 1-866-395-7496.

Sincerely,

Edward L. Connor

Edward L. Connor
Deputy Administrator, Insurance
Federal Insurance and Mitigation Administration

National Flood Insurance Program
U.S. Department of Homeland Security
P.O. Box 2966
Shawnee Mission, KS 66201-1366

FEMA

DATE

<Name>
<Address>
<City, State ZIP>

Re.: Policy Number RL0xxxxxxx

Dear <Name>:

In June 2004, Congress passed the Flood Insurance Reform Act of 2004 (FIRA 2004), which contains provisions to develop a Grant Program for the mitigation of residential Severe Repetitive Loss (SRL) properties. FIRA 2004 requirements dictate that flood insurance premium rates for a policy increase when a property owner declines a qualified mitigation offer.

Previously, we informed you that your building insured under the above-referenced policy number is an SRL property. A qualified mitigation offer was made to you in a letter from your community, < >, dated < >. We have been notified that you refused to accept that qualified mitigation offer by your response dated < >.

Because a qualified mitigation offer was made to you for your insured building, and because you declined that offer, FIRA 2004 requires the premium rate upon renewal of your flood policy to reflect a 50-percent increase over the premium rate in effect at the time that the qualified mitigation offer was made to you. In addition, this rate may be adjusted by other premium adjustments otherwise applicable to the property. Our records show that the premium rates on your flood policy for the last policy term (when the mitigation offer was made to you, and refused) were $00.83/00.89 for Building Coverage and $01.62/00.79 for Contents Coverage. The new premium rates for your flood policy will now be $([00.83/00.89] x 1.5) for Building Coverage and $([01.62/00.79] x 1.5) for Contents Coverage, before the addition of other applicable flood policy fees. Also, other information may impact the rating of your flood insurance policy.

Below is a summary of your **current** coverages and rates:

COVERAGE AND RATING INFORMATION

Coverage Type	Coverage Limit	Deductible	Rate	Deductible Adjustment	Premium
Building	$ 42,400	$ 1,000	00.83/00.89	$ -	$ 352
Contents	$ 22,100	$ 1,000	01.62/00.79	$ -	$ 358
				ICC PREMIUM	$ 75
				ANNUAL SUBTOTAL	$ 785
				FEDERAL POLICY FEE	$ 30
				TOTAL PREMIUM	$ 815

SAMPLE

www.fema.gov

<Name>
DATE
Page 2

Below is a summary of your **estimated** renewal coverages and rates:

COVERAGE AND RATING INFORMATION								
Coverage Type	Coverage Limit		Deductible		Rate	Deductible Adjustment		Premium
Building	$	42,400	$	1,000	01.25/01.34	$ -	$	530
Contents	$	22,100	$	1,000	02.43/01.19	$ -	$	537
						ICC PREMIUM	$	75
						ANNUAL SUBTOTAL	$	1,142
						FEDERAL POLICY FEE	$	30
						TOTAL PREMIUM	$	1,172

Please note that this is not a bill; it is only an estimate of premium based on current coverages and underwriting information. You will be billed for the next policy term 45 days prior to the current term expiration.

The offer of mitigation you received *may* still be an active offer while funding remains available. Please contact FEMA Region < > if you would now like to accept that qualified offer of mitigation assistance.

If you do not wish to accept the mitigation offer, your policy will be subject to a rate increase unless you file an appeal to the proposed rate increase. See the enclosed document for more information regarding the appeal process. If you choose to appeal, please continue to keep your policy in force so that you may continue to receive protection under the National Flood Insurance Program. For additional information on the SRL Program and the SRL appeal process, please go to the SRL webpage at www.fema.gov/government/grant/srl.

Sincerely,

Underwriting Department
800-638-6620

Enclosure

National Flood Insurance Program
U.S. Department of Homeland Security
P.O. Box 2966
Shawnee Mission, KS 66201-1366

FEMA

DATE

<Name>
<Address>
<City, State ZIP>

YOUR FLOOD INSURANCE RENEWAL BILLING IS ENCLOSED

Re.: Policy Number RL0xxxxxxx

Dear <Name>:

As previously communicated to you, your property insured by a National Flood Insurance Program flood insurance policy was identified as a residential Severe Repetitive Loss property. You were offered an opportunity to accept mitigation assistance. Because you declined the offer for mitigation assistance, the premium rates on the flood insurance policy renewal will reflect a 50-percent increase over the premium rates in effect at the time that the qualified mitigation offer was made to you, in accordance with the Flood Insurance Reform Act of 2004.

As you were previously informed, you have the right to appeal the increase in premium. Your appeal must be received by the FEMA regional office by < >. We have enclosed a brochure that details the appeal procedure.

We have enclosed two renewal bills for your policy. The total premium due on the $< > bill reflects the described rate increase. However, if you choose to appeal the rate increase within the allotted timeframe, please pay the $< > amount.

PLEASE NOTE: If you do choose to appeal, in addition to paying the $< >, you must also submit an appeal with the FEMA regional office in accordance with the procedure detailed in the attached brochure. If you pay the smaller premium of $< > AND do not submit an appeal within the allotted time frame, the amount of coverage on your policy will be reduced to the amount that can be purchased with the premium that we receive. For additional information on the SRL Program and the SRL appeal process, please go to the SRL webpage at www.fema.gov/government/grant/srl.

In addition to your appeal option, the original mitigation offer *may* still be active. Please contact FEMA Region < > if you would now like to accept that qualified offer of mitigation assistance. Also note that this policy may be subject to additional premium increases in the future if the property has an additional paid NFIP flood loss in excess of $1,500.

Because you have an insurable interest in a property that has had multiple flood losses, you are certainly aware of the benefit of keeping your flood insurance policy in force. Please pay your renewal premium promptly, regardless of any appeal status, to keep the flood insurance coverage on your property in force.

Sincerely,

Underwriting Department
800-638-6620

Enclosures

www.fema.gov

National Flood Insurance Program
U.S. Department of Homeland Security
P.O. Box 2966
Shawnee Mission, KS 66201-1366

FEMA

DATE

<Name>
<Address>
<City, State ZIP>

YOUR FLOOD INSURANCE RENEWAL BILLING IS ENCLOSED

Re.: Policy Number RL0xxxxxxx

Dear <Name>:

As previously communicated to you, your property insured by a National Flood Insurance Program flood insurance policy was identified as a residential Severe Repetitive Loss property. You were offered an opportunity to accept mitigation assistance. Because you declined the offer for mitigation assistance, the premium rates on the flood insurance policy renewal are subject to a 50-percent increase over the premium rates in effect at the time that the qualified mitigation offer was made to you, in accordance with the Flood Insurance Reform Act of 2004.

The enclosed renewal bill reflects this increased premium.

Please note that this policy may be subject to additional premium increases in the future if the property has an additional paid NFIP flood loss in excess of $1,500.

If the funding remains available, the original mitigation offer *may* still be active. You can contact FEMA Region < > if you now wish to accept that qualified offer of mitigation assistance.

Because you have an insurable interest in a property that has had multiple flood losses, you are certainly aware of the benefit of keeping your flood insurance policy in force. Please pay the enclosed bill promptly to continue the flood insurance coverage on your property.

Sincerely,

Underwriting Department
800-638-6620

Enclosure

www.fema.gov

National Flood Insurance Program
U.S. Department of Homeland Security
P.O. Box 2966
Shawnee Mission, KS 66201-1366

FEMA

DATE

<Name>
<Address>
<City, State ZIP>

YOUR FLOOD INSURANCE RENEWAL BILLING IS ENCLOSED

Re.: Policy Number RL0xxxxxxx

Dear <Name>:

As previously communicated to you, your property insured by a National Flood Insurance Program flood insurance policy was identified as a residential Severe Repetitive Loss property. You were offered an opportunity to accept mitigation assistance. Because you declined the offer of mitigation assistance, the premium rates on the flood insurance policy were increased by 50 percent, in accordance with the Flood Insurance Reform Act of 2004, over the premium rates in effect at the time that the qualified mitigation offer was made.

Your property has had an additional paid NFIP loss in excess of $1,500 and therefore is subject to an additional 50-percent increase over the current rate. The enclosed renewal bill reflects this increased premium.

Please note that this policy may be subject to additional premium increases in the future, if the property continues to have additional paid NFIP flood losses in excess of $1,500.

If the funding remains available, the original mitigation offer *may* still be active. You can contact FEMA Region < > if you now wish to accept that qualified offer of mitigation assistance.

Since you have an insurable interest in a property that has had multiple flood losses, you are certainly aware of the benefit of keeping your flood insurance policy in force. Please pay the enclosed bill to continue the flood insurance coverage on your property.

Sincerely,

Underwriting Department
800-638-6620

Enclosure

www.fema.gov