



FEMA

April 1, 2020

Dear *National Flood Insurance Program Flood Insurance Manual* User:

FEMA's regular updates to the *National Flood Insurance Program Flood Insurance Manual* reflect an ongoing effort to enhance the customer experience and evolve the NFIP into a world-class organization. FEMA has revised the document to incorporate NFIP program changes announced October 1, 2019, address stakeholder feedback, and clarify existing guidance. Red text on the amended pages identifies updated information and all footers reflect the April 1, 2020 effective date. Significant revisions in the April 2020 edition include the following:

Section 2 – Before You Start

- Restructures the section to improve usability.
- Moves guidance on NFIP coverage eligibility for manufactured homes, travel trailers without wheels, and boathouses located partially over water from Section 3 "How to Write" to this section (Table 4).
- Adds guidance stating that the NFIP may not knowingly insure buildings or contents used for the manufacture or distribution of a controlled substance in violation of federal law (Table 5).
- Under Exclusions and Limitations (Table 6), adds guidance addressing a flood in progress.
- Clarifies guidance on how use of certified mail affects the effective date of a new policy with a 30-day or 1-day waiting period (Tables 8 and 9).

Section 3 – How to Write

- Clarifies existing guidance on grandfathering eligibility (Table 5).
- Streamlines the verification requirements for primary residence status if the property address and mailing address match.
- Clarifies that a \$25 Homeowner Flood Insurance Affordability Act of 2014 (HFIAA) surcharge applies to 2–4 family primary residences (Tables 19, 26, 34, 50).
- Clarifies that the Flood Insurance Rate Map (FIRM) available at the time of the renewal offer determines a building's continued eligibility for the Preferred Risk Policy (PRP).
- Updates the methodology FEMA uses to determine the non-residential floodproofing premium discount and updates the list of required documentation.

Section 4 – How to Endorse

- Clarifies guidance on how use of certified mail affects the effective date of an endorsement with a 30-day or 1-day waiting period (Tables 1 and 2).
- Notes that a policy may be eligible for grandfathering following a Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR).

Section 6 – How to Cancel

- Notes additional cancellation reason codes for which the insured's signature and agent's signature are not required.

Appendix B – Forms

- Incorporates proposed new versions of the NFIP Flood Insurance Application, Preferred Risk Policy and Newly Mapped Application, General Change Endorsement, and Cancellation/Nullification Request forms.
- Reflects updated expiration dates for the NFIP Floodproofing Certificate for Non-Residential Structures and NFIP Elevation Certificate and Instructions.
- Removes the V-Zone Risk Factor Rating Form since FEMA is discontinuing its use for policies effective on or after April 1, 2020.

Appendix C – Lowest Floor Guide

- In Building Diagram #2B, changes the lowest floor for rating to the top of the basement floor, the same as in Building Diagram #2A.

Appendix D – Coastal Barrier Resources System

- Removes Table 1 “Coastal Barrier Resources System Communities,” directing readers to instead use the authoritative Coastal Barrier Resources System (CBRS) Mapper on the U.S. Fish and Wildlife Service website to determine whether a property is in a System Unit or Otherwise Protected Area (OPA) designated under the CBRS.

Appendix F – Community Rating System

- Clarifies when a change in the Community Rating System (CRS) premium discount applicable to a policy takes effect.
- Updates the list of CRS eligible communities effective May 1, 2020 (Table 3).

Appendix G – Leased Federal Properties

- Clarifies and reformats existing guidance on Leased Federal Properties (LFPs).

Appendix I – Severe Repetitive Loss Properties

- Expands and clarifies existing guidance on the process for underwriting Severe Repetitive Loss (SRL) properties and correcting or updating a property's SRL status.

Appendix J – Rate Tables

- Updates premium rates for policies written or renewed on or after April 1, 2020 (Rate Tables and Condo Tables).
- Updates the Reserve Fund Assessment (Rate Table 7B) and SRL premium (Rate Table 7D) percentages for policies written or renewed on or after April 1, 2020.
- Updates premium rates for PRPs and Newly Mapped rated policies written or renewed on or after January 1, 2021 (PRP Tables and Newly Mapped Tables).
- Deletes Rate Table 13 “V-Zone Risk Rating Relativities” because FEMA is discontinuing use of the V-Zone Risk Factor Rating Form.

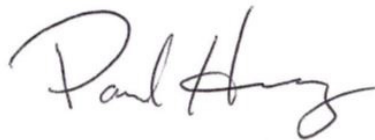
Appendix L – Definitions and Acronyms

- Adds a definition for “agricultural structure” and clarifies other definitions.
- Adds a list of acronyms.

The updated edition of the *NFIP Flood Insurance Manual* does not change flood insurance coverage or supersede the terms and conditions of the Standard Flood Insurance Policy (SFIP). The guidance and premium rates in this edition reflect the NFIP’s existing underwriting requirements and its current rating methodology. They do not represent changes in methodology due to FEMA’s planned Risk Rating 2.0 initiative. FEMA continues its preliminary analyses and internal review on how the methodology for determining premium rates may change in the future. Once completed, FEMA will provide additional guidance and updates.

FEMA’s goal is to make NFIP products and processes easy to understand, enabling insurance professionals to provide policyholders with an excellent customer experience. Thank you for your continued support of the NFIP. Together we can make America more flood resilient and build a culture of preparedness by closing the nation’s insurance gap.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Huang", written in a cursive style.

Paul P. Huang
Assistant Administrator for Federal Insurance
Federal Insurance and Mitigation Administration

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