



FEMA

W-07016

March 6, 2007

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

FROM: 
Edward L. Connor
Deputy Director for Insurance
Mitigation Division

REFERENCE: W-06039, dated June 9, 2006; W-06044, dated July 11, 2006; and
W-06090, dated December 22, 2006

SUBJECT: Severe Repetitive Loss Update

In response to requests from WYO Companies, FEMA has further enhanced the process to enable the transition of ineligible properties from the Repetitive Loss Target Group to the new Severe Repetitive Loss (SRL) Program (see WYO Company Bulletin W-06039).

The definition of SRL properties provided in the Flood Insurance Reform Act of 2004 (FIRA) meant that many policies would no longer be eligible for processing by the NFIP's Special Direct Facility (SDF). The procedure for those policies to be removed from the SDF involves the mailing of a notification letter to the agent, the insured, and any mortgagee on the policy at 90 days prior to the policy's expiration date (see W-06044). This letter notifies the recipients that the property is no longer qualified for the SDF, and the flood insurance policy should be renewed through a participating WYO Company or the NFIP Direct Servicing Agent. To ensure that the policyholder has the opportunity to continue coverage, the SDF generates a renewal offer at 45 days prior to policy expiration date.

In December 2006, the NFIP Bureau and Statistical Agent prepared data files to help each WYO Company or vendor verify the underwriting information for these policies (see W-06090). The data files contained the Transaction Record Reporting and Processing (TRRP) policy format for those SDF policies that are depopulating, and the last known WYO Company for that policy.

To further assist in the depopulation process, the SDF will now be providing to the current agency of record for these depopulating policies, a user id and password to access the SDF's records electronically. The agency will receive the user id and password prior to the receipt of the 90-day notification letter. This will allow the agency to log into the SDF's policy system to view and print the policy's current declarations page and its associated underwriting information.

Please share this information with others in your organization as appropriate.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Accounting, Claims, Data Processing, Underwriting