



FEMA

W-12006

February 10, 2012

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

Jhun de la Cruz

FROM: Jhun de la Cruz
Chief, Underwriting Branch
Risk Insurance Division

SUBJECT: Endorsement Due to Map Revision

The General Change Endorsement section of the National Flood Insurance Program (NFIP) *Flood Insurance Manual* allows for the revision of the rated flood zone following a map revision (Section I.B.4 on page END 2). It has come to the attention of the Federal Emergency Management Agency (FEMA) that companies are inconsistently applying the endorsement effective date rule for a map revision. This bulletin clarifies the rule and provides background information regarding map revisions.

FEMA uses the best data available and applies rigorous standards in developing the Flood Insurance Rate Maps (FIRMs) used by community officials in implementing sound floodplain management and by lenders in determining whether to require flood insurance under the provisions of the Flood Disaster Protection Act of 1973, as amended.

In coordination with the local community, FEMA determines the risk of flood using all of the variable information for each community: historical data, the community's rainfall records, river-flow, storm tide, topography, wind velocity, tidal surge, flood-control measures, development (existing and planned), community maps, hydrologic and hydraulic analysis, and other data. Because of scale limitations, FIRMs cannot reflect every rise in terrain, and some areas of high ground may be incorrectly included in Special Flood Hazard Areas (SFHAs). In addition, community development or natural changes to the topography through subsidence or erosion may alter flood risks. When possible, FIRMs are updated to include more refined or changing data as they become available.

It is FEMA's position that the application of new mapping information by means of endorsement to an existing NFIP policy should not be made effective prior to the effective date of the revised map. This rule applies to a physical revision of the FIRM and to revisions to the FIRM made by means of a Letter of Map Amendment (LOMA) and a Letter of Map Revision (LOMR).

The effective date of an endorsement to rate a policy with the current zone following a map revision should be the effective date of the map revision. A pro-rata refund is available for the current policy year and is limited to the pro-rata portion of one prior policy year in the case where the map revision occurred prior to the current policy year. The following endorsement rules must be used:

- If a map revision became effective during the current policy year, the refund for the premium difference after revising the zone or BFE is prorated prospectively, using the effective date of the map revision as the endorsement effective date.
- If a map revision became effective in the previous policy year, a refund of the premium difference is granted for the current policy year and either the pro-rata or full portion of the previous policy year depending on the map revision date. The map revision date or the previous policy year inception date, whichever is later, is the endorsement effective date.
- If coverage has expired, the endorsement request must be received within six months of the expiration date; otherwise, no refund is available. Before refunding premium for an expired term, check with the policyholder for the existence of a current policy. Under no circumstances can more than two policy years be refunded.

Revisions will be made in May 2012 to Section I.B.4 of the General Change Endorsement section of the *NFIP Flood Insurance Manual* to reflect this clarification.

If you have any questions, please contact Joseph Cecil at joseph.cecil@fema.dhs.gov.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: All Departments