



FEMA

W-12054

August 21, 2012

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

*Edward L. Connor*

FROM: Edward L. Connor  
Deputy Associate Administrator for Federal Insurance  
Federal Insurance and Mitigation Administration

SUBJECT: Extension of Preferred Risk Policy Eligibility

The purpose of this memorandum is to announce the Extension of Preferred Risk Policy (PRP) Eligibility. While FEMA completes a study and analysis to develop an implementation strategy for the Biggert-Waters Flood Insurance Reform Act of 2012, policies written as PRPs under the PRP Eligibility Extension may continue to be renewed as PRPs beyond the previously designated 2-year period.

Under the initial 2-Year PRP Eligibility Extension, buildings newly mapped into a Special Flood Hazard Area (SFHA) on or after October 1, 2008, became eligible for the PRP for 2 years beginning on January 1, 2011. Buildings newly mapped into an SFHA on or after January 1, 2011, were also eligible for the PRP during the 2-year period following the map revision date. At the end of the 2-year period, the policies were required to be rewritten as standard-rated policies.

Beginning with the first renewal effective on or after January 1, 2013, policies issued under the PRP Eligibility Extension that meet the PRP loss history requirements will not be transitioned into standard X-zone rating, but will continue to be issued as PRPs at each renewal until further notice. Under the extension, new-business PRPs may also continue to be issued for properties newly mapped into the SFHA as a result of a map revision that became effective on or after October 1, 2008.

For technical assistance regarding the continuation of the PRP Eligibility Extension, please contact Joe Cecil at (202) 212-2067.

Attachment

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: All Departments

National Flood Insurance Program  
Details Regarding the Extension of Preferred Risk Policy (PRP) Eligibility  
Effective January 1, 2013

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**Premium Increases**

Premiums will increase an average of 13% for PRPs written or renewed on or after January 1, 2013. The premium for a particular policy may change more or less than the average 13% change. The PRP premium tables that become effective January 1, 2013, are included in this attachment.

**Revisions to the Transaction Record Reporting and Processing (TRRP) Plan and Edit Specifications**

The following Risk Rating Method criteria will be used to report policies issued under the PRP:

- Risk Rating Method '7' will continue to be reported for all PRPs issued for eligible properties located within a non-Special Flood Hazard Area (non-SFHA).
- Risk Rating Method 'P' will continue to be used for a new PRP issued in the first year following a map revision for an eligible property that was newly mapped into the SFHA by a map revision.
- Risk Rating Method 'Q' will be permitted to renew as a 'Q' using PRP premiums. Risk Rating Method 'Q' will be used for subsequent renewals until further notice.

Related changes to the TRRP Plan and Edit Specification Manuals will be provided under separate cover.

# PRP COVERAGE LIMITS AVAILABLE EFFECTIVE JANUARY 1, 2013

## 1-4 FAMILY RESIDENTIAL BUILDING AND CONTENTS COVERAGE COMBINATIONS<sup>1, 2, 3</sup>

WITH BASEMENT OR ENCLOSURE <sup>4</sup>			WITHOUT BASEMENT OR ENCLOSURE <sup>5</sup>		
BUILDING	CONTENTS	PREMIUM	BUILDING	CONTENTS	PREMIUM
\$ 20,000	\$ 8,000	\$174	\$ 20,000	\$ 8,000	\$129
\$ 30,000	\$ 12,000	\$209	\$ 30,000	\$ 12,000	\$181
\$ 50,000	\$ 20,000	\$267	\$ 50,000	\$ 20,000	\$238
\$ 75,000	\$ 30,000	\$313	\$ 75,000	\$ 30,000	\$279
\$100,000	\$ 40,000	\$344	\$100,000	\$ 40,000	\$310
\$125,000	\$ 50,000	\$366	\$125,000	\$ 50,000	\$332
\$150,000	\$ 60,000	\$388	\$150,000	\$ 60,000	\$354
\$200,000	\$ 80,000	\$427	\$200,000	\$ 80,000	\$388
\$250,000	\$100,000	\$458	\$250,000	\$100,000	\$412

## RESIDENTIAL CONTENTS-ONLY COVERAGE<sup>1, 2, 6</sup>

CONTENTS ABOVE GROUND LEVEL MORE THAN 1 FLOOR		ALL OTHER LOCATIONS (BASEMENT-ONLY NOT ELIGIBLE)	
CONTENTS	PREMIUM	CONTENTS	PREMIUM
\$ 8,000	\$55	\$ 8,000	\$77
\$ 12,000	\$73	\$ 12,000	\$104
\$ 20,000	\$108	\$ 20,000	\$145
\$ 30,000	\$124	\$ 30,000	\$166
\$ 40,000	\$138	\$ 40,000	\$185
\$ 50,000	\$151	\$ 50,000	\$205
\$ 60,000	\$165	\$ 60,000	\$224
\$ 80,000	\$192	\$ 80,000	\$246
\$100,000	\$219	\$100,000	\$269

## OTHER RESIDENTIAL BUILDING AND CONTENTS COVERAGE COMBINATIONS<sup>1, 2, 3</sup>

With Basement or Enclosure<sup>4</sup>

CONTENTS COVERAGE		\$8,000	\$12,000	\$20,000	\$30,000	\$40,000	\$50,000	\$60,000	\$80,000	\$100,000
BUILDING COVERAGE	\$ 20,000	\$190	\$206	\$220	\$235	\$249	\$261	\$273	\$285	\$296
	\$ 30,000	\$206	\$221	\$236	\$251	\$264	\$277	\$289	\$301	\$312
	\$ 50,000	\$244	\$260	\$275	\$289	\$303	\$315	\$328	\$339	\$350
	\$ 75,000	\$262	\$278	\$293	\$307	\$321	\$333	\$346	\$357	\$368
	\$100,000	\$287	\$303	\$318	\$332	\$346	\$358	\$371	\$382	\$393
	\$125,000	\$295	\$311	\$325	\$340	\$354	\$366	\$379	\$390	\$401
	\$150,000	\$301	\$316	\$331	\$346	\$359	\$372	\$384	\$396	\$407
	\$200,000	\$336	\$351	\$366	\$381	\$394	\$407	\$419	\$431	\$442
	\$250,000	\$355	\$371	\$385	\$400	\$414	\$426	\$438	\$450	\$461

## OTHER RESIDENTIAL BUILDING AND CONTENTS COVERAGE COMBINATIONS<sup>1, 2, 3</sup>

Without Basement or Enclosure<sup>5</sup>

CONTENTS COVERAGE		\$8,000	\$12,000	\$20,000	\$30,000	\$40,000	\$50,000	\$60,000	\$80,000	\$100,000
BUILDING COVERAGE	\$ 20,000	\$158	\$172	\$184	\$197	\$208	\$219	\$229	\$240	\$249
	\$ 30,000	\$179	\$191	\$203	\$216	\$227	\$238	\$249	\$259	\$268
	\$ 50,000	\$218	\$231	\$243	\$255	\$267	\$278	\$288	\$298	\$307
	\$ 75,000	\$241	\$253	\$266	\$277	\$288	\$299	\$310	\$320	\$329
	\$100,000	\$261	\$273	\$286	\$297	\$308	\$320	\$330	\$340	\$349
	\$125,000	\$271	\$284	\$296	\$307	\$319	\$329	\$339	\$349	\$358
	\$150,000	\$279	\$292	\$304	\$315	\$327	\$337	\$347	\$357	\$366
	\$200,000	\$311	\$323	\$336	\$347	\$358	\$368	\$379	\$388	\$397
	\$250,000	\$328	\$340	\$353	\$364	\$375	\$385	\$396	\$405	\$414

1 Add the \$50 Probation Surcharge, if applicable.

2 Premium includes Federal Policy Fee of \$20.

3 Premium includes ICC Premium of \$5. Deduct this amount if the risk is a condominium unit.

4 Do not use this section of the table for buildings with crawlspaces or subgrade crawlspaces; see footnote 5. Use this section of the table if a building elevated on a crawlspace has an attached garage without openings.

5 Use this section of the table for buildings with crawlspaces or subgrade crawlspaces.

6 Use this "All Residential Contents-Only Coverage" premium table for individual residential condominium unit contents-only policies.

**PRP COVERAGE LIMITS AVAILABLE EFFECTIVE JANUARY 1, 2013 (continued)**

**NON-RESIDENTIAL BUILDING AND CONTENTS COVERAGE COMBINATIONS<sup>1, 2</sup>**

With Basement or Enclosure<sup>3</sup>

CONTENTS COVERAGE		\$50,000	\$100,000	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000	\$450,000	\$500,000
BUILDING COVERAGE	\$ 50,000	\$1,014	\$1,306	\$1,587	\$1,853	\$2,107	\$2,349	\$2,579	\$2,794	\$2,998	\$3,189
	\$100,000	\$1,436	\$1,729	\$2,008	\$2,275	\$2,529	\$2,771	\$3,000	\$3,216	\$3,419	\$3,610
	\$150,000	\$1,747	\$2,040	\$2,319	\$2,585	\$2,840	\$3,082	\$3,311	\$3,527	\$3,730	\$3,921
	\$200,000	\$1,915	\$2,208	\$2,487	\$2,754	\$3,008	\$3,250	\$3,479	\$3,695	\$3,899	\$4,089
	\$250,000	\$2,034	\$2,327	\$2,606	\$2,872	\$3,127	\$3,369	\$3,598	\$3,814	\$4,017	\$4,208
	\$300,000	\$2,165	\$2,458	\$2,737	\$3,004	\$3,258	\$3,500	\$3,729	\$3,945	\$4,148	\$4,339
	\$350,000	\$2,310	\$2,602	\$2,882	\$3,148	\$3,402	\$3,644	\$3,873	\$4,088	\$4,292	\$4,483
	\$400,000	\$2,405	\$2,697	\$2,976	\$3,243	\$3,497	\$3,739	\$3,967	\$4,183	\$4,387	\$4,578
	\$450,000	\$2,513	\$2,806	\$3,085	\$3,352	\$3,606	\$3,848	\$4,076	\$4,292	\$4,495	\$4,686
	\$500,000	\$2,632	\$2,924	\$3,204	\$3,470	\$3,724	\$3,966	\$4,195	\$4,410	\$4,614	\$4,805

**NON-RESIDENTIAL BUILDING AND CONTENTS COVERAGE COMBINATIONS<sup>1, 2</sup>**

Without Basement or Enclosure<sup>4</sup>

CONTENTS COVERAGE		\$50,000	\$100,000	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000	\$450,000	\$500,000
BUILDING COVERAGE	\$ 50,000	\$641	\$797	\$946	\$1,088	\$1,224	\$1,353	\$1,475	\$1,590	\$1,698	\$1,800
	\$100,000	\$858	\$1,014	\$1,163	\$1,305	\$1,441	\$1,570	\$1,692	\$1,807	\$1,915	\$2,017
	\$150,000	\$1,019	\$1,175	\$1,324	\$1,467	\$1,602	\$1,731	\$1,853	\$1,968	\$2,077	\$2,179
	\$200,000	\$1,188	\$1,344	\$1,493	\$1,635	\$1,771	\$1,900	\$2,022	\$2,137	\$2,245	\$2,347
	\$250,000	\$1,301	\$1,457	\$1,606	\$1,748	\$1,884	\$2,013	\$2,135	\$2,250	\$2,358	\$2,460
	\$300,000	\$1,420	\$1,576	\$1,726	\$1,868	\$2,003	\$2,132	\$2,254	\$2,370	\$2,478	\$2,580
	\$350,000	\$1,485	\$1,641	\$1,790	\$1,932	\$2,068	\$2,197	\$2,319	\$2,434	\$2,543	\$2,644
	\$400,000	\$1,556	\$1,712	\$1,861	\$2,003	\$2,139	\$2,268	\$2,390	\$2,505	\$2,614	\$2,715
	\$450,000	\$1,634	\$1,790	\$1,939	\$2,081	\$2,217	\$2,346	\$2,468	\$2,583	\$2,692	\$2,793
	\$500,000	\$1,719	\$1,875	\$2,024	\$2,166	\$2,302	\$2,431	\$2,553	\$2,668	\$2,776	\$2,878

**NON-RESIDENTIAL CONTENTS-ONLY COVERAGE<sup>1, 2</sup>**

CONTENTS ABOVE GROUND LEVEL MORE THAN 1 FLOOR		ALL OTHER LOCATIONS (BASEMENT-ONLY NOT ELIGIBLE)	
CONTENTS	PREMIUM	CONTENTS	PREMIUM
\$ 50,000	\$183	\$ 50,000	\$392
\$100,000	\$268	\$100,000	\$584
\$150,000	\$353	\$150,000	\$776
\$200,000	\$437	\$200,000	\$968
\$250,000	\$522	\$250,000	\$1,161
\$300,000	\$607	\$300,000	\$1,353
\$350,000	\$692	\$350,000	\$1,545
\$400,000	\$776	\$400,000	\$1,737
\$450,000	\$861	\$450,000	\$1,929
\$500,000	\$946	\$500,000	\$2,121

1 Add the \$50 Probation Surcharge, if applicable.

2 Premium includes Federal Policy Fee of \$20.

3 Do not use this section of the table for buildings with crawlspaces or subgrade crawlspaces. See footnote 4.

4 Use this section of the table for buildings with crawlspaces or subgrade crawlspaces.