



FEMA

W-14006

February 14, 2014

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

A handwritten signature in black ink, appearing to read "Dennis L. Kuhns".

FROM: Dennis L. Kuhns
Division Director
Risk Insurance Division

SUBJECT: Addendum 3 to the June 1, 2014, Program Changes

This memorandum provides updated information for the June 1, 2014, Program Changes bulletin (W-13070) and its Addendum (W-14001). This Addendum provides revised deductible factors in Rating section Table 8B – Deductible Factors, for single-family and 2-4 family buildings with both Coverage A and Coverage B (building and contents). Additional updates are shown in red text.

In addition, FEMA is delaying the requirement for insurers to send a notice to policyholders concerning duplicate coverage. In W-13070, FEMA required that for all policies with a policy expiration date on or after June 1, 2014, at least 90 days prior to the policy expiration date, insurers must send a notice to the insured and agent for all policies covering residential and non-residential buildings where duplicate coverage is indicated. FEMA then provided reports identifying such policies. Because the number of potential duplicate policies identified on the reports is much larger than anticipated, FEMA is changing this requirement to apply to all policies with a policy expiration date on or after October 1, 2014. We will continue to make the monthly reports available so that insurers can continue to address the policies noted.

Please use this updated information when processing your system changes effective June 1, 2014.

If you have any questions, please contact the iService Underwriting Department at Underwriting@nfipiservice.com.

Attachment

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Accounting, Claims, Data Processing, Marketing, Underwriting

TABLE 8B. DEDUCTIBLE FACTORS^{1, 2, 3}

Single-Family and 2-4 Family Building and Contents Policies⁴

DEDUCTIBLE OPTIONS: Building/Contents	PRE-/POST-FIRM Full-Risk	PRE-FIRM Subsidized	DEDUCTIBLE OPTIONS: Building/Contents	PRE-/POST-FIRM Full-Risk	PRE-FIRM Subsidized
\$1,000/\$1,000	1.000 ⁵	N/A	\$3,000/\$3,000	.850	.925
\$1,250/\$1,000	.995 ⁵	N/A	\$4,000/\$1,000	.925 ⁵	N/A
\$1,250/\$1,250	.980	N/A	\$4,000/\$1,250	.915	N/A
\$1,500/\$1,000	.990 ⁵	N/A	\$4,000/\$1,500	.900	.975 ⁵
\$1,500/\$1,250	.975	N/A	\$4,000/\$2,000	.875	.950
\$1,500/\$1,500	.965	1.050 ⁵	\$4,000/\$3,000	.825	.900
\$2,000/\$1,000	.975 ⁵	N/A	\$4,000/\$4,000	.775	.850
\$2,000/\$1,250	.965	N/A	\$5,000/\$1,000	.900 ⁵	N/A
\$2,000/\$1,500	.950	1.025 ⁵	\$5,000/\$1,250	.890	N/A
\$2,000/\$2,000	.925	1.000	\$5,000/\$1,500	.875	.955 ⁵
\$3,000/\$1,000	.950 ⁵	N/A	\$5,000/\$2,000	.850	.930
\$3,000/\$1,250	.940	N/A	\$5,000/\$3,000	.800	.880
\$3,000/\$1,500	.925	1.000 ⁵	\$5,000/\$4,000	.760	.830
\$3,000/\$2,000	.900	.975	\$5,000/\$5,000	.750	.810

Single-Family and 2-4 Family Building-Only or Contents-Only Policies⁴

BUILDING	PRE-/POST-FIRM Full-Risk	PRE-FIRM Subsidized
\$1,000	1.000 ⁵	N/A
\$1,250	.985	N/A
\$1,500	.970	1.040 ⁵
\$2,000	.935	1.000
\$3,000	.885	.945
\$4,000	.835	.890
\$5,000	.785	.840

CONTENTS ⁶	PRE-/POST-FIRM Full-Risk	PRE-FIRM Subsidized
\$1,000	1.000	N/A
\$1,250	.975	N/A
\$1,500	.950	1.050
\$2,000	.900	1.000
\$3,000	.825	.915
\$4,000	.750	.830
\$5,000	.675	.750

Other Residential and Non-Residential Policies⁷

BUILDING/CONTENTS	DISCOUNT FROM		AMOUNT	BUILDING ONLY		CONTENTS ONLY	
	PRE-/POST-FIRM Full-Risk	PRE-FIRM Subsidized		PRE-/POST-FIRM Full-Risk	PRE-FIRM Subsidized	PRE-/POST-FIRM Full-Risk	PRE-FIRM Subsidized
\$1,000/\$1,000	1.000 ⁵	N/A	\$1,000	1.000 ⁵	N/A	1.000	N/A
\$1,250/\$1,250	.990	N/A	\$1,250	.990	N/A	.990	N/A
\$1,500/\$1,500	.980	1.025 ⁵	\$1,500	.980	1.025 ⁵	.985	1.025
\$2,000/\$2,000	.960	1.000	\$2,000	.960	1.000	.965	1.000
\$3,000/\$3,000	.930	.970	\$3,000	.925	.965	.940	.975
\$4,000/\$4,000	.910	.950	\$4,000	.900	.935	.915	.950
\$5,000/\$5,000	.890	.930	\$5,000	.875	.910	.890	.925
\$10,000/\$10,000 ⁷	.815	.855	\$10,000	.775	.800	.815	.850
\$15,000/\$15,000 ⁷	.765	.800	\$15,000	.700	.725	.740	.775
\$20,000/\$20,000 ⁷	.715	.750	\$20,000	.625	.650	.670	.700
\$25,000/\$25,000 ⁷	.665	.700	\$25,000	.575	.600	.620	.650
\$50,000/\$50,000 ⁷	.565	.600	\$50,000	.475	.500	.550	.575

1 Deductible factors for the RCBA are located in the Condominiums section of this manual.

2 The ICC Premium is not eligible for the deductible discount.

3 Pre-FIRM/Post-FIRM deductibles apply to all buildings receiving full-risk rates, including Pre-FIRM buildings rated with elevation data, or in the non-SFHA. Pre-FIRM deductibles apply only to policies receiving Pre-FIRM subsidized premium rates.

4 These deductible factors apply to condominium unit owners.

5 Only available if building coverage is \$100,000 or less.

6 These deductible factors apply to residential unit contents in an Other Residential building or in a multi-unit condominium building.

7 Deductibles of \$10,000 to \$50,000 are available only for Non-Residential Policies.