



FEMA

W-14033

June 23, 2014

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

A handwritten signature in cursive script that reads "Jhun de la Cruz".

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

SUBJECT: Deliberate Creation of Duplicate NFIP Policies

In accordance with the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA), Bulletin W-14014, issued April 15, 2014, instructed WYO Companies and the Direct Servicing Agent to stop charging full-risk rates, effective May 1, 2014, for certain properties affected by the Biggert-Waters Flood Insurance Reform Act of 2014 (BW-12). It has been brought to our attention that policyholders who had already received the full-risk rates have attempted to obtain duplicate policies after May 1 from a different insurer in order to benefit from the subsidized rates.

The difference between subsidized and full-risk rates may lead policyholders to mistakenly believe that some NFIP insurers charge different rates, while this difference is actually a result of the BW-12 provision being repealed. Procedures for issuing premium refunds to affected policyholders are being finalized, and most will receive refunds by the end of the year.

This bulletin serves as a reminder that duplicate policies are not allowed under the NFIP. A deliberate creation of duplicate policies occurs when an insured obtains a new policy knowing that a policy is already in effect covering the same building. If the insured knowingly creates duplicate policies covering the same building through the NFIP, the policy with the later effective date must be canceled. If a loss occurs during the policy term, the loss will be adjusted based on the terms of the earlier policy.

Thank you for ensuring that your agents and policyholders are aware of these rules and processes.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Data Processing, Marketing, Underwriting