The Preferred Risk Policy Extension

For State and Local Officials
PRP Extension
PRP Extension

• Effective January 1, 2011, buildings that are newly designated within a Special Flood Hazard Area due to a map revision are eligible for coverage under PRP for a period of up to 2 years after the effective date of the map.
PRP Extension

• Applies to buildings that were newly designated within a SFHA on or after October 1, 2008, that are eligible for coverage under PRP on the first renewal or new policy after January 1, 2011.
PRP Extension-Other Eligibility Requirements

• Building must meet the PRP Loss History requirements

• Buildings will be eligible that would are located in Zones B, C, or X on the Current FIRMS (or old FIRMs for maps effective after 10/1/2008) and will be (or have been) moved to A Zones on the new FIRM
PRP Extension-Whose Not Eligible?

- Properties located in an Emergency Program Community
- If this is the initial community FIRM
- Properties constructed in an SFHA after the effective date of the most recent FIRM
- Repetitive Loss Properties—including those with a disqualifying loss during the eligibility period
PRP Extension-Whose Not Eligible?

- Properties insured under RCBAP (condominiums)
- Leased Federal Properties
- Non-residential condominium units
- Residential units in a non-residential condominium building
PRP Extension-What if?

• There is no mandatory purchase requirement – eligible
• The property owner delays purchase till 2\textsuperscript{nd} year – eligible for 1 year
• Ownership changes – eligibility goes with property
• Lapse in coverage – eligibility period does not change
• Agent incorrectly wrote as a standard rated policy on PRP eligible policy – correct for misrating
What may State and Local Officials be asked to provide?

• Acceptable Zone Documentation
  – Requests for copies of LOMAs, LOMRs and LODRs
  – Copies of the flood map with the property clearly marked
  – A community letter, indicating the address and appropriate map information
  – Copies of Elevation Certificates
A Community Letter Should:

- Be on community or department letterhead
- Include name of owner and property address
- Type of building
- Prior Flood Zone, Prior Map date and Community Number, Map Panel and Suffix
- Name and title of Official, including signature, date signed and contact information.
One More Thing?

- All PRP’s purchased under the extension are potentially eligible for standard X-Zone rating under the “continuous coverage” Grandfathering Rule
- There is no change to the “built-in-compliance” Grandfathering rule
- The 2-Year PRP Extension is distinct from Grandfathering – A PRP cannot be Grandfathered as a PRP
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