



Federal Emergency Management Agency

Washington, D.C. 20472

W-02019

MEMORANDUM FOR: WYO Principal Coordinators and NFIP Servicing Agent

FROM: Donald R. Beaton, Jr.
Chief Underwriter
Federal Insurance and Mitigation Administration

DATE: March 20, 2002

SUBJECT: Oak Island, North Carolina; Community ID #370523

The National Flood Insurance Program (NFIP) communities of Town of Long Beach, North Carolina (community #375354) and Town of Yaupon Beach, North Carolina (community #370030) have merged to become one NFIP community. The new NFIP community is Oak Island, North Carolina, community #370523.

Our records indicate that there are approximately 1,698 active policies on file under the old community numbers of 375354 and 370030. These policies are currently receiving a Community Rating System (CRS) discount based on Class 9. Effective October 1, 2001, the community of Oak Island was approved to receive CRS Class 7 discount.

To ensure that all policies written using the Town of Long Beach or Town of Yaupon Beach community number are receiving the appropriate CRS discount, we are asking the WYO companies and the NFIP Direct Servicing Agent to correct the community number to Oak Island community #370523. The writing company must determine the correct endorsement effective date when correcting the community number. Please keep in mind that CRS discount cannot be applied mid-term; and for that reason, it is important that the policy effective date and the endorsement effective date be the same. Therefore, if the current policy term is effective prior to October 1, 2001, the endorsement should not generate a premium refund; however, if the current policy term was effective on or after October 1, 2001, the insured should receive a refund.

By separate transmittal, the NFIP Bureau & Statistical Agent will provide each affected WYO company with a list of its active policies written under Long Beach and Yaupon Beach. It is very important that the writing company take immediate action to correct these policies. We ask each company to correct its policies within 90 days from the date of this memorandum. In order to avoid transaction errors, the community status for Long Beach and Yaupon Beach will not be changed to a "defunct community" until July 1, 2002.

If you have any questions, please contact your Program Coordinator.

cc: Vendors, IBHS, FIPNC, and Government Technical Monitor
Suggested Routing: Data Processing, Underwriting, Marketing