FEMA

W-15011a

March 18, 2015

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

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

SUBJECT: Addendum 4 to the April 1, 2015, Program Changes

The purpose of this memorandum is to provide updates to the Transaction Record Reporting and
Processing (TRRP) Plan and Edit Specifications for the changes that the NFIP will implement effective
April 1, 2015.

Attachment A of this memorandum provides clarifications and revisions to the TRRP Plan and Edit
Specifications for the April 1, 2015, changes.

Clarifications and revisions are being made for the following edits:

- HFIAA Surcharge
- Risk Rating Method
- Total Amount of Insurance – Building

Additionally, this memorandum clarifies that eligibility for the Pre-FIRM subsidized rates published in
the Flood Insurance Manual, Rating Section Table 2D, is contingent upon the substantial improvement
date and transaction (new, renewal, or endorsement) effective date both being on or after April 1, 2015.

For any questions, please contact your NFIP Legacy Systems Services Business Analyst at
Business-Analysts@nfipstat.fema.gov.

Attachment

cc: Vendors, IBHS, FIPNC, Government Technical Representative

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

ATTACHMENT A TO ADDENDUM 4

**REVISED TRANSACTION RECORD REPORTING AND PROCESSING (TRRP) PLAN AND
EDIT SPECIFICATION CHANGES EFFECTIVE APRIL 1, 2015**

NATIONAL FLOOD INSURANCE PROGRAM

TRANSACTION RECORD REPORTING AND PROCESSING (TRRP) PLAN
for the
WRITE YOUR OWN (WYO) PROGRAM

Revision 1 ....January 1, 1992

Revision 2 ....March 1, 1995

Revision 3 ....October 1, 1997

Revision 4 ....October 1, 2001

   Changes 1 & 2...........................May 1, 2002

   Change   3...........................October 1, 2002

   Change   4...........................May 1, 2003

   Change   5...........................October 1, 2003

   Change   6...........................May 1, 2004

   Change   6.1.......................February 1, 2005

   Changes 7 & 7 (Revised)...............May 1, 2005

   Changes 8 & 8.1....................October 1, 2005

   Change   9...........................May 1, 2006

   Changes 10, 11 & 12...................May 1, 2008

   Changes 13, 13.1 & 13.2............October 1, 2009

   Change   14.........................January 1, 2011

   Change   15.........................October 1, 2011

   Change   16...........................May 1, 2012

   Change   17.........................October 1, 2012

   Change   18.........................January 1, 2013

   Change   19, 19.1, 19.2 & 19.3..October 1, 2013

   Change   20............................June 1, 2014

   Change   21.........................October 1, 2014

   Change   22.........................January 1, 2015

   Change   23, 23.1, 23.2, 23.3........April 1, 2015

DATA ELEMENT: HFIAA Surcharge

ALIAS: None

ACRONYM: (PMF) HFIAA_SURG

FILE: Policy Master (PMF)

DESCRIPTION:

Beginning April 1, 2015, a new annual premium surcharge must be collected for each policy as shown below:

- $25 for Dwelling Form policies covering single-family primary residences, or individual condominium units or apartments in non-condominium buildings used as a primary residence by the named insured.
- $250 for policies covering non-residential properties or non-primary residences.
- $250 for policies covering entire condominium buildings or non-condominium multi-family buildings.

The HFIAA Premium Surcharge may be changed during a policy term. The change to the HFIAA Premium Surcharge amount is to be adjusted on a pro-rata basis.

EDIT CRITERIA: Signed Numeric in whole dollars

LENGTH: 8

DEPENDENCIES: Information is obtained from the Flood Insurance Application or General Change Endorsement Form.

SYSTEM FUNCTION: Compliance per HFIAA section 8.

REPORTING REQUIREMENT: Required for all new and renewal policies on or after April 1, 2015.

NOTE:

- If the Primary Residence Indicator is 'Y' and the Occupancy Type is '1', the HFIAA surcharge is $25.

- If the Primary Residence Indicator is 'Y' and the Condominium Indicator is 'U' and the Occupancy Type is '1', '2' or '3', the HFIAA surcharge is $25.

- If the Primary Residence Indicator is 'Y', Occupancy Type is '2' or '3', Condominium Indicator is 'N' or blank and the Total Amount of Insurance – Building is zero, the HFIAA surcharge is $25.

- If the Occupancy Type is '1', '2' or '3' and the Condominium Indicator is 'A', 'H' or 'L', the HFIAA surcharge is $250 regardless of the Primary Residence indicator.

- If the Occupancy Type is '4', the HFIAA surcharge is $250 regardless of the Primary Residence indicator.

- If the Primary Residence Indicator 'N', the HFIAA surcharge is $250.

INSTRUCTIONS

NATIONAL FLOOD INSURANCE PROGRAM

EDIT SPECIFICATIONS

FOR THE WRITE-YOUR-OWN PROGRAM

MAY 1, 2004

REVISION 8 .... MAY 1, 2004

  CHANGE 1 .... MAY 1, 2005

  CHANGE 2 .... OCTOBER 1, 2005

  CHANGE 3 .... MAY 1, 2006

  CHANGE 4 .... MAY 1, 2008

  CHANGE 5 (REVISED) .... MAY 1, 2008

  CHANGE 6, 6.1.................... OCTOBER 1, 2009

  CHANGE 7 .... MAY 1, 2010

  CHANGE 8 .... JANUARY 1, 2011

  CHANGE 9 .... OCTOBER 1, 2011

  CHANGE 10 .... MAY 1, 2012

  CHANGE 11 .... OCTOBER 1, 2012

  CHANGE 12 .... JANUARY 1, 2013

  CHANGE 13, 13.1, 13.2, 13.3....... OCTOBER 1, 2013

  CHANGE 14, 14.1.................. JUNE 1, 2014

  CHANGE 15, 15.1 .... OCTOBER 1, 2014

  CHANGE 16 .... JANUARY 1, 2015

  CHANGE 17, 17.1, 17.2, 17.3 ...... APRIL 1, 2015

DATA ELEMENT	ORDER	ERROR CODE
HFIAA SURCHARGE	30	PL325030
RISK RATING METHOD	40	PL041040
TOTAL AMOUNT OF INSURANCE - BUILDING	50	PL038050

EDIT DICTIONARY

DATA ELEMENT: HFIAA SURCHARGE

EDIT CRITERIA

ORDER: 30

EFFECTIVE: 04/01/2015   REVISED: 04/01/2015   CANCELLED:

EDIT LEVEL: EDIT PROCESSOR PROGRAM   EDIT TYPE: RELATIONAL

ERROR CODE: PL325030   ERROR TYPE: CRITICAL

ERROR MESSAGE: HFIAA SURCHARGE DOES NOT CORRELATE WITH THE PRIMARY RESIDENCE
               INDICATOR AND OCCUPANCY TYPE.

FAIL EDIT
UPDATE ACTION: UPDATE

DESCRIPTION:

    IF RISK RATING METHOD IS 'G', THEN THE HFIAA SURCHARGE AMOUNT MUST BE BLANK OR $0.

    IF POLICY EFFECTIVE DATE IS ON OR AFTER 04/01/2015   AND
       PRIMARY RESIDENCE INDICATOR IS 'Y'   AND
       OCCUPANCY TYPE IS '1',   AND
       CONDOMINIUM INDICATOR IS 'N' OR BLANK,
    THEN THE HFIAA SURCHARGE AMOUNT MUST BE $25.

    IF POLICY EFFECTIVE DATE IS ON OR AFTER 04/01/2015   AND
       PRIMARY RESIDENCE INDICATOR IS 'Y'   AND
       OCCUPANCY TYPE IS '1', '2' OR '3',   AND
       CONDOMINIUM INDICATOR IS 'U',
    THEN THE HFIAA SURCHARGE AMOUNT MUST BE $25.

    IF POLICY EFFECTIVE DATE IS ON OR AFTER 04/01/2015   AND
       PRIMARY RESIDENCE INDICATOR IS 'Y'   AND
       OCCUPANCY TYPE IS '2' OR '3',   AND
       CONDOMINIUM INDICATOR IS 'N' OR BLANK,   AND
        TOTAL AMOUNT OF INSURANCE – BUILDING IS ZERO,
    THEN THE HFIAA SURCHARGE AMOUNT MUST BE $25.

    FOR ALL OTHER POLICIES THAT DO NOT MEET THE CONDITIONS ABOVE, THE HFIAA SURCHARGE
    AMOUNT MUST BE $250.

EDIT DICTIONARY

DATA ELEMENT: RISK RATING METHOD

                        EDIT CRITERIA

ORDER: 40

EFFECTIVE: 10/01/1984   REVISED: 04/01/2015   CANCELLED:

EDIT LEVEL: EDIT PROCESSOR PROGRAM   EDIT TYPE: RELATIONAL

ERROR CODE: PL041040 ERROR TYPE: CRITICAL

ERROR MESSAGE: THE RISK RATING METHOD IS NOT VALID FOR THE DEDUCTIBLE
               COMBINATION SELECTED.

FAIL EDIT
UPDATE ACTION: UPDATE

DESCRIPTION:

    IF THE POLICY EFFECTIVE DATE IS ON OR AFTER 10/1/94 AND
    PRIOR TO 5/1/97:

 1. THE POLICY IS NOT FOR A V-ZONES 1981 POST-FIRM
    CONSTRUCTION (POST FIRM CONSTRUCTION INDICATOR IS
    'Y', THE FLOOD RISK ZONE IS 'V','VE','V01' - 'V30', AND
    THE ORIGINAL CONSTRUCTION DATE IS ON OR LATER THAN
    OCTOBER 1, 1981), AND BOTH BUILDING AND CONTENTS
    COVERAGES ARE GREATER THAN ZERO, AND THE DEDUCTIBLES ARE
    NOT IN ANY OF THE FOLLOWING COMBINATIONS, RISK RATING
    METHOD MUST BE '2' OR 'S'.

   A. IF (OCCUPANCY TYPE IS '1' OR '2') OR (CONDOMINIUM
      INDICATOR IS 'U' OR 'L' AND OCCUPANCY TYPE IS '3')
      THEN:

      DEDUCTIBLE - BUILDING   DEDUCTIBLE - CONTENTS
      --------------------   ---------------------

               0   0
               9   9
               1   0
               1   1
               1   9
               2   0
               2   1
               2   2
               2   9
               3   0
               3   1
               3   2
               3   3
               3   9
               4   0
               4   1
               4   2
               4   3
               4   4
               4   9
               5   0
               5   1
               5   2
               5   3

DATA ELEMENT: RISK RATING METHOD

```
                  5                        4
                  5                        5
                  5                        9
```

B. OCCUPANCY TYPE IS '3' OR '4' THEN:

DEDUCTIBLE - BUILDING	DEDUCTIBLE - CONTENTS
0	0
9	9
1	1
2	2
3	3
4	4
5	5

2. IF THE POLICY IS FOR A V-ZONES 1981 POST-FIRM
   CONSTRUCTION (POST FIRM CONSTRUCTION INDICATOR IS 'Y',
   THE FLOOD RISK ZONE IS 'V ','VE ', OR 'V01' - 'V30', AND
   THE ORIGINAL CONSTRUCTION DATE IS ON OR LATER THAN
   OCTOBER 1, 1981), AND BOTH BUILDING AND CONTENTS
   COVERAGES ARE GREATER THAN ZERO, AND THE DEDUCTIBLES ARE
   NOT IN ANY OF THE FOLLOWING COMBINATIONS, THE RISK RATING
   METHOD MUST BE '2' OR 'S'.

DEDUCTIBLE - BUILDING	DEDUCTIBLE - CONTENTS
0	0
9	9
3	3

3. THE POLICY IS FOR A V-ZONES 1981 POST-FIRM CONSTRUCTION
   (POST FIRM CONSTRUCTION INDICATOR IS 'Y',
   THE FLOOD RISK ZONE IS 'V','VE','V01' - 'V30', AND THE
   ORIGINAL CONSTRUCTION DATE IS ON OR LATER THAN OCTOBER 1,
   1981), AND ONLY BUILDING OR ONLY CONTENTS COVERAGE IS
   GREATER THAN ZERO AND THE RESPECTIVE DEDUCTIBLE IS NOT
   '0','3' OR '9', THE RISK RATING METHOD MUST BE '2' OR
   'S'.

IF THE POLICY EFFECTIVE DATE IS ON OR AFTER 05/1/97:

1. IF BOTH BUILDING AND CONTENTS COVERAGES ARE GREATER THAN
   ZERO, AND THE DEDUCTIBLES ARE NOT IN ANY OF THE FOLLOWING
   COMBINATIONS, RISK RATING METHOD MUST BE '2' OR 'S'.

   A. IF (OCCUPANCY TYPE IS '1' OR '2') OR (CONDOMINIUM
      INDICATOR IS 'U' OR 'L' AND OCCUPANCY TYPE IS '3')
      THEN:

DEDUCTIBLE - BUILDING	DEDUCTIBLE - CONTENTS
0	0
9	9
1	0
1	1
1	9
2	0
2	1
2	2
2	9
3	0
3	1

EDIT DICTIONARY

DATA ELEMENT: RISK RATING METHOD

```
          3                          2
          3                          3
          3                          9
          4                          0
          4                          1
          4                          2
          4                          3
          4                          4
          4                          9
          5                          0
          5                          1
          5                          2
          5                          3
          5                          4
          5                          5
          5                          9
          A                          A
          D                          D
```

   B. OCCUPANCY TYPE IS '3' OR '4' THEN:

```
      DEDUCTIBLE - BUILDING      DEDUCTIBLE - CONTENTS
      ---------------------      ---------------------

              0                          0
              9                          9
              1                          1
              2                          2
              3                          3
              4                          4
              5                          5
              A                          A
              B                          B
              C                          C
              D                          D
              E                          E
```

   NOTE:

   FOR POLICIES EFFECTIVE ON OR AFTER 05/01/03:

   DEDUCTIBLE CODES 'A', 'B', 'C', 'D' AND 'E' ARE ALLOWED FOR
   NON-RESIDENTIAL POLICIES ONLY (OCCUPANCY = 4).

   DEDUCTIBLES CODES 'A' AND 'D' ARE ALLOWED FOR HIGH-RISE AND
   LOW-RISE CONDOMINIUM POLICIES ONLY (CONDO = H OR L).

   OTHER RESIDENTIAL POLICIES, EFFECTIVE ON OR AFTER MAY 1,2003
   AND PRIOR TO MAY 1, 2004, WILL BE ALLOWED DEDUCTIBLE CODES
   A, B, C, D, AND E.

   EFFECTIVE MAY 1, 2004, OTHER RESIDENTIAL POLICIES WILL NOT
   BE ALLOWED TO USE DEDUCTIBLE CODES A, B, C, D, AND E.

   EFFECTIVE OCTOBER 1, 2009, DEDUCTIBLE-BUILDING CODE '0' AND
   DEDUCTIBLE-CONTENTS CODE '0' WILL NO LONGER BE AVAILABLE.

   FOR ALL RESIDENTIAL POLICIES THAT ARE NOT CONDOMINIUM TYPE 'A', 'H', OR ''L':

   IF NEW, RENEWAL OR ENDORSEMENT EFFECTIVE DATE IS ON OR AFTER 4/1/2015,
   DEDUCTIBLE-BUILDING AND DEDUCTIBLE-CONTENTS CAN BE REPORTED AS (CODE 'A' – $10,000).

EDIT DICTIONARY

DATA ELEMENT: TOTAL AMOUNT OF INSURANCE - BUILDING

                              EDIT CRITERIA

ORDER: 50

EFFECTIVE: 10/01/1984   REVISED: 04/01/2015   CANCELLED:

EDIT LEVEL: EDIT PROCESSOR PROGRAM   EDIT TYPE: RELATIONAL

ERROR CODE: PL038050 ERROR TYPE: CRITICAL

ERROR MESSAGE: TOTAL AMOUNT OF INSURANCE - BUILDING EXCEEDS PROGRAM LIMITS.

FAIL EDIT
UPDATE ACTION: UPDATE

DESCRIPTION:

    FOR REGULAR/EMERGENCY INDICATOR EQUAL 'E' (EMERGENCY):

        A. IF ((OCCUPANCY TYPE IS '1') OR (CONDOMINIUM INDICATOR
           IS 'U' AND OCCUPANCY TYPE IS '2' OR '3')) AND THE
           STATE ID OF THE COMMUNITY NUMBER IS '02' (ALASKA),
           '66' (GUAM), '15' (HAWAII), OR '78' (U.S.
           VIRGIN ISLANDS), THE TOTAL AMOUNT OF INSURANCE -
           BUILDING MAY NOT EXCEED 500.

        B. IF ((OCCUPANCY TYPE IS '1') OR (CONDOMINIUM INDICATOR
           IS 'U' AND OCCUPANCY TYPE IS '2' OR '3')) AND THE
           STATE ID OF THE COMMUNITY NUMBER IS NOT '02' (ALASKA)
           '66' (GUAM), '15' (HAWAII), OR '78' (U.S.
           VIRGIN ISLANDS), THE TOTAL AMOUNT OF INSURANCE -
           BUILDING MAY NOT EXCEED 350.

        C. IF OCCUPANCY TYPE IS '2' AND CONDOMINIUM INDICATOR
           IS NOT EQUAL TO 'U' AND THE STATE ID OF THE COMMUNITY
           NUMBER IS '02' (ALASKA), '66' (GUAM), '15' (HAWAII),
           OR '78' (U.S. VIRGIN ISLANDS), THE TOTAL AMOUNT OF
           INSURANCE - BUILDING MAY NOT EXCEED 500.

        D. IF OCCUPANCY TYPE IS '2' AND CONDOMINIUM INDICATOR
           IS NOT EQUAL TO 'U' AND THE STATE ID OF THE COMMUNITY
           NUMBER IS NOT '02' (ALASKA), '66' (GUAM),
           '15' (HAWAII), OR '78' (U.S. VIRGIN ISLANDS), THE
           TOTAL AMOUNT OF INSURANCE - BUILDING MAY NOT EXCEED
           350.

        E. IF OCCUPANCY TYPE IS '3' AND CONDOMINIUM
           INDICATOR IS NOT EQUAL TO 'U' AND THE STATE ID OF
           THE COMMUNITY NUMBER IS '02' (ALASKA),
           '66' (GUAM), '15' (HAWAII), OR '78' (U.S.
           VIRGIN ISLANDS), THE TOTAL AMOUNT OF INSURANCE -
           BUILDING MAY NOT EXCEED 1500.

        F. IF OCCUPANCY TYPE IS '3' AND CONDOMINIUM
           INDICATOR IS NOT EQUAL TO 'U' AND THE STATE ID OF
           THE COMMUNITY NUMBER IS NOT '02' (ALASKA),
           '66' (GUAM), '15' (HAWAII), OR '78' (U.S.
           VIRGIN ISLANDS), THE TOTAL AMOUNT OF INSURANCE -
           BUILDING MAY NOT EXCEED 1000.

EDIT DICTIONARY

DATA ELEMENT: TOTAL AMOUNT OF INSURANCE - BUILDING

    G. IF THE OCCUPANCY TYPE IS '4' AND THE STATE ID OF
       THE COMMUNITY NUMBER IS NOT '02' (ALASKA),
       '66' (GUAM), '15' (HAWAII) OR '78' (U.S. VIRGIN
       ISLANDS), THE TOTAL AMOUNT OF INSURANCE - BUILDING
       MAY NOT EXCEED 1000.

    H. IF THE OCCUPANCY TYPE IS '4' AND THE STATE ID OF
       THE COMMUNITY NUMBER IS '02' (ALASKA), '66' (GUAM),
       '15' (HAWAII) OR '78' (U.S. VIRGIN ISLANDS),
       THE TOTAL AMOUNT OF INSURANCE - BUILDING MAY
       NOT EXCEED 1500.

  FOR THE REGULAR/EMERGENCY INDICATOR EQUAL 'R' (REGULAR):

    A. IF ((OCCUPANCY TYPE IS '1' AND CONDOMINIUM INDICATOR
       IS NOT 'L') OR (CONDOMINIUM INDICATOR IS 'U' AND
       OCCUPANCY TYPE IS '2' OR '3')) THEN THE TOTAL AMOUNT
       OF INSURANCE - BUILDING MAY NOT EXCEED 2500.

    B. IF THE OCCUPANCY TYPE IS '2' AND CONDOMINIUM
       INDICATOR IS NOT EQUAL TO 'U', 'M', 'H', OR 'L',
       THE TOTAL AMOUNT OF INSURANCE - BUILDING MAY NOT
       EXCEED 2500.

    C. IF THE OCCUPANCY TYPE IS '3' AND CONDOMINIUM
       INDICATOR IS NOT EQUAL TO 'U', 'M', 'H', OR 'L' AND THE
       NEW, RENEWAL OR ENDORSEMENT EFFECTIVE DATE IS PRIOR
       TO JUNE 1, 2014,
       THE TOTAL AMOUNT OF INSURANCE - BUILDING MAY NOT
       EXCEED 2500.

    D. IF THE OCCUPANCY TYPE IS '3' AND CONDOMINIUM
       INDICATOR IS NOT EQUAL TO 'U', 'M', 'H', OR 'L' AND
       THE NEW, RENEWAL OR ENDORSEMENT EFFECTIVE DATE IS ON
       OR AFTER JUNE 1, 2014,
       THE TOTAL AMOUNT OF INSURANCE - BUILDING MAY NOT
       EXCEED 5000.

    E. IF THE OCCUPANCY TYPE IS '4' AND THE SMALL BUSINESS
       INDICATOR IS 'N' AND CONDOMINIUM INDICATOR IS NOT 'U',
       THE TOTAL AMOUNT OF INSURANCE - BUILDING MAY NOT
       EXCEED 5000.

    F. IF THE OCCUPANCY TYPE IS '4' AND THE SMALL BUSINESS
       INDICATOR IS 'Y' AND CONDOMINIUM INDICATOR IS NOT 'U',
       THE TOTAL AMOUNT OF INSURANCE - BUILDING MAY NOT
       EXCEED 5000.