

Your area may have experienced a map change and, as dictated by an NFIP regulation, some PRP (Preferred Risk Policy) policies will no longer meet eligibility requirements for PRP and must convert to a standard rated policy. SFI Group's flood processing center will automatically take the necessary steps to move that policy from the PRP to the regular program. To keep the premium as low as possible for the policyholder, SFI Group will utilize the NFIP continuous coverage grandfathering rules, if allowable. This is an NFIP requirement that must be followed no matter which insurance company writes the federal policy for your insured.

The non-special flood hazard area (non-SFHA) zone is retained based on continuous coverage grandfathering rules, but the PRP policy status must be changed to regular since grandfathering does not allow the PRP policy type to be retained. (If your flood policy were to lapse inadvertently for any reason, including a late payment, the non-SFHA zone would be lost.)

An appeal of this process is possible if *there is evidence that the property is still located in a non-SFHA*. To apply for an appeal, the proof must be provided to SFI Group's office for review. If applicable, the appeal will be made to the NFIP. If the special flood hazard area is confirmed, the policy will be changed to regular.

Grandfathering is an NFIP subsidy that allows properties to be rated with flood zones and/or base flood elevations (BFE) from a previously published flood zone map after an updated map has been implemented.

Grandfathering favorable flood zones or base flood elevations can apply for two reasons:

- **Existing flood coverage has been continuously in effect** allowing the **flood zone** to be "grandfathered" as long as that policy remains in effect. These policies can also be assigned to the new owner, if the current policyholder agrees. (A preferred risk policy will change to a standard policy at the first renewal but the favorable flood zone rating will remain as a B, C, or X.)
- **The structure was built to post-FIRM flood compliance rules in place at the time of permitted construction.** This requires documentation of *either* a copy of the original flood map at the time of construction, *or* a community official's letter with information from the original flood map *or* an elevation certificate (EC) for this property that gives the information from the original map. Information required is the property address, flood zone/BFE, map effective date, panel number and suffix, community and number.

Special notes:

- *If the property's flood zone was identified incorrectly as eligible for the PRP policy, then Grandfathering the flood zone for rating purposes will not apply.*
- *In some cases, the new map will allow for a more favorable rate over the prior map. If this occurs, the more favorable rates may be applied.*
- *If any lapse occurs to break the continuous coverage in effect status, such as a late payment beyond the grace period, the continuous coverage grandfathering status is lost.*

For more information regarding Grandfathering rules, please contact SFI Group, Inc. This synopsis is not a complete and exhaustive explanation of the NFIP's Grandfathering rules. It is provided to you as an outline of basic information.