



Flood Insurance Agent Manual October 1, 2014 Edition

Policy Cancellation and Refund Rules

<http://www.fema.gov/flood-insurance-manual>

Cancellation Section – Reason Code #9

Insurance no Longer required by Mortgagee because Property Is no Longer Located in a Special Flood Hazard area because of a Physical Map Revision (PMR) or LOMR

This reason is used only when flood insurance was initially required by the mortgagee or other lender because the building was determined to be in an SFHA but was removed from the SFHA following the physical revision of a map or through the issuance of a Letter of Map Revision (LOMR). If the building is no longer located in an SFHA, then the policy may be canceled provided the mortgagee confirms in writing that the insurance is no longer required because the building was removed from the SFHA. This cancellation reason may be used even if the policy was rated in a non-SFHA due to grandfathering or to the PRP Eligibility Extension.

NOTE: The Residential Condominium Building Association Policy (RCBAP) requires a release from the mortgagee for each unit owner in the building or a signed release from each unit owner when there is no mortgagee. Only after this requirement is met can the policy be canceled. The condominium association must provide a signed letter that lists the number of units and specifies the owner of each unit.

• **Type of Refund:** Full

• **Years Eligible for Refund:** Current year in those cases where the map was revised or the LOMR was issued during the current policy term. If the insured was required to renew the policy during the 6 months before or after the effective date of the revised map or LOMR, the insured may be eligible for a refund of the prior year's premium.

For example, the flood policy was effective from January 1, 2010, to January 1, 2011, and renewed January 1, 2011, to January 1, 2012. The effective date of the map

change is February 15, 2011. The cancellation will be effective January 1, 2010. If a claim has been paid or is pending during a policy year for which cancellation is requested, the policy cannot be canceled.

- **Cancellation Request:** Must be received during the policy year or within 6 months of the policy expiration date

- **Required Documentation:** Statement from the mortgagee that flood insurance is no longer required, and a copy of the revised map or LOMR; or, in the case of multi-property LOMRs that do not list the property's specific building, street address, lot number, or rural address, any of the following and a copy of the LOMR:

- A letter that an insured received from their community official stating that their building was removed from the SFHA by the multi-property LOMR.
- A letter from the applicable community official, on official letterhead, stating that the building was included in the area removed from the SFHA by the multi-property LOMR, which listed only boundaries/intersections of streets, lot numbers, or rural addresses.
- In cases, and only in cases, where (1) a community official could not or would not provide a letter, or (2) the building has a rural address, the following set of 2 documents may be submitted:
 - A copy of a legal notice, such as a real estate assessment notice or a water/sewer notice, that shows the lot number, street or rural address, or other legal designation of the location of the building; and
 - A letter from the mortgage lender that (1) shows the lot number, street or rural address, or other legal designation of the location of the building, and (2) states that the building was within the boundaries of the area removed from the SFHA by the LOMR.

Letters from community officials must match the street address and lot number with a specific multi-property LOMR, stating that the individual building street address, lot number, or rural address (e.g., RR, Box #, Hwy) was included in the area covered by the LOMR. The insurer may accept zone determinations in lieu of the documentation