

When purchasing a new home, you have options for your flood insurance purchase.

### **Policy Assignment:**

If the seller has an existing **NFIP Flood policy**, they have the option to allow you to take it over

- This process requires the Seller's signature at or prior to closing
- To proceed, call the agent listed on the declaration page
  - o The agent will review the existing policy details
  - o Submit required documents to proceed with the name change

### **Real Estate Transaction:**

You can also purchase a new NFIP Flood policy, using the seller's policy details

- This process allows the buyer to select their own agent and coverage
- A copy of the seller's declaration page is required for your agent to proceed
- The new application will carry over existing policy applicable discounts



### **Common Questions**

#### **Q: Are there reasons a policy assignment request may not be processed? If so, what are my options?**

A: Yes, there are timeservice requirements for documentation to be received. However, if documentation is received outside the timeframe required, the agent can proceed with a new application using the seller's policy details. The new application will likely have a 30-day wait.

#### **Q: I purchased a new home and a new policy, but did not know the seller had an existing NFIP policy until the closing. My policy premium was higher than the seller's premium. Is there a way to have this corrected?**

A: Yes! Provide a copy of the seller's Flood Declaration page and closing statement to your flood insurance agent to have them submit an endorsement to have the prior policy details added and policy updated.

#### **Q: My lender is not accepting the policy assignment because it is not a full 12-month policy. What can I do?**

A: Contact your agent to have a new application created and utilize the real estate transaction to satisfy the lender's requirement.

#### **Q: What effective date should be used on the new application for a real estate transaction?**

A: The new application should have the appropriate waiting period for the situation. (Loan closing waiting period can only be utilized if the application is submitted at or before a closing and there is a lender. See FIM Section 2 Before You Start page 2.13 for more details.)

#### **Q: Will prior NFIP flood claims on the property affect me?**

A: Claim history will follow the property. The first loss after the policy was issued with Risk Rating 2.0 Rating methodology will prompt a 20-year lookback on prior flood losses for the property address. The next renewal will reflect a rating variable that includes the prior losses with the exception of the first one under Risk Rating 2.0 methodology.

#### **Q: Are private policies (non-NFIP) eligible for real estate transaction and policy assignment?**

A: The guidance provided on this topic is for NFIP policies only. Please consult with the non-NFIP carrier for their instructions.

#### **Q: Will I need any additional information or documentation?**

A: Please discuss with your flood insurance agent prior to the purchase of the property. Documentation will vary based on the application or endorsement details.