



Chapter 4: National Flood and Insurance Guide

4 CE Hours

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Learning objectives

- ♦ List three myths about flood insurance that keep property owners from purchasing coverage.
- ♦ Explain the role and origin of the National Flood Insurance Program (NFIP).
- ♦ Describe the obligations and rewards for communities participating in the Community Rating System.
- ♦ Explain why some provisions in the Biggert-Waters Flood Insurance Act were repealed in 2014.
- ♦ Explain the significance of “grandfathering” and Pre-Flood Insurance Rate Map (FIRM) property in the Homeowner Flood Insurance Affordability Act (HFIAA).
- ♦ Explain the difference between actual cash value (ACV) and replacement cost value (RCV) and when to use one or the other.
- ♦ List the three types of Standard Flood Insurance Policy forms.
- ♦ Describe eligibility requirements for the residential condominium building association property (RCBAP).
- ♦ Explain the purpose of the annual surcharge associated with every new or renewed NFIP policy.
- ♦ List the flood zone designations used in Florida and the degree of risk associated with each.
- ♦ Explain the importance of updating flood maps on a continuous basis.
- ♦ Describe the function of an Elevation Certificate and when it might be needed.

Introduction

The State of Florida has about 19 million residents. About 80% live or work near a coast, and a significant portion of the remaining residents are in close proximity to the state’s rivers and inland floodplains. Since standard homeowners insurance does not cover damage due to flooding, community association members must make location-appropriate decisions regarding the type and amount of flooding insurance they need to protect their own possessions **and** association property from the risk of flooding. Insurance coverage cannot stop damage, but makes recovery possible.

Flooding is a concern for virtually all property in Florida. Although the entire state has been designated a flood zone by the Federal Emergency Management Agency (FEMA), community associations and individual unit owners are often underinsured against flooding damage, or not insured at all. This is not only potentially disastrous for residents, it violates the bylaws of most community associations, which require the board (or other decision-making authority) to maintain all forms of property insurance needed to protect the property against all potential hazards, with adequate coverage to insure the value/replacement cost for all common property.

Until 1968, flood insurance was very rare. Few private insurance companies offered coverage of any kind, making recovery from a flood nearly impossible for many people. What policies existed were

very expensive, and typically available only for high-risk locations. Significant flooding and property damage in the 1960s prompted Congress to establish the National Flood Insurance Program (NFIP), allowing property owners to purchase flood insurance that had previously been prohibitively expensive or unavailable.

As a government program, the NFIP is authorized to offer flood insurance at a reduced (subsidized) rate to nearly every property owner living with the risk of flooding. A number of laws enacted since 1968 amended the NFIP in order to implement new policy, ensure the program’s fiscal soundness, and authorize research (such as mapping). Two laws in particular, both effective in 2014, made significant changes to the NFIP that affect nearly every flood insurance policy in Florida.

The first part of this course provides a brief history of federal flood insurance law and policy, and the second explains flood insurance options for community associations and their members. Data in the course are drawn from FEMA publications, current as of April 2015. To ensure the most up to date information, refer to the information sources listed in the last part of the course. This section also suggests individuals who may be helpful in answering questions or addressing concerns, including FEMA Flood Insurance Advocates, NFIP authorized flood insurance agents, and other qualified professionals.

PART I — FACTS, MYTHS, AND MISCONCEPTIONS

Nearly all property owners in an NFIP participating community can buy flood insurance. The following list clarifies common misconceptions about the NFIP.

MYTH: You can’t buy flood insurance if you are located in a high-flood-risk area.

FACT: With the exception of Costal Barrier Resources System (CBRS) areas, you can buy National Flood Insurance, if your community participates in the NFIP. The Flood Disaster Protection Act of 1973, as amended, requires federally regulated lending institutions to make sure that mortgage loans secured by buildings in high-flood-risk areas are protected by flood insurance. Property located in a high-flood-risk area is required to have National Flood Insurance.

MYTH: You can’t buy flood insurance immediately before or during a flood.

FACT: You can purchase National Flood Insurance at any time. There is usually a 30-day waiting period after premium payment before the policy is effective, with the following exceptions:

1. If the initial purchase of flood insurance is in connection with the making, increasing, extending, or renewing of a loan, there is no waiting period. Coverage becomes effective at the time of the loan, provided application and payment of premium is made at or prior to loan closing.

If the initial purchase of flood insurance is made during the 13-month period following the effective date of a revised flood map for a community, there is a 1-day waiting period. This applies only where the Flood Insurance Rate Map (FIRM) is revised to

show the building to be in a Special Flood Hazard Area (SFHA) when it had not been in an SFHA.

2. The policy does not cover a “loss in progress,” defined by the NFIP as a loss occurring as of 12:01 a.m. on the first day of the policy term. In addition, you cannot increase the amount of insurance coverage you have during a loss in progress.

MYTH: Homeowners insurance policies cover flooding.

FACT: Unfortunately, many home and business owners do not find out until it is too late that their homeowners and business multi-peril policies do not cover flooding. The NFIP offers a separate policy that protects their home or business. Homeowners can include contents coverage in their NFIP policy. Homeowners, residential, and commercial renters should also purchase contents coverage. Business owners should purchase flood insurance coverage for their buildings and contents/inventory.

MYTH: Flood insurance is only available for homeowners.

FACT: Most people who live in NFIP-participating communities, including renters and community association unit owners, are eligible to purchase federally backed flood insurance. A maximum of \$250,000 of building coverage is available for single-family residential buildings, and \$250,000 per unit for residential condominiums. The limit for contents coverage on all residential buildings is \$100,000, which is also available to renters. Commercial structures can be insured to a limit of \$500,000 for the building and \$500,000 for the contents. The maximum insurance limit may not exceed the insurable value of the property.

MYTH: National Flood Insurance can only be purchased through the NFIP directly.

FACT: NFIP flood insurance is sold through private insurance companies and agents, and is backed by the federal government.

MYTH: Only residents of high-flood-risk areas need to insure their property.

FACT: All areas are susceptible to flooding, although to varying degrees. If you live in a low-to-moderate flood risk area, it is advisable to have flood insurance. Between 20 and 25% of the NFIP’s claims come from outside high-flood-risk areas. Residential and commercial property owners located in low-to-moderate risk areas should ask their agents if they are eligible for the Preferred Risk Policy, which provides very inexpensive flood insurance protection.

MYTH: You can’t buy flood insurance if your property has been flooded.

FACT: You are still eligible to purchase flood insurance after your home, apartment, or business has been flooded, provided that your community is participating in the NFIP.

MYTH: Federal disaster assistance will pay for flood damage.

FACT: Before a community is eligible for disaster assistance, it must be declared a federal disaster area. Federal disaster assistance declarations are issued in less than 50% of flooding events. Federal disaster assistance is usually a loan that must be paid back with interest. For a \$50,000 loan at 4% interest, your monthly payment would be around \$240 a month (\$2,880 a year) for 30 years. By comparison, a \$100,000 flood insurance premium averages about \$400 a year (\$33 a month). Furthermore, if you are uninsured and receive

federal disaster assistance after a flood, you must purchase flood insurance to remain eligible for future disaster relief.

MYTH: The NFIP does not cover flooding resulting from hurricanes or the overflow of rivers or tidal waters.

FACT: The NFIP defines covered flooding as a general and temporary condition during which the surface of normally dry land is partially or completely inundated. Two properties in the area or two or more acres must be affected. Flooding can be caused by:

- Overflow of inland or tidal waters.
- Unusual and rapid accumulation or runoff of surface waters from any source, such as heavy rainfall, or mudflow (i.e., a river of liquid and flowing mud on the surfaces of normally dry land areas).
- Collapse or subsidence of land along the shore of a lake or other body of water, resulting from erosion or the effect of waves, or water currents exceeding normal, cyclical levels.

MYTH: The NFIP discourages development in all coastal areas.

One of the NFIP’s primary objectives is to guide development away from high-flood risk areas. NFIP regulations minimize the impact of structures that are built in SFHAs by requiring them not to cause obstructions to the natural flow of floodwaters. Also, as a condition of community participation in the NFIP, those structures built within SFHAs must adhere to strict floodplain management regulations enforced by the community.

In addition, the Coastal Barrier Resources Act (CBRA) of 1982 relies on the NFIP to discourage building in fragile coastal areas by prohibiting the sale of flood insurance in designated CBRA areas. While the NFIP does not prohibit property owners from building in these areas, any Federal financial assistance, including federally backed flood insurance, is prohibited. However, the CBRA does not prohibit privately financed development or insurance.

Flooding facts

- FEMA has designated the entire state of Florida as a flood zone with varying levels of risk.
- Homeowners’ insurance does not cover flood damage.
- If you live in a SFHA or high-risk area and have a federally backed mortgage, your mortgage lender requires you to have flood insurance.
- Just a few inches of water from a flood can cause tens of thousands of dollars in damage.
- Flash floods often bring walls of water 10- to 15-feet high.
- New land development can increase flood risk, especially if the construction changes natural runoff paths.
- A Preferred Risk Policy provides both building and contents coverage for properties in moderate- to low-risk areas for one low-price.
- People outside of mapped high-risk flood areas file more than 20- % of all NFIP flood insurance claims and receive one-third of Federal Disaster Assistance for flooding.
- From 2005 to 2014, total flood insurance claims averaged more than \$3.5 billion per year.
- When your community participates in the Community Rating System (CRS), you can qualify for an insurance premium reduction discount of up to 45% if you live in a high-risk area and up to 10% in moderate- to low-risk areas.
- The NFIP paid nearly \$50 billion for flood insurance claims and related costs between 1978 and early 2015.

PART II — HISTORY OF THE NFIP

Unlike many other types of property insurance, flood insurance was largely unavailable to property owners before 1968. The high premiums and huge payouts required by flood conditions made it unprofitable for private insurance companies. The NFIP was established in 1968 to fill this gap. Originally administered by the Department of Housing and Urban Development, the NFIP has been under the authority of FEMA since 1979.

The following laws and policies are related to the NFIP:

The Flood Insurance Protection Act of 1973

The Flood Insurance Protection Act of 1973 (FIPA) mandated that lenders require flood insurance on loans secured by properties located within high-risk flood areas. The severity of damage from Hurricane Agnes in 1972 (costing \$4 billion in damages) prompted a study showing surprisingly few properties were insured against flooding.

FIPA required buildings located in identified flood hazard areas to purchase flood insurance coverage as a condition of receiving federal aid or loans from federally-insured banks for federal disaster coverage.

Write-your-Own (WYO) Program (1983)

The Write-Your-Own (WYO) Program, established within the NFIP in 1983, allowed participating property and casualty insurers to issue standard flood insurance policies under their name or agency. This program provides options for those who do not qualify for NFIP coverage. WYO programs work through independent agents, and have varying fee structures. WYOs provide the same policies, but may offer customers other benefits, such as one point of contact for all of their property insurance needs. To find insurance agents who sell flood insurance for your area, see the FloodSmart website at www.floodsmart.gov or call (800) 427-2419

The National Flood Insurance Reform Acts of 1994 and 2004

The National Flood Insurance Reform Act of 1994 and Flood Insurance Reform Act of 2004 strengthened the NFIP by:

- Monitoring lender compliance.
- Creating mitigation insurance.
- Developing a mitigation assistance program to reduce some of the costs and effects of flood.
- Reducing losses to properties for which repetitive flood insurance claim payments have been made.
- Creating policyholder awareness about individual flood insurance policies.
- Increasing policyholder information on guidance about the flood insurance claims process.
- Establishing a minimum flood insurance training and education requirement for insurance professionals.

Community Incentives (1990s)(1)

The National Flood Insurance Program was designed not only to offer affordable insurance to property owners, but also mitigate flooding effects (reducing the socioeconomic impact of disasters overall) through floodplain management and regulation. The NFIP established the CRS to motivate communities to exceed Federal minimum requirements for flood protection with the incentive of reduced flood insurance rates (subsidies) for communities participating in the program. Only property owners in participating communities receive CRS subsidies.

The CRS was implemented during the 1990s; it extended the reach of flood insurance to more properties nationally and established a grant program for mitigation plans and projects. Under CRS, premiums of a community's residents and businesses are discounted if the community enacts and enforces a floodplain management ordinance and participates in other floodplain management activities. These reduced premiums reflect the reduced flood risk resulting from community efforts toward achieving the three CRS goals:

1. Reduce flood damage to insurable property.
2. Strengthen and support the insurance aspects of the NFIP.
3. Encourage a comprehensive approach to floodplain management.

Summary of recent changes to the NFIP

Premiums

- The new law requires gradual rate increases to properties now receiving artificially low (or subsidized) rates instead of immediate increases to full-risk rates required in certain cases; FEMA is required to increase premiums for most subsidized properties at least 5% annually until the class premium reaches its full-risk rate.
- Insurance premiums cannot increase more than 18% annually, with limited exceptions.
- Policies for the following properties will continue to see up to 25% annual increases until prices reflect their full-risk rate:
 - Older business properties insured with subsidized rates.
 - Older non-primary residences insured with subsidized rates.
 - Severe Repetitive Loss Properties insured with subsidized rates.

CRS participation can reduce flood insurance premiums by a significant amount. Discounts are determined by the accumulation of CRS credits, which are based on community efforts. CRS also awards credit for coursework in the following categories:

1. Public Information.
2. Mapping and Regulations.
3. Flood Damage Reduction.
4. Warning and Response.

Florida communities constitute the largest number of participants in the CRS. Citizens in Florida's communities that qualify for the CRS receive discounts on the cost of federal flood insurance ranging from 5% to 25%. To find out if your community participates in the NFIP, see <http://www.fema.gov/cis/FL.html> for a list of Florida's participating communities.

The Passage and Modification of Biggert-Waters Flood Insurance Reform Act of 2012

The Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters) authorized and funded a national mapping program and rate increases intended to ensure the fiscal soundness of the NFIP. One of its primary objectives was moving the program from reliance on subsidized (artificially low) rates, to higher rates more reflective of actual risks to the insured property. Public concern over higher rates and revised risk assessments prompted Congress to pass the Consolidated Appropriations Act of 2014 in January, and The Homeowner Flood Insurance Affordability Act of 2014 (HFIAA) in March of that year.

The Consolidated Appropriations Act of 2014

The Consolidated Appropriations Act of 2014 (Omnibus Act), prohibited the implementation of certain sections of Biggert-Waters, effectively stopping select rate increases while a new law to address these concerns was still under development. The Omnibus Act prohibited the NFIP from implementing Section 207 of Biggert-Waters, which required flood insurance rates to reflect a property's full risk after a mapping change or update.

Homeowner Flood Insurance Affordability Act of 2014

HFIAA repealed certain sections of Biggert-Waters. Most provisions of Biggert-Waters are currently in effect and were not altered by HFIAA. Changes include the restoration of "grandfathering," and an annual surcharge to all policyholders to ensure the fund's fiscal security. The new law slows some flood insurance rate increases and provides refunds to some policyholders who experienced steep flood insurance premium increases in 2013 and early 2014.

While the new law does require some retroactive changes for certain policies written after July 6, 2012, other revisions require establishment of new programs, processes and procedures. FEMA encourages policyholders to keep their original flood insurance policies current through this transitional period, which may be lengthy. FEMA does NOT recommend cancelling a flood insurance policy, as this will leave policyholders without coverage. The old plan should be maintained until the policyholder is fully covered under the reformed plan.

- Buildings that have been substantially damaged or improved.
- Buildings built before the local adoption of a FIRM (known as Pre-FIRM properties).
- To enable new purchasers of property to retain Pre-FIRM rates while FEMA is developing its guidelines, a new purchaser will be allowed to assume the prior owner's flood insurance policy and retain the same rates until the guidance is finalized. Lapsed policies receiving Pre-FIRM subsidized rates may be reinstated with Pre-FIRM subsidized rates pending FEMA's implementation of the rate increases required by HFIAA.

Refunds

Recent legislation restored grandfathered rates and repealed certain rate increases so refunds may be issued to some policyholders.

Those affected by the Pre-FIRM saw significant premium increases with Biggert-Waters. The new law allows a return to subsidized rates for most properties and refunds of the difference paid between the subsidized rate and current full-risk rate. Refunds will only go to a very small percent of NFIP policyholders who had rate increases revoked by the new law, rather than all subsidized policyholders who received rate increases.

Refunds apply to policyholders in high-risk areas who were required to pay their full-risk rate after purchasing a new flood insurance policy on or after July 6, 2012.

Refunds may apply to policyholders who renewed their policy after the HFIAA was enacted on March 21, 2014 and whose premium increased more than 18%.

Refunds do not apply to:

- Policyholders paying the 25% annual rate increases for a Pre-FIRM subsidized non-primary residence, business, Severe Repetitive Loss property, or building that was substantially damaged or improved.
- Policyholders whose full-risk premium is less than the Pre-FIRM subsidized premium, or who were not overcharged according to any retroactive revisions to the Pre-FIRM subsidized rates required by the new law.
- Policyholders who saw usual, annual rate increases in 2013 or 2014, or policyholders who paid the 5% fee, will only see a refund if their premium renewal was after March 21, 2014 and their total premium, including the reserve fund, exceeded 18%.

Prior to restoring and refunding premiums, FEMA is required by HFIAA to consult with its partner insurers (WYO insurance companies) to develop guidance and rate tables. The law requires FEMA to develop and finalize its guidance and rate tables within 8 months, and the WYO insurance companies between 6 and 8 months to implement the changes and update systems.

Surcharge

The law applies an annual surcharge for all policyholders in the amount of \$25 per year for renters and owners of primary residences, and \$250 per year for owners of non-primary residences and non-residential buildings. The fee will be included on all policies, including full-risk rated policies, until all Pre-FIRM subsidies are eliminated.

Grandfathering

When FIRM changes occur, the NFIP provides a lower-cost flood insurance rating option known as “grandfathering,” which is available for property owners who (1) have flood insurance policies in effect when the new flood maps become effective and then maintain continuous coverage; or (2) have built in compliance with the FIRM in effect at the time of construction.

- The new law repeals a provision that required FEMA, upon the effective date of a new or updated FIRM, to phase in premium increases over 5 years by 20% a year, to reflect the current risk of flood to a property, effectively eliminating FEMA’s ability to grandfather properties into lower risk classes.
- Also for newly mapped in properties, the new law sets first year premiums at the same rate offered to properties located outside the SFHA (preferred risk policy rates).
- With limited exceptions, flood insurance premiums cannot increase more than 18% annually.

Flood Insurance Advocate

- The new law requires FEMA to designate a Flood Insurance Advocate to represent and guarantee fair treatment of NFIP policy holders. The Advocate will:
 - Educate property owners and policyholders on individual flood risks; flood mitigation; measures to reduce flood insurance rates through effective mitigation; the FIRM review and amendment process; and any changes in the flood insurance program as a result of any newly enacted laws.

- Assist policy holders and property owners to understand the procedural requirements related to appealing preliminary FIRMs and implementing measures to mitigate evolving flood risks.
- Assist in the development of regional capacity to respond to individual constituent concerns about FIRM amendments and revisions.
- Coordinate outreach and education with local officials and community leaders in areas impacted by proposed FIRM amendments and revisions.
- Aid potential policy holders in obtaining and verifying accurate and reliable flood insurance rate information when purchasing or renewing a flood insurance policy.

Other FEMA responsibilities

- Permit FEMA to account for property specific flood mitigation that is not part of the insured structure in determining a full-risk rate.
- Require that residential basement flood proofing be considered when developing full-risk rates after a map changes increasing the Base Flood Elevation in an area where residential basement flood proofing is permitted.
- Mandate that FEMA develop an installment plan for non-escrowed flood insurance premiums, which will require changes to regulations and the Standard Flood Insurance Policy contract.
- Increase maximum deductibles.
- Encourage FEMA to minimize the number of policies where premiums exceed 1% of the coverage amount and require FEMA to report such premiums to Congress.

Affordability study

- The new law requires FEMA to conduct an affordability study to examine:
 - Best practices for communicating flood risk to customers.
 - Targeted assistance based on financial ability to pay.
 - Individual and community actions to mitigate flood risk or lower cost of flood insurance.
 - The impact of increases in premium rates on NFIP participation.
 - The effects of mapping updates on flood insurance affordability.
- The affordability framework will include proposals and proposed regulations for ensuring flood insurance affordability among low-income populations.

Mapping

HFIAA requires the Technical Mapping Advisory Council (TMAC) to review the new national flood mapping program authorized under the 2012 and 2014 flood insurance reform laws. The law requires the Administrator to certify in writing to Congress that FEMA is utilizing “technically credible” data and mapping approaches. The law also requires FEMA to submit the TMAC review report to Congress.

FEMA will be looking to the TMAC for recommendations on how best to meet the legislatively mandated mapping requirements for the new mapping program including the identification of residual risk areas, coastal flooding information, land subsidence, erosion, expected changes in flood hazards with time, and others.

As the new national flood mapping program is being established, FEMA expects there will be opportunities to make incremental improvements to current procedures as it provides flood hazard data and information under the NFIP. FEMA will make those improvements where necessary to ensure all ongoing changes to flood hazards continue to be effectively communicated, mitigated, and properly insured.

The law lifts the \$250,000 limit on the amount that FEMA can spend to reimburse homeowners for successful map appeals based on a scientific or technical error. Federal rulemaking is required in order to implement this provision.

FEMA is authorized to account for reconstruction or improvements of flood protection, not just new construction. It authorizes FEMA to consider the existing present value of a levee when assessing adequate progress for the reconstruction of an existing flood protection system.

The law extends certain provisions related to NFIP requirements in areas restoring discredited flood protection systems to coastal levees and clarifies that the levee needs to be considered without regard to the level of federal funding for the original construction or the restoration.

The law exempts mapping fees for flood map changes due to habitat restoration projects, dam removal, culvert re-design or installation, or the installation of fish passages.

The law requires FEMA to consider the effects of non-structural flood control features, such as dunes, and beach and wetland restoration when it maps the special flood hazard area.

The law requires FEMA to enhance coordination with communities before and during mapping activities and requires FEMA to report certain information to members of Congress for each State and congressional district.

PART III — FLOOD INSURANCE COVERAGE

Who needs flood insurance

In Florida, members of a community association are collectively responsible for insuring the building against flood damage, while individual unit owners are responsible for insuring all contents in their unit.

Each unit owner has an undivided interest in the common elements of the building and can be assessed for unpaid damages to common areas even if their own unit remains undamaged. Even unit owners on elevated floors in high rise buildings need to purchase flood insurance for their unit's contents; if a building is condemned due to flood damage, unit owners would not be permitted into the building to retrieve their belongings, and all personal property would qualify as a covered flood insurance loss.

Flood insurance is somewhat complicated by the fact that it is not sold like other types of property insurance, is administered by a federal agency, and is a shared responsibility between the Community Association, as an entity, and each of its unit owners/members, individually. CAM can inform unit owners about the importance of purchasing adequate coverage, as well as explain their financial obligations to the association if common property is damaged by flooding and existing funds are insufficient, or if, for any reason, the association discontinues coverage.

Standard flood insurance policy forms

The NFIP offers three Standard Flood Insurance Policy (SFIP) forms. Policy types vary according to how a building is occupied. Content coverage can be purchased with each type.

1. Dwelling policy form.
2. General property policy form.
3. Residential Condominium Building Association Policy (RCBAP) Form.

Dwelling form

The policy form used to insure a building designed for use as a residence for no more than 4 families or a single-family unit in a residential building under a condominium form of ownership. This form is also used to insure residential contents in any building. The owner of a residential building with 5 or more units can use this form to insure contents only in his or her own residential unit.

The Dwelling Policy Form can be issued to homeowners, residential renters and condominium unit-owners of residential buildings containing two to four units. In communities participating in the NFIP, the Dwelling Policy provides building and/or contents coverage for any:

- Detached, single-family, non-condominium residence with incidental occupancy limited to less than 50% of the total floor area.
- Two- to four- family, non-condominium building with incidental occupancy limited to less than 25% of the total floor area.
- Dwelling unit in a residential condominium building.
- Residential townhouse/row house.
- Manufactured mobile home.

General property policy form

The policy form used to insure a non-residential building or a 5-or-more-unit residential building not eligible for the Residential Condominium Building Association Policy (RCBAP). This form is also used to insure non-residential contents in any building or a

building owner's residential contents located in multiple units within a building with 5 or more units.

In communities participating in the NFIP, the General Property Policy provides building and/or contents coverage for residences such the following:

- Hotel or motel with normal guest occupancy of 6 months or more.
- Apartment building.
- Residential cooperative building.
- Dormitory.
- Assisted-living facility.

The General Property Policy also provides building and/or contents coverage for non-residential properties including the following:

- Condominium building with less than 75% of its total floor area in residential use.
- Non-residential condominium.
- Poolhouse, clubhouse, or other recreational building.
- House of worship.
- School.
- Hotel or motel with normal guest occupancy of less than 6 months.
- Licensed bed-and-breakfast inn.
- Retail.
- Nursing home.
- Warehouse.
- Stock, inventory, or other commercial contents.
- Mercantile building.
- Grain bin, silo, or other farm building.
- Agricultural or industrial processing facility.
- Factory.

Residential Condominium Building Association Policy Form (RCBAP)

The RCBAP is the policy form used to insure a building, owned and administered as a condominium, containing 1 or more units and in which at least 75% of the floor area is residential. The Residential Condominium Building Association Policy (RCBAP) insures both common and individually owned building elements in one policy that includes all units within the building and improvements made within the individual units. Insuring all units in a condominium building this way makes flood insurance protection more cost effective. Owners of individual units can purchase additional building and contents coverage through the Dwelling Form, if desired.

Eligibility requirements for the RCBAP

For a building to be eligible under the RCBAP form, the building must be owned by a condominium association, which the NFIP defines as:

The entity made up of the unit owners responsible for the maintenance and operation of (1) common elements owned in undivided shares by unit owners; and (2) other real property in which the unit owners have use rights, where membership in the entity is a required condition of unit ownership.

The RCBAP is required for all buildings owned by a condominium association containing 1 or more residential units and in which at least 75% of the total floor area within the building is residential without regard to the number of units or number of floors. It is available for high-rise and low-rise residential condominium buildings, including townhouse/row house and detached single-family condominium buildings in the Regular Program only.

Residential condominium buildings that are being used as a hotel or motel, or are being rented (either short or long term), must be insured under the RCBAP.

If the named insured is listed as other than a condominium association, the agent/producer must provide legal documentation to confirm that the insured is a condominium association before the RCBAP can be written. This documentation may be a copy of the condominium association by-laws or a statement signed by an officer or representative of the condominium association confirming that the building is in a condominium form of ownership.

In the event of a loss, RCBAPs written for buildings found not to be in a condominium form of ownership will be rewritten under the correct policy form for up to the maximum amount of building coverage allowed under the program for the type of building insured, not to exceed the coverage purchased under the RCBAP.

A homeowners association (HOA) may differ from a condominium association and is ineligible for the RCBAP, unless the HOA meets the definition of a condominium association as defined in the policy. Cooperative ownership buildings are *not* eligible. Timeshare buildings in a condominium form of ownership in jurisdictions where title is vested in individual unit owners are eligible provided that all other criteria are met.

Low rise vs high rise buildings

The NFIP has grouped condominium buildings into 2 different types, low-rise and high-rise, because of the difference in the exposures to the risk that typically exists. Low-rise buildings generally have a greater percentage of the value of the building at risk than high-rise buildings, thus requiring higher premiums for the first dollars of coverage. The availability of the optional deductibles for the low-rise buildings, however, allows the association to buy back some of the risk, thereby reducing the overall cost of the coverage.

For rating purposes:

- *High-rise buildings* contain 5 or more units and at least 3 floors excluding enclosure, even if it is the lowest floor for rating.
- *Low-rise buildings* have fewer than 5 units regardless of the number of floors, or 5 or more units with fewer than 3 floors, including the basement.
- *Townhouse/row house buildings* are always considered low-rise buildings for rating purposes, no matter how many units or floors they have. A townhouse/row house is a multi-floor unit divided from similar units by solid, vertical, load-bearing walls, having no openings in the walls between units and with no horizontal divisions between any of the units.

Condominium buildings under construction

The NFIP rules allow the issuance of an SFIP to cover a building in the course of construction before the building is walled and roofed. These rules provide lenders the option to require flood insurance coverage at the time that the development loan is made to comply with the mandatory purchase requirement outlined in the Flood Disaster Protection Act of 1973, as amended. The policy is issued and rated based on the construction designs and intended use of the building.

In order for a condominium building in the course of construction to be eligible under the RCBAP form, the building must be owned by a condominium association. Buildings in the course of construction that have yet to be walled and roofed are eligible for coverage except when construction has been halted for more than 90 days and/or if the lowest floor used for rating purposes is below the Base Flood Elevation

Valuation basis and limits

The two most common reimbursement methods for flood claims are Replacement Cost Value (RCV) and Actual Cash Value (ACV). ACV is the cost to replace an insured item of property at the time of loss, less the value of its physical depreciation. The value of flood damage in the General Property Form is based on ACV for losses to the

(BFE). Materials or supplies intended for use in such construction, alteration, or repair are not insurable unless they are contained within an enclosed building on the premises or adjacent to the premises.

Methods of insuring condominium associations

There are 4 methods of insuring condominium associations under the NFIP. Each has its own eligibility requirements:

1. Building and contents

A condominium association is the corporate entity responsible for the management and operation of a condominium. Membership is made up of the condominium unit owners. A condominium association may purchase insurance coverage on a residential building and its contents under the RCBAP. The RCBAP covers only a residential condominium building in a Regular Program community.

2. Residential condominium: unit owner's coverage on building and contents

A residential condominium unit in a high-rise or low-rise building, including a townhouse or row house, is considered to be a single-family residence. An individual dwelling unit in a condominium building may be insured in any 1 of the following 4 ways:

1. An individual unit and its contents may be separately insured under the Dwelling Form, in the name of the unit owner, at the limits of insurance for a single-family dwelling.
2. An individual unit may be separately insured under the Dwelling Form, if purchased by the association in the name of the unit owner and the association as their interests may appear, up to the limits of insurance for a single-family dwelling.
3. An individual unit owned by the association may be separately insured under the Dwelling Form, if purchased by the condominium association. The single-family limits of insurance apply.
4. An individual non-residential unit owner may not purchase building coverage. However, contents-only coverage can be purchased either under the General Property Form or the Dwelling Form, depending on the type of contents.

A policy on a condominium unit will be issued naming the unit owner and the association, as their interests may appear. Coverage under a unit owner's policy applies first to the individually owned building elements and improvements to the unit and then to the damage of the building's common elements that are the unit owner's responsibility. In the event of a loss, the claim payment to an individual unit owner may not exceed the maximum allowable in the Program.

3. Non-residential (commercial) condominium: building and contents

Non-residential (commercial) condominium buildings and their commonly owned contents may be insured in the name of the association under the General Property Form. The "non-residential" limits apply.

4. Non-residential (commercial) condominium: unit owner's coverage (contents)

The owner of a non-residential or residential condominium unit within a non-residential condominium building may purchase only contents coverage for that unit. Building coverage may not be purchased in the name of the unit owner. In the event of a loss, up to 10% of the stated amount of contents coverage can be applied to losses to condominium interior walls, floors, and ceilings. The 10% is not an additional amount of insurance.

insured building and its insured personal property including stock and inventory. Personal property is always valued using ACV.

RCBAP building coverage is on a Replacement Cost valuation basis. RCV means the cost to replace property with the same kind of material and construction without deduction for depreciation. A condominium

unit owner's Dwelling Form policy provides Replacement Cost coverage on the building if eligibility requirements have been met. The RCBAP policy provides:

- The maximum amount of building coverage that can be purchased on a high-rise or low-rise condominium is the RCV of the building or the total number of units in the condominium building times \$250,000, whichever is less.
- The maximum allowable contents coverage is the ACV of the commonly owned contents up to a maximum of \$100,000 per building.
- If the property is insured to less than 80% of replacement cost, the coinsurance clause reduces the amount of payment.
- All other claims are settled on an ACV.
- ACV is the basis for adjusting all contents losses.

For residential townhouse/row house and low-rise condominiums, the building basic limit amount of insurance is \$60,000 multiplied by the number of units in the building.

Building vs contents coverage

Flood insurance protects two types of insurable property: (1) building and (2) contents/possessions. Neither covers damage to the land the building occupies. The following section lists items typically covered and not covered by each type of flood insurance. This information is for general purposes only. Refer to your policy for information about specific items covered/excluded.

A building flood insurance policy covers direct physical damage to the building or its contents caused by a flood. This means damages caused by a sewer backup are covered only if the backup is a direct result of flooding; if the backup is caused by some other issue, flood insurance will not pay the damages.

Building property coverage insures:

- The insured building and its foundation, including walls, anchorage systems, and staircases attached to the building.
- The plumbing system.
- Central air conditioning equipment, furnaces, water heaters, and ventilating equipment.
- Heat pumps and sump pumps.
- Refrigerators, cooking stoves, and built-in appliances, such as dishwashers.
- Walk-in freezers.
- Permanently installed carpeting over an unfinished floor.
- Permanently installed paneling, wallboard, bookcases, and cabinets.
- Awnings and canopies.
- Outdoor antennas and aerials attached to buildings.
- Fire extinguishing apparatus and fire sprinkler systems.
- Cisterns and the water in them.
- Drywall for walls and ceilings (in basements only).
- Nonflammable insulation (in basements only).
- Electrical outlets, switches, and circuit breaker boxes.
- Fuel tanks and the fuel in them, solar energy equipment, well water tanks, and pumps.
- Elevators, dumbwaiters, and related equipment.

Personal Property/contents coverage insures possessions, including:

- Clothing, furniture, curtains, fixtures, and electronic equipment.
- Portable and window air conditioners.
- Portable microwave ovens and dishwashers.
- Clothing washers and dryers.
- Carpets or rugs not included in building coverage.
- Food freezers (other than walk-in) and the food in any freezer.
- Certain valuable items such as original artwork and furs (Limited to \$2,500 in total).
- Non-licensed self-propelled vehicles if stored inside the insured building and used to service the described location (e.g., tractor) or designed to assist a person with a disability.

- For high-rise condominiums, the building basic amount of insurance is \$175,000.
- The contents basic limit amount of insurance is \$25,000.
- For condominium unit owners who have insured their personal property under the Dwelling Form or General Property Form, coverage extends to interior walls, floor, and ceiling (if not covered under the condominium association's insurance) up to 10% of the personal property limit of liability.
- Use of this coverage is at the option of the insured and reduces the personal property limit of liability.

Single Family Homes are settled on a RCV basis if these two conditions are met: It is a primary residence and it is insured to at least 80% of replacement cost, at the time of loss. In any other cases, Single Family Homes are settled on an ACV basis. The building basic limit amount of insurance for a detached building housing a single-family unit owned by the condominium association is \$60,000.

- Up to 10% of contents coverage to improvements made to a building the insured occupies as a tenant.
- Some business possessions, depending on the policy, including merchandise or raw materials held in storage or for sale, or other personal property used in the property owner's business. (See specific policy for exclusions.)

Exclusions:

The following items are not insured by Building Property or Personal Property coverage:

- Property and belongings outside the enclosed building, or in another structure, such as trees, plants, wells, septic systems, walkways, decks, patios, fences, seawalls, hot tubs, and swimming pools.
- Buildings, or personal property in perilous locations affected by high tides.
- Open buildings used to house boats.
- Types of vehicles, including most self-propelled vehicles, such as cars, and their parts.
- Any loss resulting from earth movement, even if caused by flood.
- Damage caused by moisture, mildew, or mold that could have been avoided by the property owner.
- Damage caused by sewer or drain backup unless there is a flood in the area that caused the backup.
- Currency, precious metals, and valuable papers, such as stock certificates, script, and recorded data.
- Financial losses caused by business interruption or loss of use of insured property.

Roadways and drainage systems within private communities are owned and maintained by the community's maintenance association, not the city in which the community is located. Any flood mitigation and response within these private communities is the responsibility of the community's management company.

In the event of flooding so severe that a structure may be compromised, property owners should call the City's Department of Public Works. Public Works will investigate the situation and determine if the cause of the flooding is the community's drainage system or the city's storm water management system, and take the appropriate action if any is needed. City personnel do not perform work on privately-owned drainage systems.

Basement coverage

The NFIP defines a basement as any area of a building with a floor that is below ground level on all sides. While flood insurance does not cover basement improvements (such as finished walls, floors, or ceilings), or personal belongings kept in a basement (such as furniture and other contents), it does cover structural elements and essential equipment.

The following items are covered under building coverage, as long as required power sources were connected and installed in their functioning location:

- Sump pumps.
- Well water tanks and pumps, cisterns, and the water in them.
- Oil tanks and the oil in them, natural gas tanks and the gas in them.
- Pumps and/or tanks used in conjunction with solar energy.
- Furnaces, water heaters, air conditioners, and heat pumps.
- Electrical junction and circuit breaker boxes and required utility connections.
- Foundation elements.
- Stairways, staircases, elevators, and dumbwaiters.
- Unpainted drywall walls and ceilings, including fiberglass insulation.
- Cleanup.

The following items are covered under contents coverage:

- Clothes washers and dryers.
- Food freezers and the food in them.

The NFIP recommends both building and contents coverage for the broadest protection.

Additional coverage

The NFIP recommends that RCV be updated every 3 years to ensure it is still accurate and appropriate. The RCBAP Form and General Property Form do not offer assessment coverage. It is only available under the Dwelling Form, subject to certain conditions and exclusions. Assessment coverage cannot be used to meet the 80% coinsurance provision of the RCBAP, and does not apply to ICC coverage or to coverage for closed basin lakes. In addition, assessment coverage cannot be used to pay a loss assessment resulting from a deductible under the RCBAP.

The Dwelling form can respond, up to the building coverage limit, to assessments against unit owners for damages to common areas of any building owned by the condominium association, even if the building is not insured, provided that: (1) each of the unit owners comprising the membership of the association is assessed by reason of the same cause; and (2) the assessment arises out of a direct physical loss by or from flood to the condominium building at the time of the loss.

The General Property Form provides the following additional coverage:

- Expenses to remove non-owned debris from insured property and owned insured debris anywhere.
- Expenses up to \$1,000 for loss avoidance measures, such as sandbagging, and up to \$1,000 to move insured property to a safer location when flooding is imminent.
- Damage up to \$10,000 caused by pollutants if the discharge, escape, or seepage is caused by or the result of a flood. These are not additional amounts of insurance.

Coinurance penalty fee

This fee applies only to RCBAP policy holders. NFIP charges a coinsurance penalty to building coverage only if the insured has not purchased insurance equal to the lesser of (1) 80% or more of the full replacement cost of the building at the time of loss or (2) the maximum amount of insurance under the NFIP or the insured will not be reimbursed fully for a loss. The amount of loss in this situation would be determined by using the following formula: *Insurance Carried* \times *Amount of Loss* = *Limit of Recovery*. Building

coverage purchased under individual Dwelling Forms cannot be added to RCBAP coverage in order to avoid the coinsurance penalty.

The following fees apply to all National Flood Insurance Policy forms: the ICC Premium, the HFIAA Reserve Fund Surcharge, the Federal Policy Fee, and a Probation Surcharge (if applicable) A probation surcharge is only required to cover property that the NFIP has placed on probation under the provisions of 44 CFR 59.24

Increased cost of compliance premium

Most NFIP policies include Increased Cost of Compliance (ICC) coverage, which applies to insured buildings with substantial flood damage. If the community declares a building “substantially damaged” or a “repetitive loss structure” by a flood(s), the structure must be brought up to current community floodplain management building standards, as long as it was insured with building coverage. If it qualifies, ICC can provide up to \$30,000 of the cost to elevate, demolish, or relocate the insured building, or flood-proof structures with qualified basements.

Payment of an ICC claim is in addition to the amount of the building claim. However, the total amount of the building claim and ICC claim cannot exceed the maximum limit available for Building Property coverage (\$500,000). Having an ICC claim does not affect a personal property claim (up to \$500,000), which is paid separately.

Annual surcharge

As of April 1, 2015, every new or renewed NFIP policy includes an annual surcharge required by HFIAA. The surcharge amount depends on the use of the insured building and the type of policy form insuring the building, regardless of its flood zone designation or date of construction.

Policies for owner-occupied, single-family detached buildings and individual condominium units that are the primary residence of a policyholder insured under the Dwelling Policy Form will include a \$25 HFIAA surcharge.

Contents-only policies insured under the Dwelling Policy Form and held by a tenant in the tenant’s primary residence will include the \$25 HFIAA surcharge.

Policies for *all other buildings* will include a \$250 HFIAA surcharge.

To ensure that policyholders pay the correct surcharge at renewal, they must complete and return a Verification of Primary Residence Status form to their flood insurance provider, which will have mailed the form before the renewal notice. The policyholder is required to respond within 30 days of receipt. If the form and documentation are not received within the 30-day period, a client’s renewal premium defaults to the \$250 HFIAA surcharge.

Federal policy fee

Policy holders pay the federal policy fee on their renewal policy. It is an administrative fee charged to minimize ongoing national flood program expenses. The fees are:

1 unit	\$45 per policy
2–4 units	\$135 per policy
5–10 units	\$360 per policy
1–20 units	\$720 per policy
21 or more units . . .	\$1,800 per policy

PART IV — FLOOD INSURANCE RATE MAPS (FIRM)

Mapping and flood insurance

Maps that show flood risks for U.S. communities are officially called Flood Insurance Rate Maps—or FIRMs. Created by FEMA for floodplain management and insurance rating purposes, FIRMs show a community’s flood zones, Base Flood Elevations (BFEs), and floodplain boundaries, all of which provide an indication of the risk of flooding. FIRMs designate high-risk areas—those with a 1% or higher annual risk of experiencing a flood—and moderate- to low-risk areas—where the risk of flooding is less than 1% per year.

Communities use FIRMs to manage floodplains and develop sound building ordinances. Mortgage lenders use FIRMs to help determine a property’s flood risk and decide whether flood insurance will be required as a condition for a loan. Insurance professionals use FIRMs in the rating process that determines a property’s flood insurance premium. Areas of moderate to low risk are shown as zones labeled B, C, or X on a FIRM. High-risk areas are shown as zones beginning with the letters A or V. Areas of undetermined risk are shown with the letter D.

Flood zone designations

The following flood zone designation determines whether or not flood insurance is mandated.

Zone A	Flood insurance rate zone determined by approximate methods, as no Base Flood Elevations (BFEs) are available for these areas. Mandatory flood insurance purchase requirements apply.
Zone AE	Flood insurance rate zone that corresponds with flood depths greater than 3 feet. Mandatory flood insurance purchase requirements apply.
Zone AH	Flood insurance rate zone that corresponds to areas of shallow flooding with average depths between 1 and 3 feet. Mandatory flood insurance purchase requirements apply.
Zone VE	Flood insurance rate zone that corresponds to coastal areas that have additional hazards associated with storm waves. Mandatory flood insurance requirements apply.
Zone X	Flood insurance rate zones that are outside the flood plain or the average flood depths of less than 1 foot. Flood insurance purchase is not mandatory.

Flood risk

Flood insurance premiums are based on the degree of flood risk. There is no such thing as a no-risk flood zone; there is always some risk of flooding.

Moderate-to-low risk areas

Most condominium owners or renters in moderate- to low-risk areas are eligible for coverage at a preferred rate. A Preferred Risk Policy (PRP) provides both building and contents coverage for properties in moderate- to low-risk areas for one low price. In a Regular Program community, located in low- to moderate-risk flood zone (identified as “B,” “C,” or “X” on Flood Insurance Rate Maps), the Dwelling Form Preferred Risk Policy (PRP) offers low-cost, fixed combinations of building and contents coverage for an individual condominium unit in a residential condominium building.

Residential condominium associations eligible under the RCBAAP are not eligible for the PRP. However, associations who own individual units in a multi-unit residential condominium building are eligible for PRP when insuring the individual unit. Property owners in higher risk areas can still qualify for a standard-rated policy, which offers separate building and contents coverage.

High-risk areas

High-risk areas have at least a 25% chance of flooding during a 30-year mortgage. Unit owners in buildings located in a high-risk flood

areas are required to purchase flood insurance if the lender is federally regulated or insured.

Special flood hazard area

The National Flood Insurance Reform Act of 1994 (NFIRA) requires all homes receiving a federally backed mortgage loan to have flood insurance when the home is located in a SFHA in a participating community. Condominium owners should be aware that the mortgage portfolio protection program (MPPP) allows mortgage companies to “force” a flood policy on a condominium when the insured have not secured a flood policy on their own.

Revising flood maps

Flood mapping is revised regularly using the latest data-gathering and mapping technology to reflect changing flood risks and issue FIRMs that accurately show current flood risks. Changing water flows and drainage patterns dramatically alter flood patterns over time. They result from human land use and development, as well as natural forces such as changing weather patterns, surface erosion, subsidence, wildfires, or sea-level rise.

FEMA is currently updating and modernizing the nation’s flood maps to show recent changes to floodplains and flood risks. Some property owners will find their property in a new zone classification. If it is to the property owner’s benefit, he or she can keep the rate associated with the prior map’s flood zone (grandfathering), if:

- The unit owner or the association’s flood insurance policy was bought before a new map became effective; or
- The building was built to conform to standards of the earlier map.

Reflecting risk in premiums

- Flood insurance premiums are based on a combination of factors including:
 - Year of building construction.
 - Building occupancy.
 - Number of floors.
 - Number of units.
 - Flood risk/flood zone.
- The location of the lowest floor in relation to the elevation requirement on the flood map (in newer buildings).
- The deductible amount.
- Amount of building and contents coverage.

If a building is in a high-risk area—also called a Special Flood Hazard Area, or SFHA—the property owner is likely to pay a higher flood insurance premium than someone in a moderate- to low-risk area. The exact amount you pay depends on a number of factors, including the elevation of the building itself.

In a high-risk area, your insurance premium will also depend on when your building was constructed in relation to the date of the FIRM. Some buildings constructed before the community’s first FIRM, called pre-FIRM, are eligible for subsidized premium rates that are determined with limited underwriting information (See Pre-FIRM subsidies, below).

Change in risk

This chart shows the effect of map changes on insurance rates. For exact rating information, contact your insurance agent.

Change in risk	Rate impact
Moderate- to low-risk area (Zone B, C, or X) or Unknown (Zone D) TO High-risk area (Zone A or V)	Flood insurance is mandatory. Flood insurance will be required if you have a mortgage from a federally regulated or insured lender. Rating options can offer savings. Buildings newly mapped into a high-risk area may initially be eligible for a lower-cost rate during the first 12 months following a map change. Premiums will then increase up to 18% each year as part of the premium rate revisions put in place by HFIAA of 2014. Purchasing a policy before the new map goes into effect will maximize your savings. Your insurance agent can provide more details on how to save. A policy can be assigned to new owners, allowing them to keep the lower rate.

High-risk area to higher-risk area (Zone A to V) OR Increase in Base Flood Elevation	Grandfathering can offer savings. The NFIP grandfathering option allows policyholders who have built in compliance with the flood map in effect at the time of construction to keep their previous zone or Base Flood Elevation to calculate their insurance premium. This could result in significant savings. A grandfather-rated policy can be assigned to new owners. In most cases, your insurance agent will ask you to provide an Elevation Certificate.
High-risk area (Zone A or V) TO Moderate- to low-risk area (Zone B, C, or X)	Flood insurance is optional, but recommended. The risk is reduced, not removed. More than 20% of NFIP claims come from buildings outside of high-risk areas. Conversion offers savings. An existing policy can be converted to a lower-cost Preferred Risk Policy, with a refund of the premium difference. Although flood insurance is no longer federally required, your mortgage lender might still choose to require it.
No change	No change in insurance rates. Still, this is a good time to talk with your insurance agent to learn your specific risk and make sure you have enough flood insurance coverage.

Preferred risk policies and special flood hazard areas

New FIRMs show changes in an area's risk of flooding over time. For some property owners, a change in risk means new flood insurance requirements. In recent years, FEMA has sought to ease the financial impact of a map change by extending eligibility for a lower-cost Preferred Risk Policy (PRP) if a building outside of the high-risk area called a SFHA is newly mapped into the SFHA.

Until now, the PRP Eligibility Extension has applied to any building newly mapped into an SFHA since October 1, 2008, although as of October 1, 2013, PRP Eligibility Extension premiums began increasing at a higher rate on renewal. But beginning April 1, 2015, FEMA is implementing a new procedure to meet requirements of the

Homeowner Flood Insurance Affordability Act of 2014 (HFIAA). As of April 1, 2015, Preferred Risk Policy (PRP) rates are available for buildings newly mapped into high-risk flood areas for 12 months after the new FIRMs become effective.

Following a map revision, the owner of a building newly mapped into an SFHA will be rated according to a new procedure for newly mapped properties. This rate will be equal to the PRP rate, but with a higher Reserve Fund Assessment and Federal Policy Fee, for the first 12 months following the map revision. After the introductory year, the rate will begin its transition to a full-risk rate with annual rate increases of no more than 18% each year. The table below summarizes this information.

Newly mapped into an SFHA

Scenario	Property owner eligibility
Property newly mapped into an SFHA on or after April 1, 2015.	Eligible for the Newly Mapped procedure if the policy becomes effective within 12 months of the map revision date.
Property newly mapped into an SFHA on or after April 1, 2015, but not covered within 12 months of the map revision date.	Property no longer eligible for Newly Mapped procedure. Post-FIRM buildings are eligible for grandfather rating. Pre-FIRM buildings must be rated using the new maps, and may be eligible for pre-FIRM subsidized rates.
Property newly mapped into an SFHA between October 1, 2008, and March 31, 2015, but not currently covered.	Eligible for the Newly Mapped procedure if covered before April 1, 2016.
Property with policy validly issued under the PRP Eligibility Extension prior to April 1, 2015.	Renewed using the Newly Mapped procedure on the first effective date on or after April 1, 2015; policies for these buildings will receive the same premium as those newly issued using the Newly Mapped procedure.

Property owners who do not have flood insurance and find that their buildings are being newly mapped into an SFHA should be encouraged to purchase a PRP before the new FIRMs become effective. Not only is their risk higher than they thought (and any potential flooding will not wait until the new maps become effective), but they also will be able to renew their policies at lower-cost PRP rates during the first 12

months after the new map becomes effective. In other words, they will gain almost an extra year at PRP rates. Note that the same eligibility requirements that apply for PRPs also apply for the Newly Mapped procedure. A property that falls outside this category might be eligible for the Standard X Zone rating.

Pre-FIRM subsidies

Several provisions of both the 2012 and 2014 laws apply to older buildings constructed before the effective date of the community's first FIRM. Such buildings are referred to as "pre-FIRM." Many pre-FIRM buildings located in high-risk flood zones have flood insurance policies with subsidized rates. Biggert-Waters required an immediate move to

property-specific, full-risk rates when pre-FIRM properties were sold or new policies issued.

Some policyholders saw significant premium increases due to provisions in Biggert-Waters. The new law allows a return to subsidized rates for most properties—and refunds of the difference

paid between the subsidized rate and current full-risk rate. The 2014 law protects policyholders from significant and unanticipated increases in flood insurance costs that could impact their property sales. Subsidized rates continue to apply, and as of May 1, 2014, both the policy and its subsidized rates can be transferred to the new owner. Grandfathered rates can also be transferred at the time of sale.

For most pre-FIRM primary residences in high-risk areas, subsidized rates remain in effect, but with newly required minimum increases—and an 18 % increase limit for any individual policy—until premiums reach their full-risk rates. For most other policy types, rates will increase by no more than 18% for any individual policy. The rate of phase-out will depend on the type of policy. The following charts explain how premium rates are affected for different policy types. Most subsidies remain, although they will be phased out over time.

Policy type	Impact on rate
Existing policies	Policies can be renewed at subsidized rates.
Newly written policies	Policies can be issued and renewed at subsidized rates.
Policies on newly purchased buildings	Policies can be issued and renewed at subsidized rates.
Policies re-issued after a lapse	Policies for pre-FIRM buildings in high-risk areas that lapsed due to a late renewal payment (received after the 30-day grace period but less than 90 days after expiration) can be re-issued and renewed at subsidized rates.

Policy type	Impact on rate
Policies for newer (“post-FIRM”) buildings in high-risk areas	Not affected by subsidies; already paying full-risk rates.
Policies for buildings in moderate- to low-risk areas	Not affected by subsidies; properties in these areas (shown as B, C, or X zones on flood maps) do not pay subsidized rates.
Policies for buildings “grandfathered in” when map changes show higher flood risk	Grandfathering remains in effect at this time. Buildings constructed in compliance with earlier maps or continuously covered by flood insurance stay in their original rate class when maps change or properties are sold.
Policies for buildings covered by Preferred Risk Policy Eligibility Extension (PRP EE)	Properties continue to be eligible for lower, preferred-risk rates for the first year after a map change. Starting the following year, rates will increase by no more than 18% for any individual policy until premiums reach their full-risk rate.

Reducing rates

If you find you will have to pay a higher premium for flood insurance, here are possible steps to help reduce the cost:

- **Mitigate:** One way to reduce your rate is to reduce your risk, because premiums are based on risk. For example, you can fill in a basement or install flood vents in the crawl space beneath the lowest level of your building, which helps reduce the chance that the foundation of your building will be displaced during a flood, and lowers your premium. When remodeling or rebuilding, you can consider elevating your entire structure. Something as simple as raising heating and cooling systems, water heaters, the electrical

panel, and other mechanical items so that they are less likely to be damaged or destroyed in a flood may offer some premium savings.

- **Encourage community action:** You can encourage your community to participate in the Community Rating Service (CRS), if not already a member. CRS is a voluntary incentive program that recognizes communities for implementing floodplain management practices that exceed the NFIP minimum requirements. In exchange for a community’s proactive efforts to reduce flood risk, policyholders can receive reduced flood insurance premiums. For more information, visit FloodSmart.gov/CRS.
- **Apply for a Letter of Map Change (LOMC):** Two types of LOMCs are Letters of Map Amendment (LOMAs) and Letters of Map Revision-Fill (LOMR-Fs). A LOMA is usually issued when a building has been mapped incorrectly. FIRMs are developed to a scale that is useful for community officials, lenders, and insurance professionals, but not every rise in terrain can be depicted at this scale, and errors occur.
- **FEMA provides a process to allow property owners to request a more precise flood zone designation if they feel the mapping is in error (e.g., the map shows the property in a floodplain when it is actually on high ground).** A LOMR-F is for a property that is now elevated above the BFE by the placement of fill. For more information on filing a LOMA or LOMR-F, visit fema.gov/letter-map-amendment-letter-map-revision-based-fill-process.
- **Consider a higher deductible:** Just as with automobile or homeowners insurance, increasing your deductible—an amount you pay out of your pocket to cover a claim before coverage is applied—will lower your premium. NFIP minimum deductibles vary based on the policy rating and amount of coverage purchased. Most new buildings have a deductible of \$500. Older buildings (usually pre-1974) will have a \$1,000 deductible in high-risk areas. No deductibles apply to Coverage C and Coverage D. A new \$10,000 deductible, available to homeowners as of April 1, 2015, will result in up to a 40% discount from the base premium. However, using the maximum deductible might not be appropriate in every financial circumstance and might not be allowed by lenders to meet mandatory purchase requirements. Rates for other types of policies are \$5,000 for Residential, \$25,000 for RCBAP and \$50,000 for Nonresidential). Deductibles apply separately to building coverage and to contents coverage. Customers can select different deductibles for the building and the contents.

Contact the local floodplain administrator to learn about mapping projects in the area, possible changes, and how to view the new maps. Preliminary will be posted along with current FIRMs to msc.fema.gov. FEMA’s mapping program is discussed further at fema.gov/national-flood-insurance-program-flood-hazard-mapping.

Elevation certificates

An Elevation Certificate (EC) is official documentation of a building’s elevation. It is used by floodplain managers to enforce local building regulations, and by insurance agents to determine a premium rate flood insurance policy based on risk. The EC indicates the location of the building, certain building characteristics, Lowest Floor Elevation, and flood zone. A zone indicated with the letters A or V on a FIRM indicates a high-risk area.

Elevation Certificates guide flood planning and mitigation efforts and ensure that premiums are calculated correctly. Property owners in high-risk flood zones typically need an EC to obtain flood insurance. One exception is pre-FIRM structures eligible for a subsidized rate. This group is not required to show an EC for insurance purposes. Eventually, subsidized rates for pre-FIRM buildings will be phased out through annual premium increases. An EC is required to calculate the property-specific full-risk rate once it is in effect.

A new EC is needed when there are substantial changes to a building in a high-risk area, to show changes in structural characteristics or Lowest Floor Elevation. Insurance agents and other officials can

find existing copies of EC on file with the community association or belonging to a previous property owner to rate the property. In general, if a community adopted new FIRMs and the building has not changed zones, an insurance agent can rate the policy using the information from the existing EC. In these cases, however, additional information, such as recent photographs of the property, may be required.

Base flood elevation

Flood insurance rates in a high-risk zone (a zone beginning with the letter A or V) are based on a building's elevation above, at, or below the BFE. Base Flood Elevation (BFE) is the elevation above sea level designated as the minimum building standard allowed in the community. Insurance agents compare the BFE to current flood maps to determine a property's flood risk and the cost of flood insurance. The higher your lowest floor is above the BFE, the lower the risk of flooding, and the lower the insurance premium for that property. The land area affected by base flooding is called the Special Flood Hazard Area, floodplain, or high-risk zone.

EC are not required in moderate- to low-risk zones (zones B, C, and X), where rates are not based on elevation. Other areas not requiring EC for establishing rates are undetermined risk areas (Zone D), and certain high-risk areas eligible for other subsidies (e.g., Zones AR and A99). To document elevation for a building is in one of these zones, the association will need to provide a copy of the current FIRM that marks the building's location, or obtain a letter signed and dated by a community official listing the building's address and flood zone. The property remains eligible for the NFIP grandfather procedure as long as continuous coverage is maintained.

Obtaining an elevation certificate

There are a number of possible sources for EC. They may be stored or filed with:

- The property deed.
- The municipal government.

- The local floodplain manager. If so, he or she is authorized to complete the EC. (Every NFIP-participating community has a floodplain manager, but that person might have a different title or serve in multiple capacities.)
- The property sellers. When buying a property, ask the sellers to give you the existing EC or provide one before settlement if one is not currently available.
- The developer or builder. An EC may have been required at the time of construction.

If no elevation information for the property is on file, a professional—usually a state-licensed land surveyor, professional engineer, or certified architect authorized by law to certify elevation information—can be hired for a fee to complete an EC for the property. Depending on your location and the complexity of the job, the cost of a surveyor can vary from \$500 to \$2,000 or more. To find a professional surveyor:

- Check with your State professional association for land surveyors.
- Ask your State NFIP coordinator.
- Talk to your local building permit office.

When you receive your Elevation Certificate, provide a copy for the insurance agent and a copy for your records.

Flood mitigation

Building code requirements and flood maps change over time to reflect shifting flood risks. Changes may occur gradually over years, due to urbanization that affects how the land absorbs flood water, or in a matter of moments, due to the impact of powerful storms. The NFIP encourages building higher than the BFE as a safety measure, and provides incentives for doing so. An association that is remodeling or rebuilding should consider elevating the construction, if possible, to lower the flood risk, lower the flood insurance rate, and reduce the financial impact of the next flood. A building can save more than \$90,000 over 10 years if it is built 3 feet above BFE.

PART V — ADDITIONAL INFORMATION AND RESOURCES

For further information about the NFIP or related issues, consult:

- **An insurance agent or NFIP insurer** for information related to a current flood insurance policy, information on flood insurance, flood insurance premium quotes, questions about flood insurance claims, or guidance on how to obtain flood insurance.
- **A local planning, building inspections, or zoning offices** for information on building permits and local regulations or ordinances governing development in special flood hazard areas, to obtain copies of flood maps, or copies of existing elevation certificates and elevation information.
- **An NFIP Help Center (1-800-427-4661)** for general information about the NFIP, advice on how to obtain a property loss history report, or to seek information related to the various NFIP rating options, such as, grandfathering and elevation rating.
- **FEMA Regional Offices** (<https://www.fema.gov/about-agency>) for information about the NFIP, specific questions about recent or future flood insurance or mapping related events, or more information on flood insurance related resources.
- **FloodSmart** (1-888-225-5356 or www.floodsmart.gov) for information about flood insurance coverage, how to locate an

insurance agent, or for more information and consumer-friendly materials about the NFIP and flood risk.

- **The FEMA Map Information Exchange (1-877-336-2627) and Map Service Center** (<https://msc.fema.gov/portal>) for information on how to view or read a flood map, understand zone definitions, learn about map changes and amendments, and remapping information. The FEMA Flood Map Service Center (MSC) is the official public source for flood hazard information produced in support of the National Flood Insurance Program. Use the MSC to find your official flood map, access a range of other flood hazard products, and take advantage of tools for better understanding flood risk.
- **FEMA's NFIP webpage** (www.fema.gov/national-flood-insurance-program) for a broad range of NFIP informational materials for CAM to distribute to property Owners.
- **NFIP Hotline (1-800-621-3362)** for questions about flood insurance policies or the claims process. Additional information about the hotline may be found at <https://www.fema.gov/national-flood-insurance-program-technical-support-hotline>.

Office of the flood insurance advocate

If, after utilizing the existing resources listed above, a policyholder or property owner still feels they have not received the necessary support or are unable to resolve an NFIP issue regarding flood maps, flood insurance, or floodplain management, he or she can contact the Office of the Flood Insurance Advocate by email at insurance-advocate@fema.dhs.gov.

The Office of the Flood Insurance Advocate supports the fair treatment of NFIP policy holders and property owners by providing education and guidance, identifying trends, and making recommendations for

program improvements to FEMA. The Office of the Flood Insurance Advocate can also assist property owners in mapping flood hazards, identifying flood risks, and implementing mitigation strategies to reduce flood damage.

The Office of the Flood Insurance Advocate is available to the public and staffed by NFIP program professionals who are experts in all aspects of the NFIP, including claims processes, the map review and amendment process, floodplain management, and flood mitigation

techniques and resources. The Advocate also works with Regional FEMA offices to refine the long-term regional mapping outreach and education support strategy, as well as monitor the fair treatment policyholders and property owners under the NFIP, identify trends, and make recommendations to the FEMA Administrator.

In the future, the Office of the Flood Insurance Advocate will include a process to aid potential policy holders under the NFIP in obtaining and verifying accurate and reliable flood insurance premium information when purchasing or renewing a flood insurance policy.

The Office of the Flood Insurance Advocate can assist property owners in the following areas:

- **Understanding the NFIP Claims processes** — The Advocate can also provide general guidance and information about how the claims processes work, such as disputing the amount of payment received for a claim, understanding the “proof of loss” and supporting documentation, and filing an appeal.
- **Understanding key components that determine flood risk** — This includes developing an understanding of how flood hazards impact risk, as well as, the structural characteristics of an insured property – both of which can change over time.
- **Understanding the FIRM review and amendment process** — The Advocate can also provide general guidance and information about the procedural requirements related to appealing Preliminary-FIRMs.

Flood insurance glossary

Flood insurance policies often use technical language that may be difficult to understand or have a specialized definition in regard to flood insurance coverage. Property owners can use this glossary to interpret the information in their flood insurance policies, and ensure they have adequate coverage for their degree of risk.

Definitions

- **Act:** The National Flood Insurance Act of 1968 and any amendments to it.
- **Actual cash value (acv):** The cost to replace an insured item of property at the time of loss, less the value of physical depreciation.
- **Adjuster control office:** An NFIP claims office similar to a Flood Insurance Claims Office (FICO) with the exception that the Adjuster Control Office does not house insured files, maintain a claims examiner staff at the site or issue claim payments.
- **Alternative rating:** A rating method used when a building is Pre-FIRM, the Flood Insurance Rate Map (FIRM) zone is unknown and the community in which the building is located has no V zones. May also be used for renewal of policies in communities that have converted from the Emergency Program to the Regular Program during a policy’s term.
- **Anchored:** Adequately secured to prevent flotation, collapse or lateral movement.
- **Application:** The statement made and signed by the prospective policyholder or the agent in applying for an NFIP flood insurance policy. The application gives information used to determine the eligibility of the risk, the kind of policy to be issued and the correct premium payment. The application is part of the flood insurance policy. For a policy to be issued, the correct premium payment must accompany the application.
- **Appurtenant structure:** A detached garage servicing a 1- to 4-family dwelling.
- **Assignment:** The transfer by a policyholder of his/her legal right or interest in a policy contract to a third party. In the NFIP, written assignment of a policy is permissible upon transfer of title without the consent of the FEMA, except in the case where a residential (household) contents-only policy is involved or a policy was issued to cover a building in the course of construction.
- **Base flood:** A flood having a 1% chance of being equaled or exceeded in any given year.

- Educating policyholders and property owners about ICC coverage, how a policy is rated, and the NFIP summary of flood insurance coverage.
- Coordinating referrals to existing resources for flood hazard mapping, hazard mitigation grants, and floodplain management.
- Working directly with NFIP subject matter experts to answer questions related to flood insurance and mitigation programs that, if implemented, may help reduce the cost of flood insurance.
- Supplying policyholders and property owners with NFIP materials publications, booklets, and guidance documents, and directing them to public awareness and outreach materials on the appropriate FEMA websites.

The Office of the Flood Insurance Advocate is not intended to override or replace existing processes, policies, procedures, and applicable laws (statute and regulations). The Advocate and support staff are available to provide education, guidance, and assistance to policyholders and property owners to develop a better understanding of the NFIP.

For more information about the Office of the Flood Insurance Advocate, visit www.fema.gov/flood-insurance-reform-flood-insurance-advocate.

- **Base Flood Depth (BFD):** The depth shown on the Flood Insurance Rate Map (FIRM) for Zone AO that indicates the depth of water above highest adjacent grade resulting from a flood that has a 1% chance of equaling or exceeding that level in any given year.
- **Base Flood Elevation (BFE):** The elevation of surface water resulting from a flood that has a 1% chance of equaling or exceeding that level in any given year. The BFE is shown on the Flood Insurance Rate Map (FIRM) for zones AE, AH, A1–A30, AR, AR/A, AR/AE, AR/A1–A30, AR/AH, AR/AO, V1–V30 and VE.
- **Basement:** Any area of the building, including any sunken room or sunken portion of a room, having its floor below ground level (subgrade) on all sides.
- **Binder or certificate of insurance:** A temporary agreement between company, agent/producer and insured that the policy is in effect. The NFIP does not recognize binders. However, for informational purposes only, the NFIP recognizes Certificates of Insurance and similar forms for renewal policies.
- **Blanket insurance:** A single amount of insurance applying to more than 1 building and/or contents. Blanket insurance is not permitted under the NFIP.
- **Breakaway wall:** A wall that is not part of the structural support of the building and is intended through its design and construction to collapse under specific lateral loading forces, without causing damage to the elevated portion of the building or supporting foundation system.
- **Building:**
 - A structure with 2 or more outside rigid walls and a fully secured roof, that is affixed to a permanent site.
 - A manufactured home (a “manufactured home,” also known as a mobile home, is a structure built on a permanent chassis, transported to its site in 1 or more sections and affixed to a permanent foundation).
 - A travel trailer without wheels, built on a chassis and affixed to a permanent foundation, that is regulated under the community’s floodplain management and building ordinances or laws.“Building” does not mean a gas or liquid storage tank or a recreational vehicle, park trailer or other similar vehicle, except as described above.
- **Building in the course of construction:** A walled and roofed building (see the General Rules section for the exception) that is

principally above ground and affixed to a permanent site. It does not include building materials or supplies intended for use in construction, alteration or repair unless such materials or supplies are within an enclosed building on the premises.

- **Cancellation:** The termination of the insurance coverage provided by a policy before the expiration date.
- **Cistern:** Covered cisterns and the water in them are defined as an integral part of an insurable building, meaning under the building or above ground and physically attached to a side of the building with 1 of the walls of the building and cistern being common to each other.
- **Claims Coordinating Office (CCO):** A clearinghouse for the various insurers who are responding to a multi-peril catastrophe. Through voluntary participation, all losses are reported to the CCO and are processed to locate address matches among the reported claims. The interest of each carrier is protected as the Claims Coordinator maintains sole control over the policy and loss information. If a match is found, special care is taken to direct the assigned adjuster(s) to a mutually agreeable adjustment or to have 1 adjuster surrender his/her loss with the assurance that every effort will be made to replace it.
- **Closed basin lake:** A natural lake from which water leaves primarily through evaporation and whose surface area exceeds or has exceeded 1 square mile at any time in the recorded past. NFIP-insured buildings that are subject to continuous lake flooding from a closed basin lake are covered under the provisions of Standard Flood Insurance Policy (SFIP).
- **Coastal barrier:** A naturally occurring island, sandbar or other strip of land, including coastal mainland, that protects the coast from severe wave wash.
- **Coastal Barrier Improvement Act of 1990 (CBIA):** Enacted on November 16, 1990, the Act greatly expanded the identified land in the Coastal Barrier Resources System (CBRS) established pursuant to the Coastal Barrier Resources Act (CBRA) of 1982.
- **Coastal Barrier Resources Act of 1982 (CBRA):** For the purposes of the NFIP, the CBRA of 1982 designated certain portions of the Gulf and East Coasts as undeveloped coastal barriers. These areas are shown on appropriate flood insurance map panels and have certain coverage restrictions.
- **Coastal Barrier Resources System (CBRS):** Communities, coastal barriers and Otherwise Protected Areas (OPAs) identified by legislation defined above.
- **Coastal high hazard areas:** Special Flood Hazard Areas (SFHAs) along the coasts that have additional hazards due to wind and wave action. These areas are identified on Flood Insurance Rate Maps (FIRMs) as zones V, V1–V30, and VE.
- **Coinurance:** A penalty imposed on the loss payment unless the amount of insurance carried on the damaged building is at least 80% of its replacement cost or the maximum amount of insurance available for that building under the NFIP, whichever is less. Coinurance applies only to building coverage under the Residential Condominium Building Association Policy (RCBAP).
- **Community:** A political entity that has the authority to adopt and enforce floodplain ordinances for the area under its jurisdiction.
- **Community number:** A 6-digit designation identifying each NFIP community. The first 2 numbers are the state code. The next 4 are the FEMA-assigned community number. An alphabetical suffix is added to a community number to identify revisions in the Flood Insurance Rate Map (FIRM) for that community.
- **Community Rating System (CRS):** A program developed by FEMA to provide incentives for communities in the Regular Program that have gone beyond the minimum floodplain management requirements to develop extra measures to provide protection from flooding.
- **Condominium:** That form of ownership of real property in which each unit owner has an undivided interest in common elements.
- **Condominium association:** The entity made up of the unit owners responsible for the maintenance and operation of:
 - Common elements owned in undivided shares by unit owners.
 - Other real property in which the unit owners have use rights.
- Where membership in the entity is a required condition of unit ownership.
- **Contract agent:** An employee of a Write Your Own (WYO) Company or an agent/producer under written contract with a WYO Company, empowered to act on the company's behalf and with authority to advise an applicant for flood insurance that the company will accept the risk.
- **Countywide map:** A Flood Insurance Rate Map (FIRM) that shows flooding information for the entire geographic area of a county, including the incorporated communities within the county.
- **Crawlspace:** An under-floor space that has its interior floor area (finished or not) no more than 5 feet below the top of the next-higher floor. Crawlspaces generally have solid foundation walls. See Diagram 8 in the Elevation Certificate Instructions.
- **Date of construction:** The date that the building permit was issued, provided the actual start of construction, repair, reconstruction, or improvement was within 180 days of the permit date.
- **Declarations page:** A computer-generated summary of information provided by the prospective policyholder in the application for flood insurance. The declarations page also describes the term of the policy and the limits of coverage and displays the premium and the insurer's name. The declarations page is a part of the flood insurance policy.
- **Described location:** The location where the insured building or personal property is found. The described location is shown on the Declarations Page.
- **Diagram number:** Any of the numbers used in the instructions to the NFIP Elevation Certificate to identify the diagrams of the main types of buildings.
- **Direct physical loss by or from flood:** Loss or damage to insured property, directly caused by a flood. There must be evidence of physical changes to the property.
- **Doublewide manufactured (mobile) home:** A manufactured (mobile) home that, when assembled as a nonmovable, permanent building, is at least 16 feet wide and has an area within its perimeter walls of at least 600 square feet.
- **Dwelling:** A building designed for use as a residence for no more than 4 families or a single-family unit in building under a condominium form of ownership.
- **Dwelling form:** See Standard Flood Insurance Policy (SFIP): Dwelling Form.
- **Elevated building:** A building that has no basement and that has its lowest elevated floor raised above ground level by foundation walls, shear walls, posts, piers, pilings, or columns. Solid (perimeter) foundations walls are not an acceptable means of elevating buildings in V and VE zones.
- **Emergency program:** The initial phase of a community's participation in the National Flood Insurance Program. During this phase, only limited amounts of insurance are available under the Act.
- **Enclosure:** That portion of an elevated building below the lowest elevated floor that is either partially or fully shut in by rigid walls.
- **Erosion:** The collapse, undermining or subsidence of land along the shore of a lake or other body of water. Erosion is a covered peril if it is caused by waves or currents of water exceeding their cyclical levels which result in flooding.
- **Federal Emergency Management Agency (FEMA):** The federal agency under which the NFIP is administered. In March 2003, FEMA became part of the newly created U.S. Department of Homeland Security.
- **Federal policy fee:** A flat charge that the policyholder must pay on each new or renewal policy to defray certain administrative expenses incurred in carrying out the NFIP.
- **Financial assistance/subsidy arrangement:** The arrangement between an insurance company and FEMA to initiate the company's participation in the Write Your Own (WYO) Program. It establishes the duties of the company and the government.

- **Finished (habitable) area:** An enclosed area having more than 20 linear feet of finished interior walls (paneling, etc.) or used for any purpose other than solely for parking of vehicles, building access or storage.
- **Flood:** A general and temporary condition of partial or complete inundation of 2 or more acres of normally dry land area or of 2 or more properties (at least 1 of which is the policyholder's property) from:
 - Overflow of inland or tidal waters.
 - Rapid accumulation or runoff of surface waters from any source.
 - Mudflow.
 - Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above.
- **Flood Hazard Boundary Map (FHBM):** Official map of a community issued by FEMA, where the boundaries of the flood, mudflow and related erosion areas having special hazards have been designated.
- **Flood Insurance Claims Office (FICO):** An NFIP claims processing office set up in a catastrophe area when a sufficient number of flood claims result from a single event.
- **Flood Insurance Rate Map (FIRM):** Official map of a community on which FEMA has delineated the Special Flood Hazard Areas (SFHAs), the Base Flood Elevations (BFEs) and the risk premium zones applicable to the community.
- **Flood Response Office (FRO):** The FRO provides a local presence in the affected area and supports the WYO companies, the NFIP Servicing Agent and various federal, state and local officials in providing answers to claims coverage questions, forms for claims handling and survey and statistical input. One of the key requirements of personnel at the FRO is to coordinate and conduct reinspections of WYO and NFIP Direct losses. The FRO also tracks adjuster performance and provides such information to interested WYO Companies and the NFIP Servicing Agent.
- **Floodplain:** Any land area susceptible to being inundated by floodwaters from any source.
- **Floodplain management:** The operation of an overall program of corrective and preventive measures for reducing flood damage, including but not limited to, emergency preparedness plans, flood-control works and floodplain management regulations.
- **Flood proofing:** Any combination of structural and nonstructural additions, changes or adjustments to structures, which reduce or eliminate risk of flood damage to real estate or improved real property, water and sanitation facilities or structures with their contents.
- **Foundation walls:** Masonry walls, poured concrete walls or precast concrete walls, regardless of height, that extend above grade and support the weight of a building.
- **Freeboard:** An additional amount of height above the Base Flood Elevation used as a factor of safety (e.g., 2 feet above the Base Flood) in determining the level at which a structure's lowest floor must be elevated or flood-proofed to be in accordance with state or community floodplain management regulations.
- **Full-risk premium rate:** A rate charged to a group of policies that results in aggregate premiums sufficient to pay anticipated losses and expenses for that group.
- **General property form:** See Standard Flood Insurance Policy: General Property Form.
- **Grade elevation:** The lowest or highest finished ground level that is immediately adjacent to the walls of the building. Use natural (pre-construction), ground level, if available, for Zone AO and Zone A (without BFE).
- **Grandfathering:** An exemption based on circumstances previously existing. Under NFIP statutory grandfathering, buildings located in Emergency Program communities and Pre-FIRM buildings in the Regular Program are eligible for subsidized flood insurance rates. Post-FIRM buildings in the Regular Program built in compliance with the floodplain management regulations in effect at the start of construction will continue to have favorable rate treatment even though higher Base Flood Elevations (BFEs) or more restrictive, greater risk zone designations result from Flood Insurance Rate Map (FIRM) revisions. Policyholders who have remained loyal customers of the NFIP by maintaining continuous coverage (since coverage was first obtained on the building) are also eligible for administrative grandfathering.
- **Group flood insurance:** Issued by the NFIP Direct Program in response to a Presidential disaster declaration. Disaster assistance applicants, in exchange for a modest premium, receive a minimum amount of building and/or contents coverage for a 3-year policy period. An applicant may cancel the group policy at any time and secure a regular Standard Flood Insurance Policy (SFIP) through the NFIP.
- **High-rise building:** High-rise condominium buildings have 5 or more units and at least 3 floors excluding enclosure even if it is the lowest floor for rating purposes. An enclosure below an elevated building, even if it is the lowest floor for rating purposes, cannot be counted as a floor to avoid classifying the building as low rise. Under the NFIP, townhouses/row houses are not considered high-rise buildings, regardless of the number of floors.
- **Historic building:** Any building that is:
 - Listed individually in the National Register of Historic places (a listing maintained by the Department of the Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register.
 - Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary of the Interior to qualify as a registered historic district.
 - Individually listed in a state inventory of historic places in states with preservation programs that have been approved by the Secretary of the Interior.
 - Individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified either:
 - By an approved state program as determined by the Secretary of the Interior.
 - Directly by the Secretary of the Interior in states without approved programs.
- **Improvements and betterments:** Fixtures, alterations, installations or additions made or acquired solely at a tenant's expense and comprising part of an insured building.
- **Increased cost of compliance:** Coverage for expenses a property owner must incur, above and beyond the cost to repair the physical damage the structure actually sustained from a flooding event, to comply with mitigation requirements of state or local floodplain management ordinances or laws. Acceptable mitigation measures are elevation, flood-proofing, relocation, demolition or any combination thereof.
- **Letter of Determination Review (LODR):** FEMA's ruling on the determination made by a lender or third party that a borrower's building is in a Special Flood Hazard Area (SFHA). A LODR deals only with the location of a building relative to the SFHA boundary shown on the Flood Insurance Rate Map (FIRM).
- **Letter of Map Amendment (LOMA):** An amendment to the currently effective FEMA map which establishes that a property is not located in a Special Flood Hazard Area (SFHA). A LOMA is issued only by FEMA.
- **Letter of Map Revision (LOMR):** An official amendment to the currently effective FEMA map. It is issued by FEMA and changes flood zones, delineations and elevations.
- **Loss in progress:** A loss that is already in progress as of 12:01 a.m. on the first day of the policy term; or, as to any increase in

the limits of coverage which is requested, a loss that is already in progress when the additional coverage is requested.

- **Lowest adjacent grade:** The lowest point of the ground level immediately next to a building.
- **Lowest floor:** The lowest floor of the lowest enclosed area (including a basement). An unfinished or flood-resistant enclosure, usable solely for parking of vehicles, building access or storage in an area other than a basement area, is not considered a building's lowest floor provided that such enclosure is not built so as to render the structure in violation of requirements.
- **Lowest Floor Elevation (LFE):** The measured distance of a building's lowest floor above the National Geodetic Vertical Datum (NGVD) or other datum specified on the FIRM for that location.
- **Low-rise building:** Low-rise condominium buildings having fewer than 5 units regardless of the number of floors or 5 or more units with fewer than 3 floors including basement. All townhouses/row houses, regardless of the number of floors or units and all single-family detached condominium buildings are classified as low rise. An enclosure below an elevated building, even if it is the lowest floor for rating purposes, cannot be counted as a floor to avoid classifying the building as a low rise.
- **Mandatory purchase:** Under the provisions of the Flood Disaster Protection Act of 1973, individuals, businesses and others buying, building or improving property located in identified areas of special flood hazards within participating communities are required to purchase flood insurance as a prerequisite for receiving any type of direct or indirect federal financial assistance (e.g., any loan, grant, guaranty, insurance, payment, subsidy or disaster assistance) when the building or personal property is the subject of or security for such assistance.
- **Manufactured (mobile) home:** A structure built on a permanent chassis, transported to its site in 1 or more sections and affixed to a permanent foundation. "Manufactured (mobile) home" does not include recreational vehicles.
- **Manufactured (mobile) home park or subdivision, existing:** A manufactured (mobile) home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured (mobile) homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets and either final site grading or the pouring of concrete pads) is completed on or before December 31, 1974 or before the effective date of the community's initial Flood Insurance Rate Map (FIRM), whichever is later.
- **Manufactured (mobile) home park or subdivision, expansion to existing site:** The preparation of additional sites by the construction of facilities for servicing the lots on which manufactured (mobile) homes are to be affixed (including the installation of utilities, the construction of streets and either final site grading or the pouring of concrete pads).
- **Manufactured (mobile) home park or subdivision, new:** A manufactured (mobile) home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured (mobile) homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets and either final site grading or the pouring of concrete pads) is completed after December 31, 1974, or on or after the effective date of the community's initial Flood Insurance Rate Map (FIRM), whichever is later.
- **Map revision:** A change in the Flood Hazard Boundary Map (FHBM) or Flood Insurance Rate Map (FIRM) for a community which reflects revised zone, base flood or other information.
- **Masonry walls:** Walls constructed of individual components laid in and bound together with mortar. These components can be brick, stone, concrete block, etc.
- **Modular building:** A building that is usually transported to its site on a steel frame or special trailer because it does not have a permanent chassis like a manufactured (mobile) home. A modular building is classified and rated under 1 of the other building types.
- **Mortgage Portfolio Protection Program (MPPP):** A program designed to help lending institutions to maintain compliance with the Flood Disaster Protection Act of 1973, as amended. Policies written under the MPPP can be placed only through a Write Your Own (WYO) Company.
- **Mudflow:** A river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water. Other earth movements, such as landslide, slope failure or a saturated soil mass moving by liquidity down a slope, are not mudflows.
- **National Flood Insurance Program (NFIP):** The program of flood insurance coverage and floodplain management administered under the Act and applicable federal regulations promulgated in Title 44 of the Code of Federal Regulations, Subchapter B.
- **National Geodetic Vertical Datum (NGVD) of 1929:** National standard reference datum for elevations, formerly referred to as Mean Sea Level (MSL) of 1929. NGVD 1929 may be used as the reference datum on some Flood Insurance Rate Maps (FIRMs).
- **Natural grade:** The grade unaffected by construction techniques such as fill, landscaping or berming.
- **New construction:** Buildings for which the "start of construction" commenced on or after the effective date of an initial Flood Insurance Rate Map (FIRM) or after December 31, 1974, whichever is later, including any subsequent improvements.
- **NFIP Bureau and Statistical Agent:** A corporation, partnership, association or any other organized entity that contracts with FEMA to be the focal point of support operations for the NFIP.
- **NFIP Servicing Agent:** A corporation, partnership, association or any other organized entity that contracts with FEMA to service insurance policies as direct business.
- **NFIP Special Direct Facility (SDF):** Formed in 2000, a branch of the NFIP Servicing Agent to which Write Your Own (WYO) Companies transfer renewals for identified Severe Repetitive Loss (SRL) properties so that mitigation assistance can be offered to the policyholders.
- **Non-primary residence:** For rating purposes only, FEMA defines a non-primary residence as a building that will not be lived in by an insured or an insured's spouse for more than 50% of the 365 days following the policy effective date.
- **North American Vertical Datum (NAVD) of 1988:** The vertical control datum established for vertical control surveying in the United States of America based upon the General Adjustment of the North American Datum of 1988. It replaces the National Geodetic Vertical Datum (NGVD) of 1929.
- **Non-residential building (including hotel/motel):** This is a commercial or non-habitation building or a mixed-use building that does not qualify as a residential building. This category includes but is not limited to: small businesses, churches, schools, farm buildings (including grain bins and silos), garages, poolhouses, clubhouses, recreational buildings, mercantile buildings, agricultural and industrial buildings, warehouses, nursing homes, licensed bed and breakfasts and hotels and motels with normal room rentals for less than 6 months.
- **Nullification:** The act of declaring an insurance contract invalid from its inception so that, from a legal standpoint, the insurance contract never existed.
- **Other residential building:** This is a residential building that contains more than 4 apartments/units. This category includes condominium and apartment buildings as well as hotels, motels, tourist homes and rooming houses where the normal occupancy of a guest is 6 months or more. These buildings are permitted incidental occupancies. The total area of incidental occupancy is limited to less than 25% of the total floor area within the building. Examples of Other Residential buildings include dormitories and assisted-living facilities.

- **Otherwise Protected Areas (OPAs):** Areas established under federal, state or local law or held by a qualified organization, primarily for wildlife refuge, sanctuary, recreational or natural resource conservation purposes. The only federal spending prohibition within OPAs is federal flood insurance.
- **Out-as-shown determination:** An alternative outcome of the FEMA letter of Map Amendment (LOMA) review process stating that a specific property is located outside the Special Flood Hazard Area (SFHA) as indicated on the Flood Hazard Boundary Map (FHBM) or Flood Insurance Rate Map (FIRM).
- **Participating community:** A community for which FEMA has authorized the sale of flood insurance under the NFIP.
- **Policy:** The entire written contract between the insured and the insurer. It includes:
 - The printed policy form.
 - The application and declarations page.
 - Any endorsement(s) that may be issued.
 - Any renewal certificate indicating that coverage has been instituted for a new policy and new policy term.

Only 1 dwelling, specifically described by the prospective policyholder in the application, may be insured under a policy.
- **Pollutants:** Substances that include, but are not limited to, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed.
- **Ponding hazard:** A flood hazard that occurs in flat areas when there are depressions in the ground that collect "ponds" of water. The ponding hazard is represented by the zone designation AH on the Flood Insurance Rate Map (FIRM).
- **Post-FIRM building:** a building for which construction or substantial improvement occurred after December 31, 1974 or on or after the effective date of an initial Flood Insurance Rate Map (FIRM), whichever is later.
- **Pre-FIRM building:** a building for which construction or substantial improvement occurred on or before December 31, 1974 or before the effective date of an initial Flood Insurance Rate Map (FIRM).
- **Preferred Risk Policy (PRP):** A lower-cost Standard Flood Insurance Policy (SFIP) written under the Dwelling Form or General Property Form. It offers fixed combinations of building/contents coverage limits or contents-only coverage. The PRP is available for property located in B, C, and X Zones in Regular Program communities that meets eligibility requirements based on the property's flood loss history. It is also available for buildings that are eligible under the PRP Eligibility Extension.
- **Prepaid amount (total):** The total amount that must be submitted with an application or renewal in order to be acceptable for coverage. It is determined by adding the Federal Policy Fee to the Total Prepaid Premium.
- **Prepaid premium (total):** The amount on the application (excluding the Preferred Risk Policy [PRP] Application) that includes the Annual Subtotal, the Increased Cost of Compliance (ICC) Premium, the Community Rating System (CRS) Premium Discount (if applicable) and the Probation Surcharge (if applicable).
- **Presentment of payment (premium):** The date of the check or credit card payment by the applicant or applicant's representative if the premium payment is not part of a loan closing or the date of closing, if the premium payment is part of a loan closing.
- **Primary residence:** For rating purposes only, FEMA defines a primary residence as a building that will be lived in by an insured or an insured's spouse for more than 50% of the 365 days following the policy effective date.
- **Principal residence:** A single-family dwelling in which, at the time of loss, the named insured or the named insured's spouse has lived for either 80% of the 365 days immediately preceding the loss or 80% of the period of ownership, if less than 365 days.
- **Principally above ground building:** A building that has at least 51% of its Actual Cash Value (ACV), including machinery and equipment, above ground.
- **Probation:** A FEMA-imposed change in a community's status resulting from violations and deficiencies in the administration and enforcement of NFIP local floodplain management regulations.
- **Probation surcharge (premium):** A flat charge that the policyholder must pay on each new or renewal policy issued covering property in a community that the NFIP has placed on probation under the provisions of 44 CFR 59.24.
- **Proper openings - enclosures (Applicable to Zones A, A1-A30, AE, AO, AH, AR and AR Dual):** All enclosures below the lowest elevated floor must be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. A minimum of 2 openings, with positioning on at least 2 walls, having a total net area of not less than 1 square inch for every square foot of enclosed area subject to flooding must be provided. The bottom of all openings must be no higher than 1 foot above the higher of the exterior or interior (adjacent) or floor immediately below the openings.
- **Property removed to safety expense:** Up to \$1,000 of reasonable expenses incurred by the insured to temporarily remove insured property from the described location because of flood or the imminent danger of flood.
- **Provisional rating:** A method for placing flood coverage prior to the receipt of a FEMA Elevation Certificate.
- **Regular program:** The final phase of a community's participation in the NFIP. In this phase, a Flood Insurance Rate Map (FIRM) is in effect and full limits of coverage are available under the Act.
- **Regular program community:** A community wherein a Flood Insurance Rate Map (FIRM) is in effect and full limits of coverage are available under the Act.
- **Repetitive loss structure:** An NFIP-insured structure that has had at least 2 paid flood losses of more than \$1,000 each in any 10-year period since 1978.
- **Replacement Cost Value (RCV):** The cost to replace property with the same kind of material and construction without deduction for depreciation.
- **Residential condominium building:** A building, owned and administered as a condominium, containing 1 or more family units and in which at least 75% of the floor area is residential.
- **Residential Condominium Building Association Policy (RCBAP):** See "Standard Flood Insurance Policy (SFIP)-Residential Condominium Building Association Policy (RCBAP)."
- **Scheduled building policy:** A policy that requires a specific amount of insurance to be designated for each building and its contents.
- **Section 1316:** Section of the National Flood Insurance Act of 1968, as amended, which states that no new flood insurance coverage shall be provided for any property that FEMA finds has been declared by a duly constituted state or local zoning authority or other authorized public body to be in violation of state or local laws, regulations or ordinances that are intended to discourage or otherwise restrict land development or occupancy in flood-prone areas.
- **Severe Repetitive Loss (SRL) properties:** NFIP-insured buildings that, on the basis of paid flood losses since 1978, meet either of the loss criteria described in the SRL section. SRL properties with policy effective dates of January 1, 2007 and later will be afforded coverage (new business or renewal) only through the NFIP Servicing Agent's Special Direct Facility (SDF) so that they can be considered for possible mitigation activities.
- **Shear walls:** Walls used for structural support but not structurally joined or enclosed at the ends (except by breakaway walls). Shear walls are parallel or nearly parallel, to the flow of the water and can be used in any flood zone.
- **Sheet flow hazard:** A type of flood hazard with flooding depths of 1 to 3 feet that occurs in areas of sloping land. The sheet flow hazard is represented by the zone designation AO on the FIRM.

- **Single adjuster program:** A procedure implemented among the NFIP, various wind pools and Write Your Own (WYO) Companies to allow 1 adjuster to represent both carriers in adjusting a combined wind-water loss where the NFIP has the flood coverage and another carrier has the wind coverage.
- **Single building:** A building that is separated from other buildings by intervening clear space or solid, vertical, load-bearing division walls.
- **Single-family residence:** This is a residential single-family building or a single-family dwelling unit in a condominium building; incidental occupancies are permitted if limited to less than 50% of the building's total floor area. Incidental occupancies are offices, private schools, studios or small service operations within a residential building.
- **Solid (perimeter) foundation walls:** Walls that are used as a means of elevating a building in A Zones and that must contain sufficient openings to allow for the unimpeded flow of floodwaters more than 1 foot deep.
- **Special Flood Hazard Area (SFHA):** An area having special flood, mudflow or flood-related erosion hazards and shown on a Flood Hazard Boundary Map (FHBM) or a Flood Insurance Rate Map (FIRM) Zone A, AO, A1-A30, AE, A99, AH, AR, AR/A, AR/AE, AR/AH, AR/AO, AR/A1-A30, V1-V30, VE or V. For the purpose of determining Community Rating System (CRS) premium discounts, all AR and A99 zones are treated as non-SFHAs.
- **Split level:** A foundation with a vertical offset in the floor framing on either side of a common wall.
- **Standard Flood Insurance Policy (SFIP): Dwelling Form:** The policy form used to insure a building designed for use as a residence for no more than 4 families or a single-family unit in a residential building under a condominium form of ownership. This form is also used to insure residential contents in any building. The owner of a residential building with 5 or more units can use this form to insure contents only in his or her own residential unit.
- **Standard Flood Insurance Policy (SFIP): General Property Form:** The policy form used to insure a non-residential building or a 5-or-more-unit residential building not eligible for the Residential Condominium Building Association Policy (RCBAP). This form is also used to insure non-residential contents in any building or a building owner's residential contents located in multiple units within a building with 5 or more units.
- **Standard Flood Insurance Policy (SFIP): Residential Condominium Building Association Policy (RCBAP):** The policy form used to insure a building, owned and administered as a condominium, containing 1 or more units and in which at least 75% of the floor area is residential. The building must be located in a Regular Program community.
- **Start of construction:** For other than new construction or substantial improvements, under the Coastal Barrier Resources Act (CBRA), this is the date the building permit was issued, provided that the actual start of construction, repair, rehabilitation, addition, placement or other improvement was within 180 days of the permit date. The actual start means either the first placement of permanent construction of a building on site, such as the pouring of a slab or footing, the installation of piles, the construction of columns or any work beyond the stage of excavation; or the placement of a manufactured (mobile) home on a foundation. For a substantial improvement, actual start of construction means the first alteration of any wall, ceiling, floor or other structural part of a building, whether or not that alteration affects the external dimensions of the building.
- **Stock:** Merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping. "Stock" does not include any property not covered under "Section IV. Property not Covered" of the General Property Form, except the following:
 - Parts and equipment for self-propelled vehicles.
 - Furnishings and equipment for watercraft.
 - Spas and hot-tubs, including their equipment.
 - Swimming pool equipment.
- **Subgrade crawlspace:** A crawlspace foundation where the subgrade under-floor area is no more than 5 feet below the top of the next-higher floor and no more than 2 feet below the lowest adjacent grade on all sides.
- **Submit-for-Rate (SFR):** An application for flood insurance on a building for which no risk rate is published in the NFIP Flood Insurance Manual. Insurance coverage can be obtained only after the insurer has approved the application and has established the risk premium rate.
- **Subsidized premium rate:** A rate charged to a group of policies that results in aggregate premiums insufficient to pay anticipated losses and expenses for that group.
- **Substantial damage:** Damage of any origin sustained by a building whereby the cost of restoring the building to its before-damaged condition would equal or exceed 50% of the market value of the building before the damage occurred.
- **Substantial improvement:** Any reconstruction, rehabilitation, addition, or other improvement of a building, the cost of which equals or exceeds 50% of the market value of the building before the "start of construction" of the improvement. Substantial improvement includes buildings that have incurred "substantial damage," regardless of the actual repair work performed. The term does not, however, include either any project for improvement of a building to correct existing state or local code violations or any alteration to a "historic building," provided that the alteration will not preclude the building's continued designation as a "historic building."
- **Suspension:** FEMA's removal of an NFIP participating community from the program because the community has not enacted and/or enforced the proper floodplain management regulations required for participation.
- **Tentative rates:** NFIP rates used to issue policies for applications that fail to provide the NFIP with valid actuarial rating information.
- **Travel trailer:** Under the NFIP, a travel trailer can be considered a building only if it is without wheels, built on a chassis and affixed to a permanent foundation and regulated under the community's floodplain management and building ordinances or laws.
- **2- to 4-family residence:** This is a residential building that contains 2 to 4 units. This category includes apartment buildings and condominium buildings. Incidental occupancies are permitted if the total area of such occupancies is limited to less than 25% of the total floor area within the building. This excludes hotels and motels with normal room rentals for less than 6 months.
- **Underground building:** A building for which 50% or more of the Actual Cash Value (ACV), including machinery and equipment that are part of the building, is below ground.
- **Unfinished area:** An enclosed area that is used only for the parking of vehicles, building access or storage purposes and that does not meet the definition of a finished (habitable) area. Drywall used for fire protection is permitted in unfinished areas.
- **Unit:** A unit owned by the policyholder in a condominium building.
- **Valued policy:** A policy in which the insured and the insurer agree on the value of the property insured, that value being payable in the event of a total loss. The Standard Flood Insurance Policy (SFIP) is not a valued policy.
- **Variance:** A grant of relief by a participating community from the terms of its floodplain management regulations.
- **Waiting period:** The time between the date of application and the policy effective date.
- **Walled and roofed:** A building that has 2 or more exterior rigid walls and a fully secured roof and that is affixed to a permanent site.
- **Wave height adjustment:** A measurement that is added to the Base Flood Elevation (BFE) for V Zones shown on the Flood Insurance Rate Map (FIRM) published prior to 1981. For coastal communities, the BFE shown on FIRMs published prior to 1981

are stillwater elevations, which include only the effects of tide and storm surge and not the height of wind-generated waves.

- **Write Your Own (WYO) Program:** A cooperative undertaking of the insurance industry and FEMA begun in October 1983. The Write Your Own (WYO) Program operates within the context of

the NFIP and involves private insurance carriers who issue and service NFIP policies.

- **Zone:** A geographical area shown on a Flood Hazard Boundary Map (FHBM) or a Flood Insurance Rate Map (FIRM) that reflects risk.

RESOURCES AND REFERENCES

1. Centers for Disease Control and Prevention: After a Flood, <http://www.bt.cdc.gov/disasters/floods/after.asp>
2. Centers for Disease Control and Prevention: Flood Preparedness and Response <http://www.bt.cdc.gov/disasters/floods/>
3. Environmental Protection Agency: A Brief Guide to Mold, Moisture, and Your Home <http://www.epa.gov/mold/moldguide.html>
4. Environmental Protection Agency: Mold Cleanup Guidelines, <http://www.epa.gov/mold/cleanupguidelines.html>
5. Florida Department of Health, Office of Communications and Bureau of Preparedness and Response: Florida Emergency Preparedness Guide, http://www.floridahealth.gov/programs-and-services/emergency-preparedness-and-response/_documents/prepareguide-eng.pdf
6. Federal Emergency Management Agency (FEMA): www.fema.gov. For FEMA disaster assistance registration: 1-800-621-3362 or -800-621-FEMA FEMA—TTY for hearing impaired: 1-800-462-7585. For Florida resources, refer to Florida Emergency Management Community: www.floridadisaster.org
7. National Center for Healthy Housing: [Creating A Healthy Home -- A Field Guide For Clean-Up of Flooded Homes](http://www.nchh.org/Portals/0/Contents/FloodCleanupGuide_screen.pdf), http://www.nchh.org/Portals/0/Contents/FloodCleanupGuide_screen.pdf
8. National Oceanic and Atmospheric Administration: Flood Safety Preparation <http://www.floodsafety.noaa.gov/before.shtml>
9. National Oceanic and Atmospheric Administration: NOAA Weather Radio <http://www.nws.noaa.gov/nwr/>
10. National Organization on Disability: Planning for Emergencies, www.nod.org/emergency and www.nod.org/disability_resources/emergency_preparedness_for_persons_with_disabilities or www.inclusivepreparedness.org/
11. Occupational Safety and Health Commission Resources Page: <https://www.osha.gov/dts/weather/flood/osharesources.html>
12. Office of Public Health Preparedness and Response: Key Facts About Flood Readiness; Emergency Supplies You Will Need. National Centers for Environmental Health <http://www.cdc.gov/nceh/default.htm>
13. Ready.Gov: Basic Disaster Supplies Kit, <http://www.ready.gov/kit>

NATIONAL FLOOD AND INSURANCE GUIDE

Final examination questions

Select the best answer for each question and mark your answers on the Final Examination Answer Sheet found on page 116 or complete your test online at **CAMS.EliteCME.com**.

21. Standard homeowners insurance covers damage due to flooding.
☐ True ☐ False
22. If you live in a Special Flood Hazard Area (SFHA) or high-risk area and have a federally backed mortgage, your mortgage lender requires you to have flood insurance.
☐ True ☐ False
23. The NFIP established the Community Rating System (CRS) to motivate communities to exceed Federal minimum requirements for flood protection with the incentive of reduced flood insurance rates (subsidies) for communities participating in the program.
☐ True ☐ False
24. With limited exceptions, flood insurance premiums cannot increase more than 18% annually.
☐ True ☐ False
25. In communities participating in the NFIP, the general property policy provides building and/or contents coverage for any manufactured mobile home.
☐ True ☐ False
26. Personal property is always valued using Replacement Cost Value (RCV).
☐ True ☐ False
27. Personal property/contents coverage does insure portable and window air conditioners.
☐ True ☐ False
28. High-risk areas are shown as zones beginning with the letter X on flood insurance rate maps.
☐ True ☐ False
29. Residential condominium associations eligible under the RCBAP are eligible for the Preferred Risk Policy (PRP).
☐ True ☐ False
30. Older buildings constructed before the effective date of the community's first Flood Insurance Rate Map (FIRM) are referred to as "pre-FIRM."
☐ True ☐ False