NATIONAL FLOOD INSURANCE PROGRAM

ANSWERS TO QUESTIONS ABOUT THE NFIP

FEMA
NATIONAL FLOOD INSURANCE PROGRAM®

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SECTION ONE

Introduction to the National Flood Insurance Program (NFIP)

Founded in 1968, the NFIP protects U.S. residents against the financial hardships of flooding. The NFIP has a proud legacy of helping people before, during and after flood disasters.

Over the next 50 years—and beyond—the NFIP is charting a bold course. The goal is to double the number of properties covered by flood insurance and quadruple the amount invested in mitigation.

To reach these goals, the NFIP is reducing complexity, updating offerings, improving the claims process and increasing transparency. Above all, the program will continue to ensure that our policyholders and our customers are foremost on our minds.

What is the definition of a flood?

The NFIP defines a flood as an excess of water on land that is usually dry, affecting two or more acres of land or two or more properties, one of which belongs to the property owner, from one of the following:

- Overflow of inland or tidal waters;
- Unusual and rapid accumulation or runoff of surface waters from any source;
- Mudflow*; or
- 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.

**Mudflow is defined as "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."*

Examples of Flooding

Overflow


Runoff


Mudflow

About the National Flood Insurance Program

The NFIP is a federal program created by Congress in 1968 to mitigate future flood losses across the country. In addition, the program provides access to government-backed flood insurance protection for property owners and renters in communities that enact and enforce floodplain regulations.

The NFIP offers an insurance alternative to disaster assistance to meet the escalating costs of repairing damage to buildings and contents caused by floods.

Why did Congress create the NFIP?

Congress established the NFIP with the passage of the National Flood Insurance Act of 1968 (NFIA). Previously, the national approach to managing flood risk was generally limited to constructing flood-control works such as dams, levees and seawalls. Considering mounting flood losses and the increased burden of disaster relief on taxpayers, Congress created the NFIP, which is now administered by the Federal Emergency Management Agency (FEMA).

Congress intended the NFIP to:

- Reduce future flood damage through enactment and enforcement of floodplain management regulations; and
- Provide protection for property owners against potential flood losses through insurance policies.

Congress amended the NFIP over time, through the Flood Disaster Protection Act of 1973, National Flood Insurance Reform Act of 1994, Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004, Biggert-Waters Flood Insurance Reform Act of 2012 and Homeowner Flood Insurance Affordability Act of 2014. On April 1, 2021, FEMA announced its Risk Rating 2.0: Equity in Action initiative, which leverages industry best practices and cutting-edge technology to enable FEMA to deliver rates that are actuarially sound, equitable, easier to understand and better reflect a property's individual flood risk.

For more on the evolution of the NFIP, see the timeline on page 70.

How do communities work with the NFIP?

Communities elect to participate in the NFIP through an agreement with the federal government to adopt and enforce development standards in Special Flood Hazard Areas (SFHAs). The intent is to reduce future flood risks, with the federal government making flood insurance available to property owners and renters in that community in return.

For more on community participation with the NFIP, see page 56.

Why do communities participate in the NFIP?

There are many reasons for communities to participate in the NFIP, including:

- To make the community more resilient in the event of flooding;
- To protect residents against the risk of financial uncertainty that flooding can bring if flood insurance is not available;
- To allow residents to purchase flood insurance, thereby transferring the financial risk of flooding in exchange for an annual premium; and/or
- To receive flood disaster assistance in a community with SFHAs, as federal agencies may not provide flood disaster assistance in a community unless it participates in the program.

What is a flood map?

The Flood Insurance Rate Map (FIRM) is the official community map used as a guide to indicate flood risk. Several levels of flood hazards are identified on these maps, including hazard areas and Special Flood Hazard Areas (SFHAs). Anywhere with at least a 1% chance of experiencing a flood each year is considered to be an SFHA. Such areas have at least a one-in-four chance of flooding during a 30-year mortgage. Areas not yet identified by a flood map may be mapped on Flood Hazard Boundary Maps (FHBM) prior to a flood map being produced.

Flood maps help us understand risks but are only part of the story. Homeowners and business owners inside SFHAs are generally required by their lender to purchase flood insurance if they have a government-backed loan on the structure, but those outside this area are also encouraged to buy flood insurance. On average, about 40% of NFIP flood insurance claims come from outside SFHAs.

What is a Special Flood Hazard Area (SFHA)?

SFHAs are areas that are subject to inundation by the base flood (1%-annual-chance flood). As a result, they carry a higher risk. On flood maps, SFHAs are labeled as zones starting with the letters A or V.

In support of the NFIP, FEMA identifies SFHAs throughout the United States and its territories. Development may occur within an SFHA if it complies with local floodplain management ordinances, which must meet the minimum federal requirements. Flood insurance is required by federally regulated lenders for insurable structures within SFHAs to protect federal financial investments.

Flooding can happen both inside and outside an SFHA. Whatever the risk, FEMA encourages flood insurance to protect personal belongings and structures.

Did You Know?

More than **22,500 communities** currently participate in the NFIP.

What is the Standard Flood Insurance Policy (SFIP)?

The SFIP is a contract between the policyholder and FEMA that lists the conditions, coverages, exclusions, limitations and rights of the carrier and insured. The SFIP is issued and maintained by private insurers under an agreement with FEMA. It comes in three forms: the General Property (GP) Form, the Dwelling Form and the Residential Condominium Building Association Policy (RCBAP) Form.

For more information on the three types of policy forms, see page 20.

How much coverage can be purchased under the SFIP?

For residential and non-residential coverage maximums available through the NFIP, **view the table on page 9**. Note that the coverage limits and SFIP Form references are for the Regular Program and reflect changes associated with Risk Rating 2.0: Equity in Action. Additional information on maximum coverage limits and SFIP Forms can be found in the NFIP's Flood Insurance Manual at floodsmart.gov/flood-insurance-manual_policyholders.

What is Risk Rating 2.0: Equity In Action?

Beginning in October 2021, FEMA implemented a new pricing methodology called Risk Rating 2.0: Equity In Action. The methodology leverages industry best practices and cutting-edge technology to deliver rates that are actuarially sound, equitable, easier to understand and better reflect a building's flood risk. New policies effective on/after October 1, 2021 and existing policies effective on/after April 1, 2022 are rated using the new methodology.

What is a Preferred Risk Policy (PRP)?

PRPs were a former rating option offered to owners and tenants of eligible buildings located in Non-Special Flood Hazard Areas (NSFHAs). These policies were available in NFIP participating communities for buildings in flood zones labeled B, C and X.

What is happening to PRPs?

Under Risk Rating 2.0: Equity in Action, FEMA is able to differentiate flood risk between SFHAs and NSFHAs, and will thus no longer offer the PRP insurance product. FEMA recognizes that each policyholder will be affected differently based on their property's unique flood risk. Properties with low risk will continue to pay lower premiums. Existing PRPs whose premium should be higher will transition to their full-risk premium gradually at an annual premium increase cap established by Congress.

What is a Group Flood Insurance Policy (GFIP)?

FEMA offers GFIPs to individuals who do not have flood insurance and have received FEMA assistance after a presidentially declared disaster. A GFIP is purchased on behalf of recipients of an Individuals and Households Program (IHP) award for flood damage. In addition to meeting general conditions of eligibility to receive assistance under the IHP, individuals must meet the following terms for a GFIP certificate:

- Flooding damaged the individual's property located in an SFHA;
- FEMA provided the individual assistance for the repair or replacement of the property damaged by flooding through the IHP, triggering a requirement to obtain and maintain flood insurance on the property;
- The damaged property is in an NFIP participating community and is eligible for the NFIP's coverage;
- The individual did not have a previous requirement to maintain flood insurance on their damaged property; and
- The U.S. Small Business Administration denied the application for a disaster loan, or FEMA did not require an application for a disaster loan.

The coverage amount of the GFIP is equal to the FEMA IHP maximum combined grant amounts for Other Needs Assistance (ONA) and Housing (repair and replacement) Assistance, which is established each year. The GFIP covers this defined amount for three years. It is deducted from the policyholder's assistance amount. Individuals are required to continue to have flood insurance coverage after the three-year time frame.

What is the NFIP's Write Your Own (WYO) program?

The WYO Program, launched in 1983, is a cooperative undertaking of the insurance industry and FEMA. It allows participating property and casualty insurance companies to write and service federal flood insurance policies in their own names. Companies write policies and process claims while the federal government pays all losses. All WYO companies offer identical coverage and rates.

Visit floodsmart.gov/find to see a list of homeowners, renters and auto insurance providers that participate in the WYO program.

Building Occupancy	Building Maximum Coverage Limits	Contents Maximum Coverage Limits	SFIP Form
Single-Family Home	$250,000	$100,000	Dwelling
Residential Manufactured/ Mobile Home	$250,000	$100,000	Dwelling
Residential Condominium Unit (in Residential Building)	$250,000 x units	$100,000	Dwelling
All Other Residential Units	NA	$100,000	Dwelling
Two-to-Four Family Building	$250,000	$100,000	Dwelling
Other Residential Building	$500,000	$100,000	General
Residential Condominium Building	$250,000 x units	$100,000	RCBAP
Non-Residential Manufactured/ Mobile Building	$500,000	$500,000	General
Non-Residential Building	$500,000	$500,000	General
Non-Residential Unit	NA	$500,000	General

What is NFIP Direct?

An alternative to the WYO Program, NFIP Direct is FEMA's wholly owned insurance company that assists in issuing NFIP flood insurance policies. Insurance agents have the option to write policies through NFIP Direct or a WYO company. NFIP Direct also functions as the default carrier should a WYO company choose to leave the program.

How does the NFIP benefit property owners, taxpayers and communities?

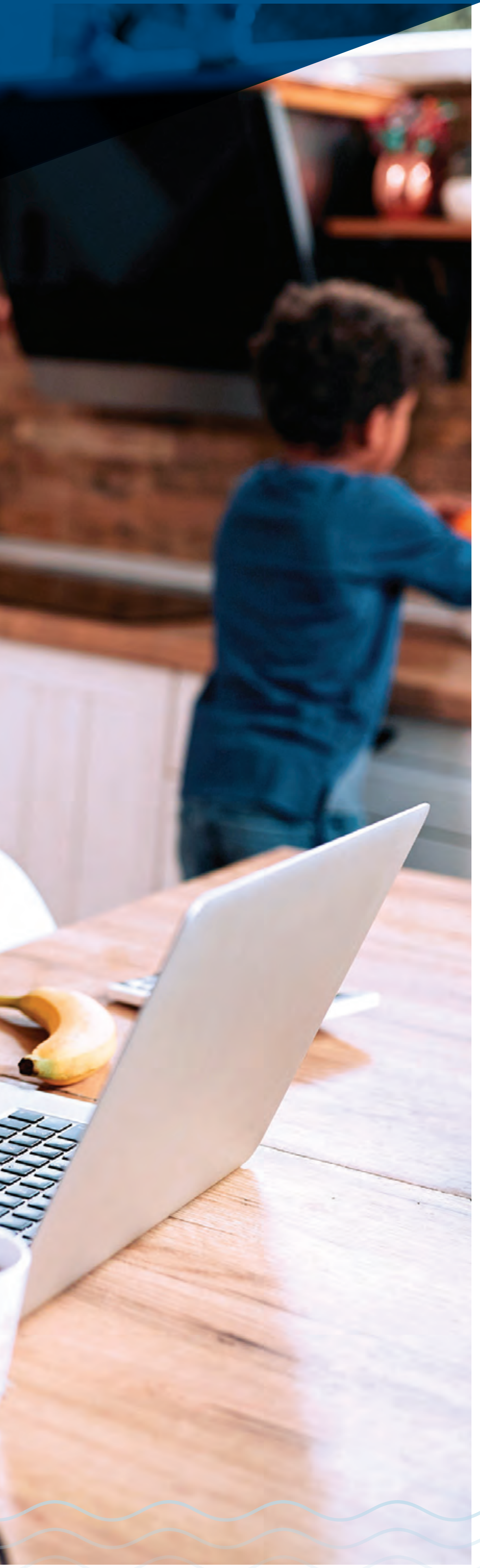
Through the NFIP, property owners in participating communities may purchase coverage against flood losses. By employing wise floodplain management, a participating community can reduce risk and protect its residents and the community against much of the devastating financial losses resulting from floods. Careful local management of development in the floodplain can result in construction practices that can reduce flood losses and the high costs associated with flood disasters to all levels of government. Any structure in a participating community can buy flood insurance, whether located in or out of the SFHA. Wise floodplain management includes focusing mitigation grants to repetitive loss properties and those in SFHAs.

How can individual insurance agents write and sell flood insurance?

Individual agents can write and sell flood insurance through a participating WYO company or by signing up to sell with NFIP Direct. After signing up to sell flood insurance through NFIP Direct, agents can acquire detailed information about the prospective policyholder and the property. They'll have assistance completing the NFIP flood insurance application form and sending to NFIP Direct for processing and issuance.

Online Resources

- Download the flood insurance application form at fema.gov/flood-insurance/find-form.
- Review the Flood Insurance Manual at floodsmart.gov/flood-insurance-manual_policyholders.
- Learn more about the NFIP through the Fast Facts on Floods & Flood Insurance Infographic at agents.floodsmart.gov/fast-facts-infographic.



SECTION TWO

Policy Information for Prospective Buyers & Policyholders

When consumers are thinking through whether to purchase flood insurance, here are some important facts they should know:

- Homeowners and renters insurance policies do not typically cover flood damage.
- On average, about 40% of NFIP flood insurance claims come from outside Special Flood Hazard Areas (SFHAs).
- Flood insurance can pay a claim regardless of whether there is a presidential disaster declaration (this is not the case with federal disaster assistance).
- Disaster assistance comes in two forms: a Small Business Administration loan—which must be paid back with interest—or a Federal Emergency Management Agency (FEMA) disaster grant, which is about $5,000 on average per household. By comparison, the average flood insurance claim payment from 2016 to 2021 was about $69,000.

Importance of Flood Insurance

Flooding is the most common and costly natural disaster in the United States. Homeowners and renters insurance policies do not usually cover flooding. If a flood were to occur, only flood insurance would cover the cost of damage and help policyholders get back to their routines quickly.

What is the difference between flood insurance and federal disaster assistance?

Flood insurance is in effect 365 days and will cover flooding even when there's not a presidential disaster declaration in place. Flood insurance can protect residential property up to $250,000 and contents up $100,000. Federal disaster assistance is subject to a presidential disaster declaration, and survivors must register and be eligible for various types of federal aid in the form of loans and grants. Federal disaster loans are low-interest loans that must be repaid.

Who can purchase an NFIP flood insurance policy?

All homeowners, business owners and renters in eligible buildings located within an NFIP participating community can purchase flood insurance. This includes owners of buildings under construction, condominium associations and owners of residential condominium units.

Who cannot purchase an NFIP flood insurance policy?

The NFIP can provide flood insurance coverage only in communities that adopt and enforce floodplain management regulations that meet the minimum NFIP criteria.

Property and business owners within NFIP-sanctioned communities that are suspended due to failure to adopt regulations, have properties in violation of the local floodplain ordinance that receive a 1316 designation or those in communities that do not participate in the NFIP cannot purchase an NFIP flood insurance policy.

If someone doesn't live in an SFHA, should they still purchase flood insurance?

FEMA recommends that everyone purchase flood insurance, regardless of their flood zone. Floods can be financially devastating and no home is entirely safe from potential flooding. While FEMA designates certain areas at greater risk of flooding than others, about 40% of NFIP flood insurance claims come from outside SFHAs.

Deep Dive

Towns, cities and their suburbs have hidden flood risks that can put a home or business in danger. Changing weather patterns, new development, small streams and limited drainage can turn a heavy rain into flash floods in minutes. See how much a flood could cost at floodsmart.gov/flood-insurance-cost/calculator.

Getting Technical

Section 1316 of the National Flood Insurance Act of 1968, as amended, provides for the denial of flood insurance coverage for **any property which the Administrator finds has been declared by a state or local authority to be in violation** of state or local floodplain management regulations. To learn more about 1316 violations, **see page 29.**

Flood Insurance Purchase Requirements

When is the purchase of flood insurance mandatory?

The Flood Disaster Protection Act of 1973 mandates that federally regulated, supervised or insured financial institutions and federal agency lenders require flood insurance for buildings located in participating NFIP communities and SFHAs. Some financial institutions may require flood insurance for properties outside SFHAs as part of their risk management process.

Why is there a requirement to purchase flood insurance in communities that have not suffered flooding in many years?

A significant purpose of the NFIP is to alert communities to the danger of flooding and to assist in reducing potential property losses from flooding. Historical flood data is only one element used in depicting a community's flood risk.

More critical determinations can be made by evaluating the community's rainfall and river-flow data, topography, wind velocity, tidal surge, flood-control measures, development (existing and planned), community maps and other data. Over time, additional development or changes in these factors can alter the flood risk, and flood maps may be revised accordingly.

When do lenders require the purchase of flood insurance?

Lenders must require the purchase of flood insurance by property owners who acquire loans from federally regulated, supervised or insured financial institutions for the acquisition or improvement of land, facilities or structures located within, or to be situated within, an SFHA.

The lender reviews the current active flood maps for the community in which the property is located to determine its location relative to SFHAs and completes the Standard Flood Hazard Determination Form (SFHDF). If the lender determines that the structure is located within an SFHA and the community participates in the NFIP, the borrower will be notified that flood insurance will be required as a condition of receiving the loan. A similar review and notification are completed when a loan is sold on the secondary loan market, flood maps are updated or when the lender completes a routine inspection of its mortgage portfolio.

Did You Know?

More than half of declared disasters involve flooding. Flooding is the nation's most common and costly natural disaster, affecting every region and state.

Are lenders required to escrow flood insurance payments?

Yes. If a lender, its servicer or a federal agency lender requires the escrow of taxes, insurance premiums, fees or any other charges for a loan secured by improved residential real estate or mobile homes in an SFHA, it must also require the escrow of all premiums and fees for any flood insurance.

Requiring lenders to escrow for flood insurance premiums improves compliance with flood insurance requirements by ensuring that homeowners in SFHAs obtain and maintain flood insurance for the life of the loan.

What if a borrower disagrees with their lender's determination that a property is in an SFHA?

If a borrower disagrees with a lender's flood zone determination, they should first work with the lender and the lender's flood zone determination company to resolve the difference. Next, if the property appears to be outside of the SFHA, the property owner may send paperwork to FEMA for an out-as-shown determination using the Letter of Map Amendment (LOMA) process.

Getting Technical

The Letter of Map Amendment (LOMA) is an amendment to the currently effective flood map which establishes that a property is not located in an SFHA. A LOMA is issued only by FEMA.

What is a Letter of Determination Review (LODR)?

As a last resort, there is the option to request a Letter of Determination Review (LODR) from FEMA. The lender and borrower must jointly send this request within 45 days of the date the lending institution notified the property owner that a building is in an SFHA, and that flood insurance is required. In response, FEMA will issue a LODR. Some lenders reserve the right in their loan documents to require the purchase of flood insurance regardless of the flood zone.

The LODR does not result in an amendment or revision to the flood map. It only agrees or disagrees with the lender's determination; however, since it does not revise the map, it is not binding and the lender does not have to accept it. The LODR remains in effect until the flood map panel affecting the subject building or manufactured home is revised.

The LODR process does not consider the elevation of the structure above the flood level. It considers only the location of the structure relative to the SFHA shown on the effective flood map. FEMA confirms the structure location on the flood map by examining the data source used by the lender to make the determination.

Flood Insurance Coverage

What flood losses are covered?

The Standard Flood Insurance Policy (SFIP) forms contain complete definitions of the coverages offered. Direct physical losses by flood are covered. Floods can be localized and small in scale, only affecting two adjacent properties (the street and the insured property), or larger scale, affecting an area of normally dry land of two acres or more. Small- or large-scale flooding affects the lives and properties of many homeowners, renters and business owners.

Also covered are losses resulting from sudden flood-related erosion caused by a severe storm, flash flood and abnormal tidal surge resulting in flooding. Damage caused by mudflows, as specifically defined in the policy forms, is also covered. For more on SFIPs, **see pages 8 & 20**.

Did You Know?

98% of counties in the U.S. have experienced a flood.

What is the flood insurance policy term?

Flood insurance coverage is available for a one-year term.

Is there a minimum coverage requirement for a flood insurance policy?

Yes, but the minimum amount of coverage that can be purchased may not be the proper amount of protection needed. Consumers should contact a flood insurance agent to discuss specific flood insurance protection needs for their home, personal property or business.

If coverage is being purchased as the result of a lender requirement (i.e., mandatory purchase requirement), the amount of flood insurance required must be at least equal to the lesser of:

- The outstanding principal balance of the loan;
- The maximum amount available under the NFIP; or
- The total insurable value of the property.

Lenders reserve the right in their loan documents to require the purchase of flood insurance above the amount required by law. If so, they may expect the amount of coverage to be as high as the building's Replacement Cost Value (RCV). For more on RCV, **see pages 18 & 19**.

Property owners should consult with their insurance agent and lender to determine the appropriate amount of insurance to purchase. This does not apply to the Group Flood Insurance Policy (GFIP).

Is there a maximum amount of flood insurance a lender can require?

Yes. For maximums for both residential and non-residential coverage available through the NFIP, **see the table on page 9.**

A lender can require higher limits based on loan conditions. Private and excess coverage providers exist, and lenders are required to accept an individual insurance policy to satisfy the flood insurance purchase requirement if the policy meets the definition of private flood insurance. For more on the definition of private flood insurance, **see glossary page 74.**

In Summary

A policy is valid for one year and must be renewed to maintain coverage.

What are all the fees and surcharges in addition to the premium?

FEMA charges a Federal Policy Fee, a Reserve Fund Assessment and a Homeowner Flood Insurance Affordability Act (HFIAA) Surcharge.

The NFIP defines the Federal Policy Fee as a flat charge a policyholder must pay on each new or renewal policy to defray certain administrative expenses incurred in carrying out the program. The fee can vary depending on the type of policy.

As directed by Congress, the NFIP charges each policyholder a percentage of their premium, known as the Reserve Fund Assessment, to build a catastrophic reserve fund.

As directed by Congress, the NFIP charges an HFIAA Surcharge to offset the slow-down of the elimination of current subsidized rates. The surcharge is paid at the time of application or renewal each year until the subsidies are eliminated. The surcharge revenue goes into the NFIP Reserve Fund used to help cover the cost of future claims in a catastrophic event.

Are there limitations on the amount of insurance available for certain types of property?

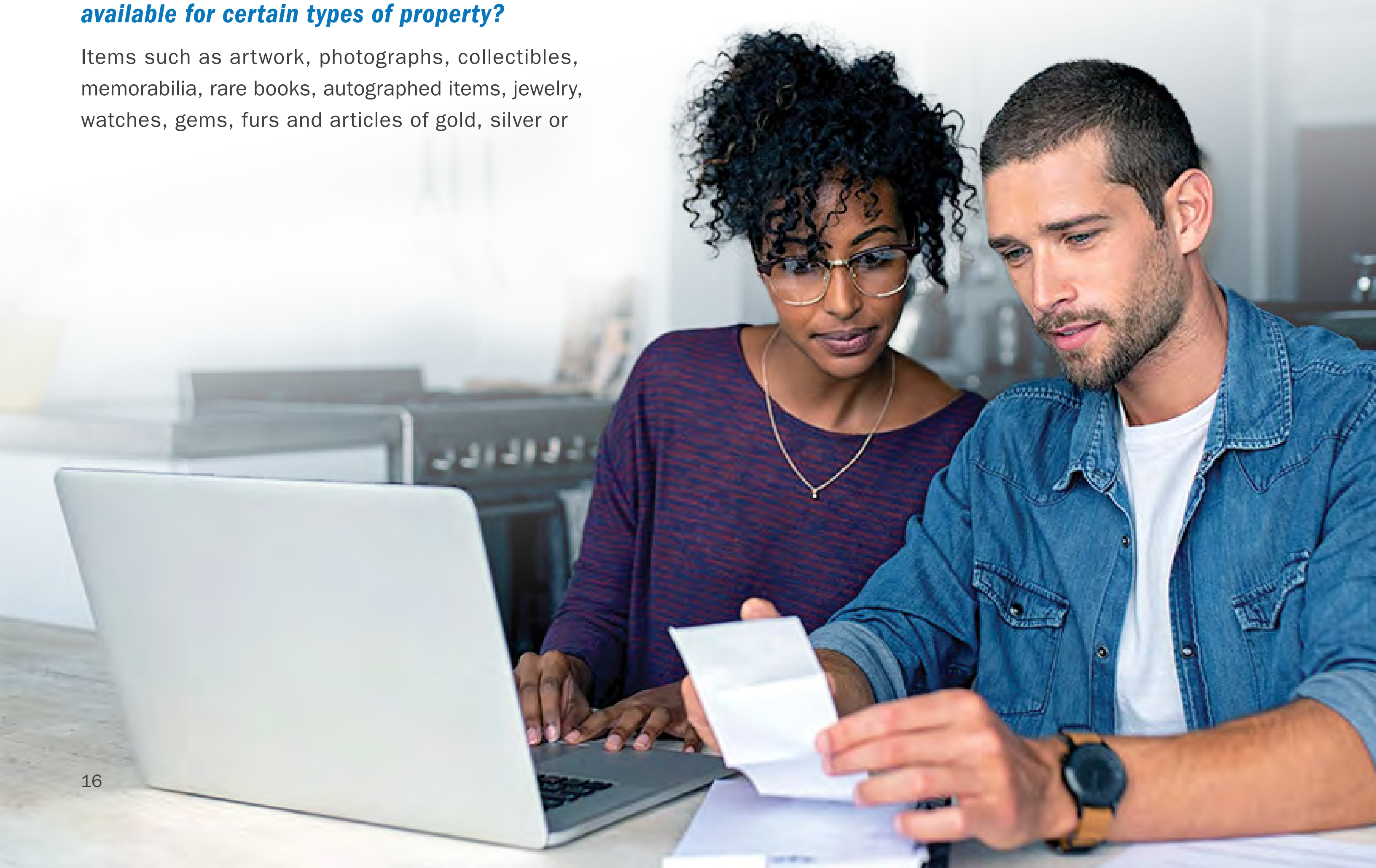
Items such as artwork, photographs, collectibles, memorabilia, rare books, autographed items, jewelry, watches, gems, furs and articles of gold, silver or platinum are limited to $2,500 coverage in the aggregate. This limitation does not apply to other personal property items or household contents usual or incidental to the building's occupancy as a residence.

In addition, there are coverage limitations for property in a building enclosure below the lowest elevated floor of an elevated post-Flood Insurance Rate Map (post-FIRM) building located in an SFHA. There is also limited coverage in basements, regardless of the flood zone.

Getting Technical

Pre-Flood Insurance Rate Map (Pre-FIRM) buildings are those built before the effective date of the first flood map for a community.

Post-Flood Insurance Rate Map (Post-FIRM) buildings are new construction and those built after the effective date of the first flood map for a community.



The General Property Form will pay for damage caused by pollutants to the covered property if the discharge, seepage, migration, release or escape results from a flood. The maximum that can be paid is $10,000. This coverage does not increase the limit of coverage purchased for building or personal property.

For limitations that apply to this coverage, refer to the General Property Form Section III, Part C. For other restrictions under the SFIP, see the current policy or contact a property insurance agent or company.

How many buildings or locations (and contents) may be insured on each policy?

Only one building and its contents can be insured on a policy. However, the Dwelling Form of the SFIP does offer coverage for up to 10% of the policy amount for a detached garage at the described location used for storage or to park an automobile. The use of this extension of insurance is an option for the policyholder but reduces the building coverage amount. A detached garage can be insured separately if the value of the building exceeds 10% of the house coverage limit, or the insured wishes to avoid a reduction in coverage on the home. There is no coverage for a detached garage used in part or whole for business or used in part or whole for residential use.

Personal property (contents) is covered if personal property coverage is purchased and when the property is inside a building at the insured location. This is also known as contents-only coverage or a renters flood insurance policy.

Getting Technical

Pollutants are 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.

What coverage is available in basements and other low enclosed areas?

The NFIP's definition of "basement" includes any part of a building where all sides of the floor are located below ground level. Even though a room, or a sunken portion of a room, may be considered a living area, it is still considered a basement if it is below ground level on all sides.

Coverage is provided for the following:

- Foundation elements, including posts, pilings, piers or other support systems for elevated buildings;
- Basement and enclosure utility connections; and
- Certain mechanical equipment necessary for the habitability of a building, such as furnaces, water heaters, clothes washers and dryers, food freezers and the food inside, air conditioners, heat pumps, electrical junctions and circuit breaker boxes.

Finished structural elements, such as carpeting, linoleum and contents items (such as rugs and furniture) are not covered. The SFIP has a complete list of covered elements and equipment.

In Summary

Basement coverage includes the electrical and mechanical systems and equipment installed in a basement when it was built, or those same equipment and system items (if covered by the policy) replaced in a basement plus the cost of flood clean-up.

Personal property items in a basement are limited to the laundry appliances, food freezers and their contents and an air conditioning unit in its functional use location (not those seasonally stored in a basement).

What types of property are eligible to be insured against flood loss?

Insurance may be written on any building eligible for coverage with two or more outside rigid walls and a fully secured roof that is affixed to a permanent site. Buildings must resist flotation, collapse and lateral movement. The structure must be located in a community that participates in the NFIP.

Manufactured (i.e., mobile, travel trailers without wheels) homes that are affixed and anchored to a permanent foundation are eligible for coverage. Contents coverage for personal belongings located within an eligible building can also be purchased.

There may be limited coverage available for items like couches, computers and televisions located in a basement. **You can review the Standard Flood Insurance Policy (SFIP) Forms at** fema.gov/flood-insurance/find-form. Refer to your flood insurance policy for a detailed list of items covered in basements and speak to your insurance company or agent for more information.

What types of property are not insurable under the NFIP?

The following types of property are not insurable under the NFIP:

Did You Know?

A building's **Replacement Cost Value (RCV)** is the cost to rebuild a home of like-kind-quality at building costs of today for all materials, labor and equipment. **Actual Cash Value (ACV)** is the replacement cost of an insured item of property at the time of loss, less the value of physical depreciation of the item damaged.

Are mobile homes insurable under the NFIP?

Before the NFIP can insure manufactured homes (also known as mobile homes) or travel trailers, they must meet certain conditions:

- The manufactured home must be built on a permanent frame, transported to a site in one or more sections and attached to a permanent foundation; or
- The travel trailer must have the wheels removed, be built on a frame and be connected to a permanent foundation that a community regulates under its floodplain management and building ordinances in order for the NFIP to provide coverage.

Are losses from land erosion, sewer backup or seepage of water covered?

The NFIP will pay for losses from land subsidence (erosion) under certain circumstances. Subsidence of land along a lakeshore or similar body of water that results from the erosion or undermining of the shoreline caused by waves or currents of water exceeding cyclical levels that result in a flood is covered. Coverage is limited to the replenishment of soils that support the insured building's foundation. The policy will not pay to replenish eroded soils along the lakeshore or similar body of water. All other land subsidence is excluded.

Unless there is a general condition of flooding in the area and the flood is the proximate cause of sewer or drain backup, sump pump discharge or overflow or seepage of water, the NFIP does not insure for direct physical loss caused directly or indirectly by any of the following:

- Backups through sewers or drains;
- Discharges or overflows from a sump, a sump pump or related equipment; or
- Seepage or leaks on or through the covered property.

Does the NFIP apply a deductible to losses?

A minimum deductible is applied separately to a building and its contents, although both may be damaged in the same flood. Optional deductibles are available, and an insurance agent can provide information on specific amounts of available deductibles. Optional high deductibles may reduce policy premiums but will have to be approved by the mortgage lender.

Did You Know?

A deductible is a specified amount of money that the insured must pay before an insurance company will pay a claim or that is subtracted from the total of the covered loss at the time of issuing payment of a covered loss and claim. Talk with an agent to find the right deductible for you.

When a building is under construction, alteration or repair and does not have at least two rigid exterior walls and a fully secured roof at the time of the loss, the deductible amount will be two times the deductible that would otherwise apply to a completed building. The deductible does not apply to:

- Loss avoidance measures (**see page 33**);
- Condominium loss assessments (**see below**); or
- Increased Cost of Compliance (**see pages 21 & 22**).

Does insurance under the NFIP provide coverage at replacement cost?

Yes, single-family buildings that are the policyholder's principal residence and are insured for at least 80% of the building's total RCV at the time of loss (or the maximum amount of insurance available under the NFIP) are eligible for replacement cost coverage. Replacement cost coverage does not apply to manufactured (i.e., mobile) homes smaller than certain dimensions specified in the policy.

Losses are adjusted on a replacement-cost basis for residential condominium buildings insured under a Residential Condominium Building Association Policy (RCBAP). However, coverage amounts less than 80% of the building's full RCV at the time of loss will be subject to a coinsurance penalty. Building losses under the General Property Form are always adjusted on an Actual Cash Value (ACV) basis.

Contents losses are also always adjusted on an ACV basis. ACV is the replacement cost of an insured item of property at the time of loss, less the value of physical depreciation of the item damaged. Care of the building and personal property have a lot to do with how an adjuster calculates depreciation. Some items depreciate slowly over time, while others depreciate more rapidly due to frequent use.

Does the SFIP offer additional living expenses if the insured dwelling is damaged by a flood and cannot be occupied while repairs are being made?

No, the SFIP does not offer payments for additional living expenses if the home is unlivable due to a flood. The SFIP does offer advance payments in the event of a covered flood loss. Claim payments are issued to help the NFIP insured recover from the effects of flood loss as quickly as possible. Payments are intended for use to repair, rebuild, replace contents (if insured) and to mitigate against future flood losses.

In extreme cases, individuals and families need support beyond what their insurance policy can offer. FEMA provides disaster assistance outside of the SFIP program. Individual and household assistance may be available through FEMA, but typically requires a presidential disaster declaration.

Policyholders can apply at disasterassistance.gov or by calling the FEMA Disaster Assistance Helpline at **800-621-3362**.

Can policyholders still start a flood insurance claim even if there is no presidential disaster declaration?

Yes. Unlike FEMA disaster assistance, the NFIP's claim payouts do not require a presidential disaster declaration and can cover damage far in excess of what federal disaster assistance provides.

What is the General Property Form of the SFIP?

The General Property (GP) Form is used to insure a non-residential building or a five-or-more-unit residential building that is not eligible for the 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 five-or-more-units.

What is the Dwelling Form of the SFIP?

The Dwelling Form is used to insure a building designed for use as a residence for no more than four 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 five or more units can use this form to insure contents only in their own residential unit.

What is the RCBAP Form of the SFIP?

The Residential Condominium Building Association Policy (RCBAP) Form is used to insure a building owned and administered as a condominium, containing one 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. For more on the NFIP's Regular Program, **see page 57.**

What does it mean if a home is declared substantially damaged?

The term "substantial damage" applies to a structure in a Special Flood Hazard Area (SFHA) for which the total cost of repairs is 50% or more of the structure's market value before the disaster occurred, regardless of the cause of damage.

This percentage rule can vary among jurisdictions. Some communities have a higher standard or degree of protection against risk of flood rather than the minimum requirements of the NFIP. Therefore, the percent of damage versus the home value could be 40% or lower to reach the threshold for substantial damage caused by any peril or combination of perils sustained in one occurrence.

Did You Know?

A community without a flood map enters the NFIP as an **Emergency Program Community**. Once a detailed engineering study is completed for the community and a flood map is issued, the community is brought into the **Regular Program** of the NFIP. For more on the NFIP's Emergency Program, **see page 57.**

The determination about a structure being substantially damaged is made at the local government level, generally by a building department official or floodplain manager.

If a building in an SFHA is determined to be substantially damaged, it must be brought into compliance with local floodplain-management regulations.

What is Increased Cost of Compliance (ICC) coverage?

The NFIP wants to reduce future damage to homes and businesses. Flood risk is sometimes higher than it needs to be due to structural characteristics of the location or elevation of a building. If the home or business is damaged by a flood and is declared substantially or repetitively damaged, the property owner may be required to meet specific community-building requirements to reduce flood damage before they can repair or rebuild.

To help cover the costs of meeting those requirements, the NFIP offers policyholders up to $30,000. ICC coverage can help pay for elevation, relocation and demolition for buildings insured under the General Property Form. It pays for floodproofing measures, in addition to those listed in the Dwelling Form. This coverage is separate from the FEMA or NFIP grant program.

Survivor Story

Homeowner Danielle Rees was able to mitigate her future risk with Increased Cost of Compliance (ICC).

"In Hurricane Florence, I got about a foot and a half of water downstairs. I have three bedrooms and a laundry room, and everything had to go. I will use…my ICC funding to help elevate my home so I don't have to go through this again."

Is there a limit to the amount a policyholder can collect under ICC coverage?

Yes. The maximum amount a policyholder may collect under ICC is $30,000.

This amount is in addition to the amount the policyholder receives for physical damage by a flood. The total amount the policyholder receives for combined physical, structural damage from a flood and ICC is always capped by the maximum limit of coverage established by Congress. The maximum amount collectible for both ICC and physical damage from flood for a single-family dwelling is $250,000.

Is the ICC premium included in all SFIPs?

Yes, however, not all buildings are eligible for ICC coverage. To be eligible for ICC coverage, a building must be declared substantially damaged or a repetitive loss property by the local community and must be mapped within an SFHA. However, if the community has adopted and is enforcing new flood zones related to FEMA map changes and the building was previously insured in a moderate- to low-hazard area, ICC coverage may still be available to the policyholder.

For more information regarding ICC coverage, **refer to Part D of your policy.** For more on mitigation activities, **see Section Six, beginning on page 62.**

For Example

A home insured for $100,000 that was paid a claim settlement of $100,000 still has up to $30,000 of Increased Cost of Compliance (ICC) coverage available, if it is deemed substantially damaged from flooding causing it to reach or exceed the substantial damage limit.

What is an Elevation Certificate (EC), and why is it important?

An Elevation Certificate is an important administrative tool of the NFIP. It shows the location of the building, Base Flood Elevation (BFE), Lowest Floor Elevation, certain building characteristics and flood zone.

From a floodplain management perspective, it is used to provide necessary elevation information to ensure compliance with community floodplain management ordinances for buildings in an SFHA, to document building elevations related to the BFE and to support a request for a Letter of Map Change (LOMC).

From an insurance perspective, it was previously required as a condition for issuing flood insurance coverage in an SFHA but is no longer necessary. Today, an EC is an optional tool that policyholders may use in determining a risk-based premium for a flood insurance policy, regardless of where the building is located.

How do policyholders obtain an EC?

Policyholders can hire a licensed land surveyor, professional engineer or certified architect who is authorized by law to certify elevation information. For a fee, these professionals can complete an EC for the policyholder. To find a professional surveyor:

- Check with the local floodplain administrator to see if the prior owner had filed an EC for building or improvement purposes;
- Check with the state professional association for land surveyors;
- Ask the NFIP State Coordinator; or
- Talk to the local building permit office.

Policyholders or their representative may complete Section E of the EC to determine the First Floor Height in all flood zones for rating purposes only.

The EC is available on the FEMA website at fema.gov/glossary/elevation-certificate.

What is a Base Flood Elevation (BFE)?

Flood-prone areas are identified and managed based on the 1% annual chance of a flood being equaled or exceeded in any year. Areas affected by the base flood are shown as areas with a high potential for flood risk—SFHAs on flood maps. The BFE is the computed elevation to which floodwater is estimated to rise during the base flood.

Deep Dive

The methodology that was used to develop a **Base Flood Elevation (BFE)** can now be improved through advancements in technology and through collection of additional information, such as seasonal rainfall, development, proximity to water sources and other factors.

What is freeboard?

Freeboard is an additional amount of height above the BFE used as a factor of safety (e.g., two feet above the BFE) in determining the level at which a building's lowest floor must be elevated or floodproofed to meet state or community floodplain management regulations.

What are subsidized rates?

FEMA offers certain properties with statutorily mandated discounts (formerly called subsidized rates) to encourage community and property owner participation in the NFIP. Such properties include eligible pre-FIRM buildings, buildings newly mapped into Special Flood Hazard Areas (SFHAs) and certain buildings near levees. Properties in the Emergency Program are also eligible for a statutory discount.

Except for the Emergency Program discount, statutory discounts gradually phase out through a statutory annual increase cap discount at each renewal date until the policy reaches its full-risk premium.

Who can a policyholder contact if they have a question concerning flood insurance policy coverages?

Policyholders should contact their flood insurance agent or company with questions about their specific flood insurance coverage, **or visit** floodsmart.gov.

If the policyholder has additional questions, they can contact the NFIP at **877-336-2627**.

How to Purchase Flood Insurance

If a policyholder is interested in purchasing flood insurance, a local insurance agent may be able to help. **A policyholder can find a carrier at** floodsmart.gov/flood-insurance-provider or by contacting the NFIP at **877-336-2627**.

How is flood insurance purchased?

After a community joins the NFIP, everyone—homeowners, renters, rental property owners, condominium unit owners, condominium associations and business owners—can get a policy for eligible property. Policies may be purchased from any licensed property and casualty insurance agent or broker who is in good standing in the state in which the agent is licensed.

The insurance agent will complete the flood insurance application, obtain the proper supporting documentation (if required) and provide the FEMA-calculated flood insurance premium. FEMA requires that the full annual premium be sent with the application.

The steps to purchase flood insurance are as follows:

1. Identify the flood zone in which the structure is located (typically done by an agent).
2. Complete the flood insurance application.
3. Obtain supporting documentation (i.e., elevation certificate, photos, zone determination), if required.
4. Send the completed application, supporting documentation and full premium to the insurance company.

Who can a prospective policyholder call to talk about policy options?

A prospective policyholder can contact their current insurance agent or provider. For help finding an insurance provider, they can call the NFIP at **877-336-2627** or **visit** floodsmart.gov/find.

How can a property owner determine if a property is in an SFHA?

Flood maps can be viewed on FEMA's Map Service Center website at msc.fema.gov. Residents can also view maps generally kept in community planning or building permit departments or contact their insurance agent, who usually has access to flood maps or a flood zone determination service.

What are primary and principal residential occupancies?

A primary residence is a dwelling or condominium unit that is owner-occupied at least 51% of the year or for the period of ownership if owned less than one year. A principal residence is one that the owner or spouse lives in for 80% or more of the year or for the period of ownership if it is owned less than one year. The occupancy will determine how a flood insurance claim will be paid under the Dwelling Form of the SFIP.

To be eligible for replacement cost under the SFIP, the dwelling must be the insured's "principal residence," and the dwelling must be insured 80% or more of its full replacement cost or the maximum amount of insurance available under the NFIP. If the dwelling only meets the definition of a "primary residence" and not the definition of a "principal residence" in the SFIP, then any claim for building damage will be paid using ACV. For more on ACV, **see pages 18 & 19.**

Getting Technical

Use the following table to differentiate between primary and principal residences.

	Primary Residence	Principal Residence
Type of Property	A single-family building, condominium unit, apartment unit or unit within a cooperative building.	A single-family dwelling.
Time Period 1	Lived in by the policyholder or the policyholder's spouse for more than 50% of the 365 calendar days following the current policy effective date.	Lived in by the policyholder or the policyholder's spouse for 80% of the 365 days immediately preceding the loss.
Time Period 2	Lived in by the policyholder or the policyholder's spouse for 50% or less of the 365 calendar days following the current policy effective date. *Exclusions apply.*	Lived in by the policyholder or the policyholder's spouse for 80% of the period of ownership. *If less than 365 days.*

Can I buy flood insurance as a major storm is approaching or when flooding is predicted?

There is typically a 30-day waiting period before flood coverage goes into effect. This means that claims cannot be started for 30 days after purchasing insurance—even if flooding occurs during this window. The effective date of a new policy will be 12:01 a.m., local time, on the 30th calendar day after the application date and the payment of premium.

There are exceptions to the 30-day waiting period:

- Flood insurance that is initially purchased in connection with the making, increasing, extending or renewal of a loan becomes effective at the time of loan closing, given that the policy is applied for and the premium payment is made at the time of or prior to the loan closing;
- When the initial purchase of flood insurance is in connection with FEMA and a local community revising or updating a Flood Hazard Boundary Map (FHBM) or flood map, the 30-day waiting period does not apply if coverage is purchased within a year of the flood map revision; or
- If a property is affected by flooding on burned federal land as a result of, or is exacerbated by, post-wildfire conditions.

For more information on the flood-in-progress exclusion, visit agents.floodsmart.gov/flood-in-progress.

Deep Dive

On the effective date of the map revision, **the effective date of a new policy will be 12:01 a.m.**, local time, on the day after the application date and the presentation of premium payment. This rule applies only where the Flood Hazard Boundary Map (FHBM) or flood map is revised to show the building to be in a Special Flood Hazard Area (SFHA) when it had not been in an SFHA.

How are flood insurance premiums calculated?

Several factors are considered in determining a flood insurance premium. With Risk Rating 2.0: Equity in Action, FEMA has the capability to address long-standing inequities and better determine risk across multiple flood factors.

The premium calculation is broken into three parts:

1. **Location of the Building** – its distance to relevant flooding sources and the ground elevation surrounding the building;
2. **How it is Built** – relevant characteristics like building occupancy, construction type, foundation type, number of floors in the building or the floor the unit is on, the First Floor Height and mitigation actions like elevating your machinery and equipment or installing flood openings; and
3. **Replacement Cost, Coverage and Deductibles** – the cost to repair the building, how much coverage is selected and deductible choices.

What is presentment of premium payment?

Presentment of payment refers to the following:

- The date of the check or credit card payment by the applicant or the applicant's representative if the premium payment is not part of a loan closing; or
- The date of the closing, if the premium payment is part of a loan closing.

For a loan closing, a premium payment is considered made at closing when it is paid from the escrow account (lender's check), title company or settlement attorney, regardless of when the check is received by the writing company.

What is the Office of the Flood Insurance Advocate (OFIA) and how can a policyholder contact them?

OFIA advocates for the fair treatment of policyholders and property owners by (**1**) providing education and guidance on all aspects of the NFIP, (**2**) identifying trends affecting the public and (**3**) making recommendations for program improvements to FEMA leadership.

Before contacting OFIA, policyholders are encouraged to review the NFIP's online resources and contact the policyholder's insurance agent or company.

If a policyholder is unable to find the information they need from their insurance provider or the NFIP, visit OFIA at fema.gov/flood-insurance-advocate.

OFIA has successfully advocated to increase:

- Amount of premium refunds;
- Availability for lower premiums;
- Number of educated customers;
- Awareness of the NFIP's resources to maximize premium savings;
- Understanding of the claims process;
- Awareness of mitigation opportunities; and
- Understanding of the flood mapping process and how to start an appeal of an NFIP flood insurance claim settlement.

Can OFIA assist if a policyholder's premium rates seem too high or if the policyholder has other questions about the SFIP?

OFIA does not provide quotes or service flood insurance policies. For questions about rates or other questions about the SFIP, policyholders should first contact an insurance agent or company. OFIA can verify that the correct information has been given by the insurance agent or insurance company.

What should homebuyers or sellers know about disclosure laws in their state?

Mandatory disclosure laws dictate whether a seller is required to disclose a property's flood risk or past flood damage to a potential buyer. Each state has different mandatory disclosure laws. Contact the state legislature or insurance commissioner's office for specifics.

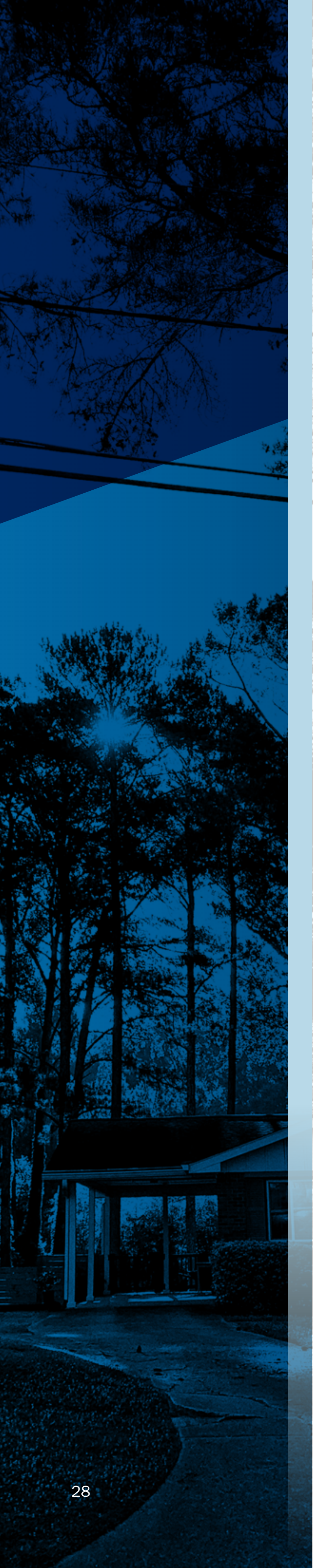
In Summary

Flood insurance typically takes 30 days to go into effect. If an insured building experiences a flood before the policy is in force for 30 days, a claim usually cannot be started.

Survivor Story

John and Michelle Tipton renewed their flood insurance for more than 24 years even though they never had a flood. When Hurricane Matthew hit in 2016, they lost everything. With flood insurance, they were able to rebuild and elevate their home to better weather future storms.

"Our entire home was flooded with almost two feet of water, damaging all of the kitchen, bathrooms, hardwood floors, drywall and electric. So now we're rebuilding from the ground up. We raised the level of our floor four feet above where it used to be. We've had flood insurance ever since we moved here but never dreamed we would ever use it. If it weren't for this flood insurance, we would be in dire straits."



Maintaining Flood Insurance

After paying off the mortgage, homeowners often cancel flood insurance that a lender required. However, flooding is still a risk for everyone and incurring a flood loss without flood insurance may necessitate a homeowner to take out another mortgage or loan.

Who does a policyholder contact if they want to make a change to their flood policy?

Policyholders can contact their insurance agent for any flood policy changes.

Can changes affect their flood insurance policy?

Examples of changes that might impact a premium:

- Increasing or adding to the coverage amounts.
- Changing a building description.
- Revising maps.
- Correcting an incorrectly rated policy.
- Changing primary residence status.

Examples of changes that will not impact a premium:

- Changing a mortgagee.
- Changing the mailing address.
- Changing insured information.
- Assigning the policy.

Is there any benefit to maintaining continuous coverage or assigning a policy if ownership changes?

Yes, there are benefits to maintaining continuous coverage. Because a policyholder cannot plan for when a flood will occur, there is a risk in not maintaining continuous coverage. Also, a lapse in coverage may result in loss of eligibility for premium discounts and will require a 30-day waiting period for new coverage to be effective.

Under Risk Rating 2.0: Equity in Action, policyholders are still able to transfer their discount to a new owner by assigning their flood insurance policy when their property changes ownership.

Is there any benefit to maintaining continuous coverage or assigning a policy if an ICC claim has been filed?

Yes, there are benefits to maintaining continuous coverage if an ICC claim has been filed. FEMA allows policyholders who are found eligible to receive ICC payments to assign their ICC payment so it can be included in a FEMA-sponsored flood mitigation grant involving eligible ICC activities. This is the only assignment of benefit for the mitigation grant program.

The policyholder can agree to transfer this interest to the local authorities, state or community administering the grant by sending the ICC coverage form. Once the policyholder assigns the ICC claim, the local authorities, state or community will be responsible for completing the eligible mitigation activity. Upon receipt of the completed Assignment of Coverage D Form, the insurance company should process the ICC claim in a customary manner up to the ICC coverage limit of $30,000, when available.

Adjusters and insurance company representatives are required to verify and include the necessary ICC documentation based on the selected mitigation activity as they usually would.

Learn more about sending in the Assignment of Coverage D – ICC Coverage Form (Appendix I of the NFIP Claims Manual) online at nfipservices.floodsmart.gov/claims/increased-cost-compliance.

How can a policyholder identify their policy expiration date?

A policy contract is for a term of one year and must be renewed annually to remain in effect. The exact date can be found on the declaration page of the policy.

Is there a "grace period" for renewing an NFIP policy after expiration?

All policies expire at 12:01 a.m. on the last day of the policy term. However, coverage remains in force for 30 days after the expiration of the policy and claims for losses that occur during the period will be honored given that the full renewal premium is received within 30 days of the policy expiration date. Coverage also remains in force for the benefit of any mortgagee, but only for 30 days after the mortgagee is notified of the cancelation or expiration.

Can flood insurance be canceled at the request of the insured with a refund of premium?

Yes, in some cases. For example, if the policyholder sold the property and no longer has an insurable interest in it, the policy can be canceled with a prorated return.

However, due to the seasonal nature of flooding and to protect the lender's interest, there are limited valid cancelation reasons.

The legitimate cancelation reasons and the proper procedures and documentation required to cancel a policy are **outlined in the NFIP Flood Insurance Manual, which can be found at** floodsmart.gov/flood-insurance-manual_policyholders.

To request a cancelation, the policyholder should contact the insurance agent servicing the policy.

What is the requirement for purchasing flood insurance after receiving disaster assistance?

The National Flood Insurance Reform Act of 1994 (NFIRA) requires individuals in SFHAs who received disaster assistance after September 23, 1994 for flood disaster losses to real or personal property to purchase and maintain flood insurance coverage for as long as the individuals live in the dwelling.

What is a Section 1316 designation, and how does it impact flood insurance availability?

If a building is constructed in a way that violates state or local ordinances related to floodplain management, it is given a Section 1316 designation. The designation occurs as a last resort to a building established as not in compliance with local ordinances related to floodplain management after it is determined as substantially damaged.

The NFIP's flood insurance is not available for buildings with a Section 1316 designation. Contents and personal property contained in these buildings also are ineligible for coverage. A community official may request that FEMA rescind the Section 1316 designation when the structure is determined compliant with the floodplain management laws, regulations or ordinances.

Online Resources

- Find the Standard Flood Hazard Determination Form (SFHDF) at floodsmart.gov/sfhdf.
- To access the Dwelling Form, the General Property Form or the Residential Condominium Building Association Policy Form, visit floodsmart.gov/sfip.
- For additional help finding and purchasing flood insurance, visit floodsmart.gov.
- Find an insurance provider at floodsmart.gov/find.
- To check if a property is in an SFHA, visit msc.fema.gov.
- Customers who require assistance after using existing NFIP resources can reach out to the Office of the Flood Insurance Advocate (OFIA) via fema.gov/flood-insurance/advocate.
- View the NFIP Flood Insurance Manual online at floodsmart.gov/flood-insurance-manual_policyholders.
- To learn more about Increased Cost of Compliance (ICC) coverage, visit floodsmart.gov/flood/mitigating-flood-damage.
- Review the NFIP Claims Manual at agents.floodsmart.gov/claims-manual.

SECTION THREE

Before & After a Flood

Policyholders and community residents can protect themselves today by preparing their home or workplace, collecting and securing key documents, developing an emergency communications plan and knowing what to do when a flood is predicted in their area.

Policyholder Checklist

What policyholders should know and do before a flood:

- [ ] Know what elevation the lowest floor is compared to the base flood elevation (BFE).
- [ ] Move furniture, valuables, utilities and essential documents to a safe place above the BFE.
- [ ] Make sure basements are waterproofed and the sump pump is working, then install a battery-operated backup in case of power failure.
- [ ] Install a water alarm to alert if water is accumulating in the basement.
- [ ] Clear debris from gutters and downspouts.
- [ ] Anchor any fuel tanks.
- [ ] Store copies of irreplaceable documents (such as birth certificates, passports, etc.) in a safe, dry place and keep originals in a secure location.
- [ ] Build an emergency supply kit.
- [ ] Plan and practice a flood evacuation route.
- [ ] Ask someone out of state to be a “family contact” in an emergency, and make sure everyone knows their address and phone number.
- [ ] Make a plan on what to do with pets if required to evacuate the residence as many shelters do not allow animals.

For more information on what to do before a flood, visit floodsmart.gov/community.

Flood Loss Avoidance

Flood loss avoidance is a protective action to minimize flood damage and losses to buildings and personal property before a flood occurs.

What loss avoidance measures are covered under a Standard Flood Insurance Policy (SFIP)?

The NFIP's flood policies will cover up to $1,000 in reasonable expenses incurred to protect insured property and up to $1,000 to move insured property away from a flood or imminent danger of a flood.

No deductible is applied to this coverage.

To be eligible for this benefit, the insured property must be located in a community where:

- A general condition of flooding exists; or
- An official has issued an evacuation order or other civil order for the community requiring measures to preserve life and property from flooding.

For additional information on loss avoidance coverage, refer to the SFIP Forms Section III, Part C.

Did You Know?

Downspouts **carry water sufficiently away from the foundation** of a home or business.

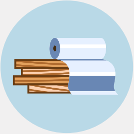
What other steps should policyholders take before flooding occurs?

After a flood occurs, compiling an inventory of belongings and trying to remember everything one owns can be difficult and overwhelming. To prepare, policyholders should keep a list of personal property within the home or business. It is advisable to take photos or record videos of the home, interior and personal property.

Remember, it is important to update the list regularly. For each item on the list include description, date and place of purchase, model number, serial number (for large appliances), original purchase cost (with a receipt if possible) and purchase orders and inventory records.

What loss avoidance expenses are eligible?

Sandbags (including sand to fill them)



Plastic sheeting and lumber used in connection with any of these items listed here

Fill to create temporary levees

Reasonable expenses (up to $1,000) incurred to move insured property to protect it from flood or the imminent danger of flood

Water pumps

Labor by the individual or a family member, which can be covered at the federal minimum wage*

**Policyholders should keep copies of all receipts and a record of the time spent performing the work. For labor costs, the record should include family members' names and hours worked each day to determine the total hours that can be paid for moving insured property.*

Starting a Flood Insurance Claim

How does a policyholder start a claim for a flood loss?

A flood insurance policyholder should immediately report any flood loss to the insurance company or agent who wrote the policy. The policyholder must typically start a proof of loss within 60 days of the date of loss, after which a claims adjuster will be assigned. A policyholder whose policy is with a Write Your Own (WYO) company must follow the company's claim procedures. Claims adjustments may be handled remotely or in person, depending on the circumstances and severity of damage.

Are there materials to help policyholders walk through the claims process?

To learn more about the claims process, visit floodsmart.gov/start **or read the Flood Insurance Claims Handbook at** floodsmart.gov/nfip-claims-handbook_policyholders. An adjuster should give a copy of the handbook at the time of inspection or an electronic version during the adjustment.

What is an advance payment?

To help speed up recovery, the NFIP allows advance payments to policyholders on their flood insurance claims. When a policyholder contacts their insurance company, they can receive an advance payment of up to $5,000 on a flood claim without an adjuster visit or additional documentation.

Additionally, a policyholder who gives evidence of damage to their insured property in the form of photos or videos, receipts validating out-of-pocket expenses related to flood loss or a contractor's itemized estimate can receive up to $20,000 in advance payments.

In Summary

The NFIP will give up to $20,000 right away to kick-start recovery.

Survivor Story

Rupi Prasad purchased flood insurance for peace of mind during her retirement years. With help from the NFIP, she was able to rebuild after Hurricane Harvey.

"When flooding from Hurricane Harvey hit, my house filled with about 20 inches of water. The water came through the walls, through the window, everywhere. I bought flood insurance just in case. Even after all this, having flood insurance meant having one less thing to worry about."

What types of losses are covered under the NFIP?

The NFIP's flood insurance policies cover physical losses directly caused by a flood. Damage caused by moisture, mildew or mold that could have been avoided by the property owner will not be covered.

What is a Proof of Loss?

Proof of Loss is the policyholder's valuation of claimed damage. It is a sworn statement made by the policyholder that substantiates the insurance claim and is typically required to be sent to the NFIP or WYO company within 60 days of the loss. A printed form is usually available from the adjuster assigned to the claim.

Note: NFIP Direct and some WYO companies may require the Proof of Loss to be affirmed by a public notary.

What is a flood-in-progress?

When a new flood policy is purchased or changes are made to an existing policy, it generally takes 30 days for the flood insurance policy to become effective. The NFIP pays policyholders according to the terms and conditions of their policy; however, under the SFIP there are some exclusions that may apply, such as a flood-in-progress. This exclusion only applies if a flood begins before the policy or additional coverage take effect.

Whether or not a flood is in progress, the claim is evaluated on an individual basis. Evidence that a flood may be in progress might include ongoing flooding in the community where the insured building is located or flooding that causes damage from an opened spillway, breached levee, released dam or inundated waterway.

What is the maximum that can be collected for a loss under the NFIP flood insurance policy?

A policyholder will never be paid more than the value of the covered loss—less the deductible—up to the amounts of insurance purchased. Therefore, purchasing insurance to value is an important consideration. The amount of insurance a property owner needs should be discussed with an insurance agent.

After starting a claim, what other steps should policyholders take to start recovery?

After damage has occurred, it is a good idea to take photographs and videos of the damaged structure and property. Property owners can protect their belongings by separating the damaged property from undamaged property and moving items to save to a safe, dry place. Remember that some items affected by flooding can be cleaned or repaired to pre-loss condition.

For more information on documenting damage and starting to clean up, visit floodsmart.gov/document-damage-and-start-clean.

What constitutes substantial improvement or substantial damage?

Substantial improvement is any rehabilitation, addition or other improvements to a building where the cost equals or exceeds 50% of the building's market value before the start of construction. Note that some communities may have in their ordinances a lower percentage.

Substantial damage is the damage sustained by a building when the cost of restoring the building to its pre-damaged condition would equal or exceed 50% of the market value of the building before the damage occurred. Substantial damage is determined regardless of the actual repair work performed.

Substantial improvement or damage does not include any improvement project to correct existing violations of state or local health, sanitary or safety code specifications identified by local code enforcement officials as the minimum specifications necessary to ensure safe living conditions. Also excluded from the substantial improvement requirement are alterations to historic buildings as defined by the NFIP.

Are NFIP policyholders eligible for federal disaster assistance funds?

The NFIP's policyholders are eligible to apply for assistance when the community the NFIP policyholder lives in is part of a presidential disaster declaration that includes the Individuals and Households Program (IHP). If disaster assistance is provided, it will not duplicate what the flood insurance policy provides.

Are there other resources that might help a policyholder's overall recovery?

The flood insurance claim process is separate from non-profit recovery assistance. The Federal Emergency Management Agency (FEMA) encourages all persons experiencing loss to reach out to non-profits for recovery assistance. FEMA cannot endorse or recommend which non-profits a person should seek. Policyholders should work with local officials to apply for mitigation grants to make their property more flood resilient in the future.

Did You Know?

The NFIP has received **2.5 million claims** throughout its history and today protects over **$1.3 trillion in assets** for nearly **5 million policyholders**.

After a Claim is Started

What are the requirements for replacement cost coverage?

Requirements include the home being a single-family dwelling and the principal residence. In general, the home also must be insured to no less than 80% of the Replacement Cost Value.

Deep Dive

A **principal residence** means that, at the time of loss, the policyholder or their spouse have lived there for 80% of the 365 days preceding the loss, or if the dwelling is owned for less than 365 days, 80% of the period of ownership.

What should a policyholder do if they identify additional flood damage?

If a policyholder identifies additional flood damage after a claim has already been started, policyholders may file a request for an additional flood payment. They must repeat the same documentation and filing process, including Proof of Loss for the newly discovered damage.

Submission must be completed within the 60-day limit or within extensions of time granted by FEMA. The policyholder's insurance company may contact FEMA to accept a claim in the event the policyholder makes an additional claim after the time limitation.

Policyholders should start the additional request by notifying their adjuster, insurance agent or company as soon as possible. Once the policyholder has completed the Proof of Loss and gathered all necessary documentation, including photos of the damage, they will need to present it to the insurer.

The insurer will determine if the adjuster needs to revisit the home or business to verify newly claimed flood damage. The policyholder must also notify the insurance company or adjuster if they find that the amount allowed by the adjuster was not enough to make the repairs.

Sometimes there is hidden damage or items that cost more to repair or replace than the amount the insurance company initially paid on the claim. The insurance company will need information from the policyholder and contractor to assist in the review for additional payment. The contractor should give a detailed estimate showing quantities and unit costs.

What should policyholders do if they disagree with a claim amount or denial?

If policyholders disagree with a claim amount, the first thing to do is talk to the insurance agent or adjuster to clarify the claim and remedy any errors.

If the policyholder has some or all of their claim denied by their insurer, they may file a flood insurance appeal directly to FEMA. FEMA will then gather claim details, review the policy and give an appeal decision. There is no fee for filing an appeal, but the request must be filed within 60 days of the date on the insurance company's denial letter.

If the policyholder and the insurance company agree that a loss occurred but disagree about the price, the policyholder can also seek an appraisal. However, if the policyholder completes an appraisal, they cannot also file an appeal.

The last option available is to file suit against the insurance company. Policyholders may file suit after filing an appeal; however, the appeal does not extend the one-year period of time to file suit. Once the policyholder files suit, they also forfeit the option to appeal directly with FEMA.

Note: Unless the insurer is NFIP Direct, FEMA is not a proper party to litigation.

What are the components of a claim estimate?

Insurance claims are comprised of four main components:

Coverage
For coverage to exist, the item of damaged property must first be within or part of an eligible building and must be damaged by the flood.

Cause
The cause of flooding matters as the damage is only covered if it is a direct result of flooding as defined by the policy.

Scope
Scope refers to the needed remedy of cleaning, repair or replacement of damage.

Price
The price is the cost per unit for cleaning, repair or replacement of building and/or personal property. Prices may be represented on a per-room, per-item basis.

How does a policyholder appeal if the adjuster missed damage when scoping the loss?

Policyholders should work with the adjuster if the policyholder believes additional flood damage was missed during the inspection. After identifying additional damage, policyholders should send supporting documentation to prove the loss.

What resources does a policyholder have if the prices in the estimate are too low?

Policyholders must notify their insurance company or adjuster if they find that the amount estimated by the adjuster is not enough to make repairs.

The insurance company will need information from the policyholder to assist in a review for additional payment. The policyholder should give a detailed estimate from a contractor showing quantities and unit costs (if applicable) and explain why some prices are higher than estimated. Once the policyholder has gathered all necessary documentation, they will need to complete the Proof of Loss and present it to the adjuster or insurance company.

What should a policyholder do if they disagree with an adjuster's recommendation?

Before filing an appeal, a policyholder should work with the adjuster and send supporting documentation to justify the differing position. If the insured is unable to agree with the adjuster, the insured should contact the adjusting firm and adjuster's supervisor. If the policyholder and the adjuster's supervisor cannot reach an agreement, the policyholder should contact the insurance company's claims department.

As part of the effort, the insured may also consult a general contractor to support the requested covered loss amount for the flood damage.

Deep Dive

If a policyholder chooses to have a third party send an appeal on their behalf, the appeal letter **must be signed by the third party** and a statement of authorization must be signed by the policyholder.

What is the process for filing an appeal?

A policyholder may send an appeal after their insurer denies all or part of their claim in writing. An insurer will mail a denial letter to a policyholder, in which the insurer will formally reject part or all of the claim and explain why based on the specific policy provisions. The policyholder may not appeal until and unless the policyholder has received the denial letter. A policyholder who wishes to file an appeal must do so within 60 days of the date written on the denial letter.

To file an appeal, a policyholder must:

- Explain the issue(s) in writing;
- Include a copy of the denial letter from the insurance company; and
- Give supporting documentation, including but not limited to photos, itemized estimates signed by a contractor, invoices, receipts, canceled checks, credit card statements and properly completed drying logs.

Note: There is no fee for filing an appeal and there is not a need for a third party to represent the policyholder. If the policyholder has third-party representation, FEMA will not pay for any costs incurred for representation.

Appeal requests can be sent to FEMA, 400 C Street SW, 6th Floor, Washington, D.C. 20472-3010 or FEMA-NFIP-Appeals@fema.dhs.gov. FEMA will receive and begin processing appeals sent by email more quickly than those sent via U.S. mail or express carrier.

Please note that due to cybersecurity requirements, FEMA cannot access file sharing sites, CDs, DVDs or any electronic storage devices.

What is subrogation?

Subrogation is the right of the insurer to legally pursue a third party that caused the loss as a means of recovering the amount of the claim paid by the insurance company to the policyholder for the loss.

FEMA has the right of first recovery in the event of any subrogation claim under the NFIP. The adjuster should consider subrogation on every flood claim and conduct an investigation to confirm the potential for subrogation. This often requires the use of an expert to confirm causation and verify the potential at-fault party. Investigations should be timely to prevent the loss of key evidence that would allow a successful recovery.

Getting Technical

Real world application: A garage door is damaged by flood and the cost to replace and install is initially estimated at $500. However, when the contractor assesses, the policyholder is told it will be $1,000. **If this increase is because the price of garage doors has gone up post-disaster, the increase is likely covered.** However, if the increase is because the policyholder wants to upgrade to a smartphone-connected door opener, this cost is not covered.

What is the process to file suit?

The policyholder must file the suit in the United States District Court of the district where the covered property was located at the time of loss. When NFIP Direct is the insurer, the policyholder may file suit against FEMA. For all other insurance companies, FEMA is not the proper party and the policyholder must sue the insurance company.

Because an appeal is a pre-litigation remedy, the policyholder cannot appeal after filing suit against an insurance company on a flood insurance claim issue.

If a policyholder is dissatisfied with a claim amount or claim denial, when is it appropriate to file a lawsuit?

Regardless of whether a policyholder has filed an appeal or received a final determination of an appeal from FEMA, they must start the suit within one year after the date the insurer first denied all or part of the claim in writing.

When should the policyholder contact the state insurance commissioner?

The NFIP is a federal program and, therefore, not subject to state regulations or the office of the state insurance commissioner.

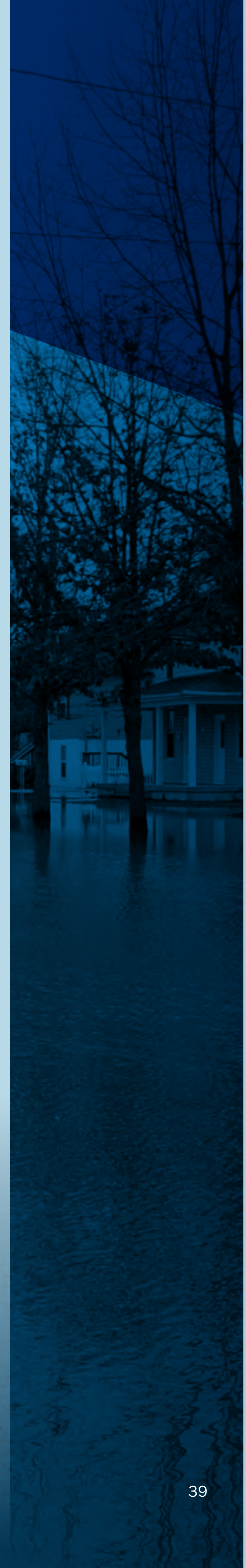
Do policyholders need to hire a representative, such as an attorney or public adjuster, to handle their NFIP claim?

The NFIP is committed to paying the full amount due on every flood insurance claim. It offers several free, non-adversarial dispute resolution processes to make sure policyholders get every penny they are entitled to under their flood insurance policy. Most people do not feel it necessary to incur the expenses of hiring an attorney or public adjuster to handle their claim.

How can the Office of the Flood Insurance Advocate (OFIA) assist during the claims process?

OFIA advocates for the fair treatment of policyholders and property owners by providing education and guidance on all aspects of the NFIP, identifying trends affecting the public and making recommendations for program improvements to FEMA leadership.

For OFIA to best assist, it is important for policyholders first to use the NFIP webpages and online resources, and the policyholder's insurance agent or company.



Repetitive Loss and Impact on Coverage

What is a Severe Repetitive Loss (SRL) property?

A Severe Repetitive Loss property is an NFIP-insured building:

- That has incurred flood-related damage for which four or more separate claims payments have been made, with the amount of each claim (including building and contents payments) exceeding $5,000 and with the cumulative amount of such claims payments exceeding $20,000; or
- For which at least two separate claims payments (building payments only) have been made under such coverage, with the cumulative amount of such claims exceeding the market value of the building.

In both instances, at least two of the claims must be within 10 years of each other, and claims made within 10 days of each other will be counted as one claim. In determining SRL status, FEMA considers the loss history since 1978 or from the building's construction if it was built after 1978, regardless of any changes in the ownership of the building.

How and when are affected property owners notified that their property is an SRL property?

The insurer notifies the affected policyholder, agent and lender 90 days before the expiration of the policy. The notice explains that the policy must be written with the Special Direct Facility (SDF). The SDF issues a renewal offer approximately 45 days prior to the expiration date.

How should an SRL policyholder respond after receiving such a renewal notice?

If the policyholder (and/or their lender) wants to continue to have flood coverage, they should contact their agent and follow the renewal instructions given by the NFIP Direct offer notice. They will not be able to renew the policy with the present WYO company.

How is the loss history determined?

The loss history includes all the NFIP's paid flood claims which have been paid on an insured property, regardless of any change(s) of ownership, since the building's construction, or 1978 if the building was constructed before that year.

Under Risk Rating 2.0: Equity in Action, FEMA incorporates prior NFIP claims as a rating factor based on the number of loss dates that fall within a rolling 20-year window before the current policy effective date. The rating factor begins to apply at the renewal date following the first flood claim processed after the policy is rated under the NFIP's Risk Rating 2.0: Equity in Action methodology. In addition to using a variety of factors such as the cost to rebuild, using claims history to determine policy premiums aligns with industry best practices.

Additionally, properties in SRL status will no longer be subject to a separate SRL rating factor after claims history is incorporated, but to the prior NFIP claims rating factor. Risk Rating 2.0: Equity in Action seeks to equitably distribute premium costs by applying the prior NFIP claims rating factor to all policies.

What procedures are available for property owners who believe that their property should not be included as an SRL property?

When a policyholder has documentation that the NFIP-insured property has not sustained the losses reported, a request for review may be presented, in writing, to the NFIP Bureau and Statistical Agent. All documentation to substantiate the review must be included with the request letter. The policy will remain with NFIP Direct during the review.

What happens to an SRL property?

The appropriate FEMA Regional Office gives information about the property to state and local floodplain management officials. States or communities may sponsor projects to mitigate flood losses or may be able to give technical assistance on mitigation options.

What happens if a property owner agrees to undertake appropriate mitigation measures?

The property will be removed from the SRL-validated list at the next renewal. The policy will then be transferred from NFIP Direct to the WYO company that previously serviced the policy.

What kinds of mitigation measures are appropriate?

Depending on individual circumstances, appropriate mitigation measures commonly include elevating buildings above the base flood, floodproofing, demolishing buildings and relocating buildings from SFHAs. Sometimes, mitigation takes the form of a local drainage improvement project that meets the NFIP's standards. For more on mitigation, **see Section Six, beginning on page 62.**

Online Resources

- For a detailed step-by-step guide to starting a claim, visit floodsmart.gov/start.
- Customers who require assistance after using existing NFIP resources can reach out to the Office of the Flood Insurance Advocate (OFIA) via fema.gov/flood-insurance/advocate.
- For more information on flood loss avoidance, visit agents.floodsmart.gov/flood-loss-avoidance.

SECTION FOUR

All About Flood Maps

The Federal Emergency Management Agency (FEMA) and the National Flood Insurance Program (NFIP) work with communities across the country to identify flood hazards using flood maps and promote ways to reduce the impact of those and other risks.

Flood Insurance Rate Maps

What is a Flood Insurance Rate Map (FIRM)?

A FIRM (or flood map) is an official map of a community that delineates both the special hazard areas and the flood zones applicable to the community. Flood maps help us to understand risks but are only part of the story.

Homeowners and business owners inside Special Flood Hazard Areas (SFHAs) are required to purchase flood insurance if they have a government-backed loan on the structure. Still, those outside this area are encouraged to work with flood insurance agents and community officials to purchase insurance.

Did You Know?

On average, about **40% of NFIP flood insurance claims** come from areas mapped outside SFHAs.

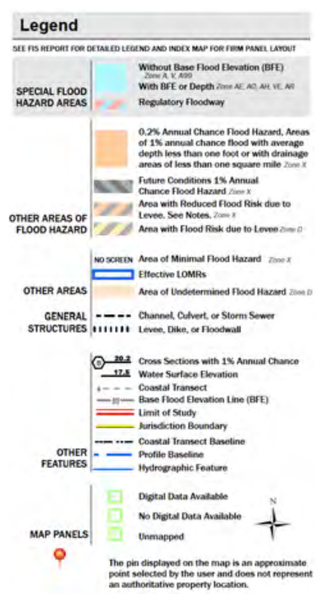
How are flood hazard areas and flood levels determined?

Flood hazard areas are determined using:

- Information obtained through consultation with the community;
- Land surface topographical surveys;
- Statistical analyses of records of river flow, storm tides, erosion, wave heights and rainfall;
- Coastal and riverine, hydrologic and hydraulic modeling; and
- Floodplain mapping analyses.

When a flood study is completed for the NFIP, the information and maps are assembled into a Flood Insurance Study (FIS). The FIS covers those areas subject to flooding from rivers and streams, along coastal areas and lakeshores and/or shallow flooding areas. It is a compilation and presentation of flood risk data for specific watercourses, lakes and coastal flood hazard areas within a community. The FIS report contains detailed flood elevation data in flood profiles and data tables and is used to develop a flood map.

National Flood Hazard Layer FIRMette



What is the FIS process?

To determine what the flood hazards are for an area, FEMA performs an engineering study called the FIS. The FIS evaluates shallow flood areas and flood hazard areas along rivers, streams, coasts and lakes. It is based on different information, including:

- Historical information *(such as river flow, storm tide and rainfall data).*
- Meteorological data.
- Topographic data.
- Hydrologic data.
- Hydraulic data.
- Open-space conditions.
- Flood-control works.
- Development information.

The results of the FIS are shown on flood maps and in the accompanying FIS report. **Flood maps and FIS reports are available through the Map Service Center at** msc.fema.gov.

FEMA coordinates with other federal agencies (e.g., U.S. Army Corps of Engineers) and other state partners to identify and gather existing data that may inform the FIS development. FEMA then holds discovery meetings with community officials and other interested parties to review the data and obtain additional relevant information to ensure that the FIS is as valuable and accurate as possible.

FEMA continues to engage communities throughout the FIS process with meetings such as:

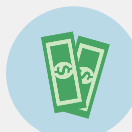
- Flood risk review meetings, where draft flood risk products are presented to community officials;
- Consultation coordination officer meetings, where the preliminary flood map, FIS and related flood risk products are shared with community officials; and
- Resilience meetings, where flood risk awareness and mitigation planning are discussed.

Communities are given the opportunity to review the preliminary maps and provide comments and appeals on the engineering and mapping that went into the map. Once maps are finalized, communities must adopt the final map to stay in good standing with the NFIP.

Request forms are available at fema.gov/sites/default/files/documents/fema_flood-insurance-study-data-request-form.pdf.

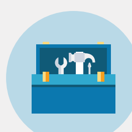
Flood maps are used for floodplain management, flood insurance rating and to determine flood insurance requirements. For example:

Community officials use flood maps to help understand and communicate local flood risk, manage floodplains and require new and substantially improved buildings to be built safer and to mitigate losses from future floods. These efforts make a more resilient community in which to live and work.



Mortgage lenders and mortgage brokers use flood maps to determine a property's flood risk and decide whether to require flood insurance as a condition of a loan.

Insurance professionals use the maps to determine a property's flood risk and insurance cost.



Developers and builders use maps as a part of location siting and construction decisions.

Real estate professionals and mortgage brokers use maps to help clients make informed decisions about buying or selling a property, ensuring that there are no surprises at the time of closing.

Residents and business owners use flood maps to learn about flood risk in order to purchase property and investigate how best to protect their property, financially and tangibly, from flooding.

What flood hazard zones are shown on the flood map?

Flood maps identify areas with different probabilities of flooding. Special Flood Hazard Areas (SFHAs) are subject to inundation by the base flood (1%-annual-chance flood). SFHAs are shown on flood maps as flood zones beginning with A, AE, V or VE. Zone V or VE is used for coastal areas.

Non-Special Flood Hazard Areas (NSFHAs) are either areas between the limits of the base flood and the 0.2%-annual-chance flood (flood zones labeled Zone X (shaded) or B) or areas which are higher than the elevation of the 0.2%-annual-chance flood (flood zones labeled Zone X (unshaded) or Zone C).

On coastal flood maps, what is the Limit of Moderate Wave Action (LiMWA)?

Low-lying coastal areas are especially vulnerable to damage from erosion, waves and storm surge. Post-storm field visits and laboratory tests throughout coastal flood hazard areas have consistently confirmed that wave heights as low as 1.5 feet can cause significant damage to structures that are built without considering coastal hazards.

Flood maps for coastal areas may include a line showing the LiMWA, which is the inland limit of the area expected to receive 1.5-foot or greater breaking waves during the 1% annual chance flood event. The area between the LiMWA and Zone V line is known as the Coastal A Zone. While there currently is no difference in rates between Zone A and Coastal Zone A, property owners are encouraged to build to Zone V standards to reduce their flood risk. In some communities and states, property owners are required to build to Zone V standards in Coastal Zone A.

What is the difference between a Flood Hazard Boundary Map (FHBM) and a flood map?

An FHBM is based on comparative data and identifies the Special Flood Hazard Areas (SFHAs) within a community. This allows the community to join the NFIP Emergency Program, and the FHBM is then used for floodplain management and insurance purposes.

In areas that haven't received updated flood maps, FHBMs are a previous version of the flood map. **They can be found at** msc.fema.gov.

A flood map is typically issued following a flood risk assessment conducted in connection with a community's conversion from the NFIP's Emergency Program to the NFIP's Regular Program. If a detailed assessment, termed FIS, has been performed, the flood map will show insurance risk zones, floodplain boundaries and in some cases Base Flood Elevations (BFEs). The flood map may also show a delineation of the regulatory floodway.

Actuarial rates, based on the risk zone designations shown on the flood map, are then applied for newly constructed, substantially improved and significantly damaged buildings.

Getting Technical

The NFIP uses an actuarial rate to evaluate proposed flood insurance premium rates. This study, based on projected data, is part of the **NFIP's goal of a fiscally sound rating and coverage structure**.

What are the Coastal Barrier Resources System (CBRS) and Otherwise Protected Areas (OPAs), and is federal flood insurance available in these areas?

The Coastal Barrier Resources Act (CBRA) of 1982 established the John H. Chafee CBRS, a defined set of coastal barrier units located along the Atlantic, Gulf of Mexico, Great Lakes, Puerto Rico and U.S. Virgin Islands coasts. These areas are delineated on a set of maps enacted into law by Congress and maintained by the Department of the Interior through the U.S. Fish and Wildlife Service (USFWS). There are more than 460 CBRS communities.

Most new federal expenditures and financial assistance options are prohibited within the CBRS. The prohibition that is most significant to homeowners and insurance agents is the denial of federal flood insurance through the NFIP for buildings newly constructed or substantially improved after the area was designated a CBRS. The CBRA does not prevent development, and it imposes no restrictions on development conducted with non-federal funds. Congress enacted the CBRA to minimize the loss of human life, wasteful federal expenditures and the damage to natural resources associated with coastal barriers.

For subsequent additions to the CBRS, the insurance prohibition date is **shown on the CBRS map found at** fws.gov/cbra.

OPAs are undeveloped coastal areas established under federal, state or local law, or held by a qualified organization, primarily for a wildlife refuge, sanctuary, recreational or natural resource conservation purpose. Flood insurance is restricted in OPAs, though OPAs may receive other forms of federal assistance.

Is federal flood insurance available in the CBRS and OPAs?

Federal flood insurance is available in a CBRS area if the subject building was constructed (or permitted and under construction) before the CBRS unit's prohibition date. CBRS areas designated by the CBRA prohibit the sale of federal flood insurance for structures built or substantially improved after October 1, 1983.

Flood insurance may be obtained for structures located in OPAs with written documentation from the government body overseeing the area certifying that the structure is used in a manner consistent with the purpose for which the area is protected. If an existing insured structure is substantially improved or damaged, any federal flood insurance policy will not be renewed. If a federal flood insurance policy is issued in error, it will be canceled and the premium refunded; no claim can be paid, even if the error is not found until a claim is made.

In Summary

There are more than 460 Coastal Barrier Resources System (CBRS) communities.

How can one access CBRS boundaries?

As of February 2019, CBRS boundaries are no longer depicted on static, legacy flood maps but are available through the National Flood Hazard Layer (NFHL) Viewer. FEMA and the USFWS work together to help stakeholders access the most up-to-date information on CBRS boundaries. It is important to use up-to-date information to determine whether a property is eligible for flood insurance under the NFIP.

The NFHL Viewer can be found at fema.gov/flood-maps/national-flood-hazard-layer.

Map Amendments and Revisions

What is a Physical Map Revision (PMR)?

A PMR is an official re-publication of a community's flood map to make changes to Base Flood Elevation (BFE), floodplain boundary delineations and regulatory floodways. These changes typically occur as a result of new development, drainage improvements and changing weather patterns.

A PMR can be initiated by FEMA to re-study an area that covers multiple map panels but typically does not include an entire community or county. A PMR can also be initiated when an application for a Letter of Map Revision (LOMR) from the community is received by FEMA, but the revised area covers multiple map panels. In that case, FEMA processes the map update as a PMR rather than a LOMR.

The community is given copies of the revised information and is afforded a review period. When new or modified flood hazard information (e.g., BFEs, SFHAs or floodway boundaries) is given, a 90-day appeal and comment period is provided. A six-month period for formal map adoption of the revised map(s) by the community is also offered.

What procedures are available for revising a flood map?

FEMA has established administrative procedures for updating effective flood maps and FIS reports based on new or revised scientific or technical data. Updates can also be made by a Letter of Map Change (LOMC). The three LOMC categories are Letter of Map Amendment (LOMA), Letter of Map Revision (LOMR) and Letter of Map Revision Based on Fill (LOMR-F).

What is a Letter of Map Amendment (LOMA)?

A LOMA is a letter that officially revises an effective flood map. A LOMA results from an administrative procedure involving the review of scientific or technical data sent by the owner or lessee of property who believes the property has inadvertently been included in a designated SFHA or has been included in the wrong flood zone.

Following the FEMA review of the application and supporting documents, a LOMA amends the current flood map and establishes that a specific property is not located in an SFHA or is located within the correct flood zone.

The LOMA application form can be downloaded from fema.gov/flood-maps/change-your-flood-zone/loma-lomr-f.

Did You Know?

A LOMA is sent by the owner or lessee of a property. **The requester is responsible for providing all the information needed for the review**, including (if necessary) elevation information certified by a licensed land surveyor or registered professional engineer.

What is a Letter of Map Revision (LOMR)?

A LOMR is a letter that officially revises the current flood map. It is used to change flood zones, floodplain and floodway delineations, flood elevations and planimetric features. Planimetric features are horizontal elements that do not have any natural elevation. All requests for LOMRs should be made to FEMA through the chief executive officer of the community since it is the community that must adopt any changes and revisions to the map. If the request for a LOMR is not sent through the chief executive officer of the community, evidence must be sent that the community has been notified of the request.

For information on sending in a LOMR, visit fema.gov/flood-maps/change-your-flood-zone/loma-lomr-f.

What is a Letter of Map Revision Based on Fill (LOMR-F)?

A LOMR-F is a letter that officially revises an effective flood map. Following the FEMA review of the application and supporting documents, a LOMR-F states FEMA's determination as to whether a structure or parcel has been elevated on fill above the BFE and is, therefore, excluded from SFHAs. While the risk may be reduced, it is not removed, and flood insurance is strongly encouraged.

Note: Changes made to the grade of the land after the first flood map identified the area as being in the SFHA must be properly permitted by the local government.

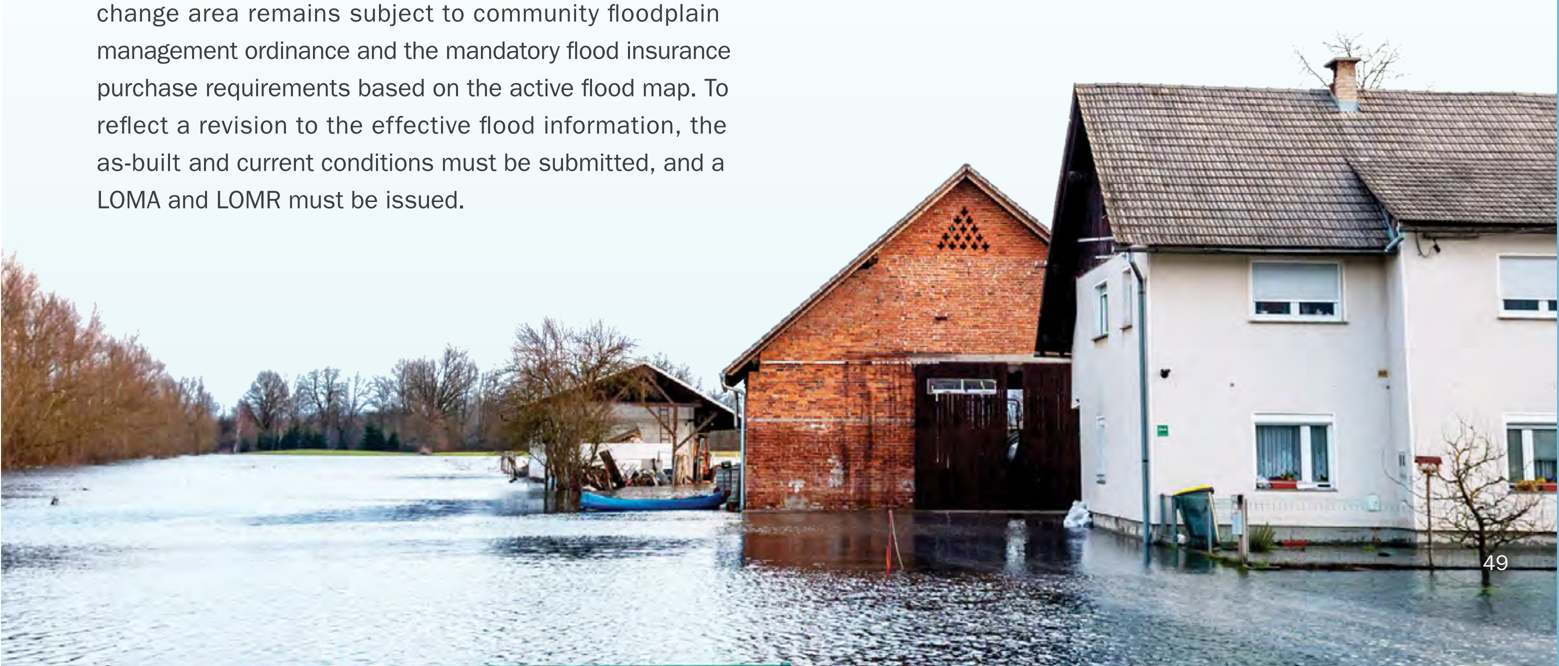
What is a Conditional Letter of Map Amendment (CLOMA) or Conditional Letter of Map Revision (CLOMR)?

CLOMAs, CLOMRs and CLOMRs based on fill (CLOMR-F) are comments from FEMA on proposed conditions and do not change the current flood hazard information. The proposed change area remains subject to community floodplain management ordinance and the mandatory flood insurance purchase requirements based on the active flood map. To reflect a revision to the effective flood information, the as-built and current conditions must be submitted, and a LOMA and LOMR must be issued.

A CLOMR is FEMA's formal review and comments on whether a proposed project complies with the NFIP's minimum floodplain management criteria. **Flood maps are based on existing, rather than proposed, conditions.** Communities, developers and property owners often undertake projects that may alter or mitigate flood hazards and would like FEMA's comment before construction. A CLOMR contains formal review and comment. If a proposed project complies with the NFIP's minimum floodplain management criteria, the CLOMR also describes any future revisions that will be made to the flood maps upon completion of the project.

While obtaining a CLOMR may be desired, obtaining conditional approval is not automatically required by NFIP regulations for all projects in the floodway or 1% annual chance floodplain. A CLOMR is needed only for those projects that will result in a 1% annual chance water surface elevation increase of greater than 1 foot for streams with BFEs specified, but no floodway designated, or any 1%-annual-chance water surface elevation increase for proposed construction within a regulatory floodway. The technical data needed to support a CLOMR request generally involves detailed hydrologic and hydraulic analyses and is very similar to the data required for a LOMR request.

In addition to the situations described above, property owners and developers who intend to place structures in the 1% annual chance floodplain may need to show that the proposed structures will be above the BFE to the lending institutions and local officials before construction. If the project involves only the elevation of structures on natural high ground, property owners and developers can request a CLOMA from FEMA. If the elevation of structures on earthen fill is the sole component of the project and there is no fill placed in the regulatory floodway, the property owner can request a CLOMR-F from FEMA.



Can a flood map be appealed?

When new preliminary flood maps are issued and updated flood hazard information is given, FEMA must offer a 90-day appeal and comment period. During this time, a community, builder, property owner or anyone else can send in an appeal to their floodplain manager or administrator.

An appeal is a formal written objection to the addition or modification of preliminary BFEs, SFHA boundaries, zone designations or regulatory floodway boundaries depicted on the preliminary flood maps the community received.

A comment is an objection to a base map feature modification or addition, an update to the FIS report materials or any other non-appealable change. Comments usually involve changes to items such as road locations and road names, corporate limits updates or other base map features.

Another option for a property owner is to send in a LOMA once the new flood map becomes effective.

How long does it take to obtain a LOMA, LOMR or PMR?

LOMAs and LOMR-Fs can generally be issued within 60 days of receiving a complete application with all required documentation. LOMR reviews take approximately 90 days for processing and are typically subject to a 90-day public appeal period before the changes go into effect.

What happens when a participating NFIP community chooses not to adopt the effective flood map and compliant floodplain management ordinance?

As part of a community's agreement to participate in the NFIP, they adopt and enforce these ordinances, including flood maps. If communities do not, FEMA will place them on probation or suspension from the program. This is done only after FEMA has provided assistance to the community to help it become compliant. If a community does not pass an ordinance that adopts updated flood maps before they become effective, they will be suspended, which means flood insurance policies cannot be written or renewed. Likewise, federal financial assistance cannot be provided for:

- Post-disaster repair or reconstruction of buildings in an SFHA; or
- Loans for new acquisition or construction in an SFHA.

For more on community participation regulations, **see page 56**.

Who in FEMA should be contacted to initiate an amendment or revision?

The easiest and fastest way to apply is online using the LOMC tool found at hazards.fema.gov/femaportal/onlinelomc/signin.

Requests for conditional and final map revisions can also be sent by mail to the FEMA LOMC Clearinghouse at:

LOMC Clearinghouse
3601 Eisenhower Ave., Ste. 500, Alexandria, VA 22304-6426.

The forms and instructions are located on the FEMA website at fema.gov/letter-map-changes.

Please note applications involving updates to the flood maps based on changing conditions and physical revisions to the floodplain are processed at a reduced fee if using the online tool.

If a LOMA, LOMR-F or LOMR is issued by FEMA, will a lending institution automatically waive the flood insurance requirement?

Although FEMA may issue a LOMA, it is the lending institution's prerogative to require flood insurance beyond the provisions of the Flood Disaster Protection Act of 1973 and the National Flood Insurance Reform Act of 1994 before granting a loan or mortgage. Those seeking a LOMA should first confer with the affected lending institution to determine whether the institution will waive the requirement for flood insurance if a LOMA is issued. If it will, the policyholder may cancel flood insurance coverage and obtain a premium refund. If not, amending the flood map to remove the structure from an SFHA will generally lower the flood insurance premium.

Even if the lender waives the requirement of flood insurance, property owners are recommended to keep coverage in force. On average, about 40% of NFIP flood insurance claims come from areas mapped outside SFHAs.

Why is the burden of proof on the person requesting a map update?

FEMA works with the local community and exercises great care to ensure that analytical methods employed in the FIS are scientifically and technically correct, engineering practices are followed to meet professional standards and the results of the FIS are accurate.

In making amendments and revisions to flood maps and reports, FEMA must adhere to the same engineering standards applied in preparing the effective maps and reports. Therefore, when requesting revisions to flood maps, community officials and property owners are required to send adequate supporting data.

If a LOMA, LOMR-F or LOMR is granted and the lender waives the requirement for flood insurance, how can a flood insurance policy be canceled?

To cancel a flood insurance policy, the policyholder must supply a copy of the LOMA, LOMR-F or LOMR and a waiver for the flood insurance purchase requirement from the lending institution to the insurance agent or broker who services the policy. A completed cancelation form with the LOMA, LOMR-F or LOMR and the waiver must be sent by the insurance agent to the NFIP or the appropriate company.

When a LOMA, LOMR-F or LOMR is issued and cancelation requested, the policyholder may be eligible for a refund of the premium paid for the current policy year only if no claim is pending and no claim has been paid during the current policy year.

Although a LOMA is issued and the lender has waived the requirement for flood insurance, it is wise to keep coverage in force.

Can the Office of the Flood Insurance Advocate (OFIA) assist policyholders in the LOMC process?

OFIA will encourage the policyholder to contact FEMA Mapping and Insurance Exchange by calling **877-336-2627** or visiting msc.fema.gov for information on LOMA and LOMR, how to view or read a flood map and understanding zone definitions.

Are there fees associated with flood map updates?

There are fees for some map update requests, but others are free. To minimize the financial burden on policyholders while keeping the NFIP sustainable, FEMA added fees for reviewing and processing requests for some types of conditional and final map amendments and map revisions. To get answers to specific fee-related questions, please call the NFIP at **877-336-2627** or **visit** fema.gov/flood-maps.

What is the purpose of the application certification forms that are required for map update requests?

FEMA uses forms for requesting revisions or amendments to flood maps to provide a consistent and comprehensive process for requesters to follow.

Experience has shown piecemeal submissions to be time consuming and expensive. The forms help FEMA complete its review in less time.

How can someone obtain copies of the technical data used in preparing the published flood maps?

Flood Risk Study Engineering Library (FRiSEL)

The FRiSEL stores and provides technical and administrative support data related to the following:

- FEMA-contracted studies and restudies, including studies and restudies performed by participants in the FEMA Cooperating Technical Partners (CTP) program
- CLOMAs
- CLOMRs
- CLOMR-Fs
- LOMAs
- LOMRs
- LOMR-Fs
- PMRs

To obtain technical and administrative data, a written request must be sent to the FRiSEL.

FEMA Engineering Library
3601 Eisenhower Ave., Suite 500, Alexandria, VA 22304-6426

Fax: 703-960-9125

FEMA Letter of Map Change (LOMC) Clearinghouse

FEMA provides flood map revisions and information about flood maps to interested parties. Requests for conditional and final flood map revisions should be sent to the FEMA LOMC Clearinghouse at the following address.

LOMC Clearinghouse, Attn.: LOMC Manager
3601 Eisenhower Ave., Suite 500, Alexandria, VA 22304-6426

Common Mapping Questions

Can an NFIP policy be rated based on the flood map that was in effect when the building was constructed, even if a flood map is revised?

Yes, but only if the policy is rated under the legacy rating methodology. To recognize policyholders who built in compliance with the flood map that was effective when the building was constructed, the NFIP previously had "grandfather rules" that allowed policies to be rated based on the flood map that was in effect when the structure was built.

However, under Risk Rating 2.0: Equity in Action, NFIP grandfathering options no longer apply. Policies formerly eligible for grandfathering will be transitioned to their new full-risk premium. Most increases for existing policies will be gradual and within the 18% annual cap imposed by Congress. Decreases apply upon the first renewal on or after Oct. 1, 2021. Unlike some other discounts, grandfathering is administrative and not statutory.

If a building is substantially improved or damaged, can the rating be grandfathered to a prior flood map that was in effect when the building was originally constructed?

No, if a building is substantially improved or damaged, the flood map in effect at the time of improvement or damage must be used for rating.

Deep Dive

Learning that a new flood map shows a policyholder's home or business at a higher risk of flooding can be stressful. Rating options to help ease the financial impact are available.

One option available through the NFIP is the Newly Mapped Procedure. In the first year after a map update, discounts will apply. Premiums will increase gradually thereafter and within the existing statutory limits set by Congress until reaching the full-risk premium.

When a property's flood zone changes from a Non-Special Flood Hazard Area (NSFHA) to an SFHA as a result of a flood map update, can the property continue to be rated using the NSFHA zone?

Flood zone revisions on updated flood maps can result in a financial challenge for many homeowners. If a property owner has a loan, most lenders will require the homeowner or businessowner to carry flood insurance. Under Risk Rating 2.0: Equity in Action, the policy would reflect the flood zone on the current map; however, the NFIP offers a Newly Mapped discount that allows policyholders to save money on flood insurance while protecting their investments. After the first year, premiums will increase gradually and within the existing statutory limits set by Congress until reaching the full-risk premium.

A property may be eligible for the Newly Mapped discount if it was once designated outside of an SFHA on an effective Flood Insurance Rate Map (FIRM) and, following a map revision, is designated within an SFHA. The Newly Mapped discount phases out annually until reaching the policy's full-risk premium.

If a property's flood zone changes from an SFHA to an NSFHA as a result of a flood map update, does one still need flood insurance?

While flood insurance is now optional, the NFIP highly recommends maintaining a policy for the property as risk is reduced, not removed. Risk Rating 2.0: Equity in Action considers multiple geographic and structural variables, not only the flood zone, in determining a property's unique flood risk.

Although FEMA designates certain areas at greater risk of flooding than others, about 40% of NFIP flood insurance claims come from outside SFHAs.

Online Resources

- To find a community's flood map, visit msc.fema.gov.
- For an overview of map changes, visit agents.floodsmart.gov/map-changes-brochure.

SECTION FIVE

The National Flood Insurance Program (NFIP) & the Community

From the Pacific Northwest rivers to the beaches of the Gulf Coast, the NFIP helps protect Americans against the financial hardships of flooding.

Today, the NFIP protects nearly five million policyholders across more than 22,500 communities from the financial losses flooding can bring.

Role of the Community in the NFIP

How does the NFIP benefit property owners, taxpayers and communities?

Through the NFIP, property owners in participating communities are able to insure against flood losses. By employing wise floodplain management, a participating community can reduce risk and protect its residents and the community against much of the devastating financial losses resulting from flood disasters. Careful management of development in the floodplains results in construction practices that can reduce flood losses and the high costs associated with flood disasters to all levels of government. Any structure in a participating community can have flood insurance, whether it is located in or out of the Special Flood Hazard Area (SFHA). Wise floodplain management includes focusing on mitigation grants to repetitive loss properties and those in SFHAs. Lowering the number of pre-flood Insurance Rate Map (pre-FIRM) structures in SFHAs helps protect taxpayers, homeowners and communities. For more on the role of communities in coverage requirements and flood insurance claims, **see page 59.**

How does the NFIP define a community?

A community, as defined for the NFIP's purposes, is:

- Any state, area or political subdivision;
- Any tribe, authorized tribal organization or Alaska native village; and
- Any native organization with authority to adopt and enforce floodplain management ordinances for the area under its jurisdiction.

In most cases, a community is an incorporated city, town, township, borough, village, unincorporated area, county or parish. However, some states have statutory authorities that vary from this description.

Is community participation mandatory?

Community participation in the NFIP is voluntary, although some states require NFIP participation as part of their floodplain management program. Each identified flood-prone community must assess its flood hazard and determine whether flood insurance and floodplain management would benefit the community's residents and economy. However, a community that chooses not to participate within one year after the flood hazard has been identified and a flood map has been given is subject to consequences including exclusion from federal grants, loans, disaster assistance and federal mortgage insurance.

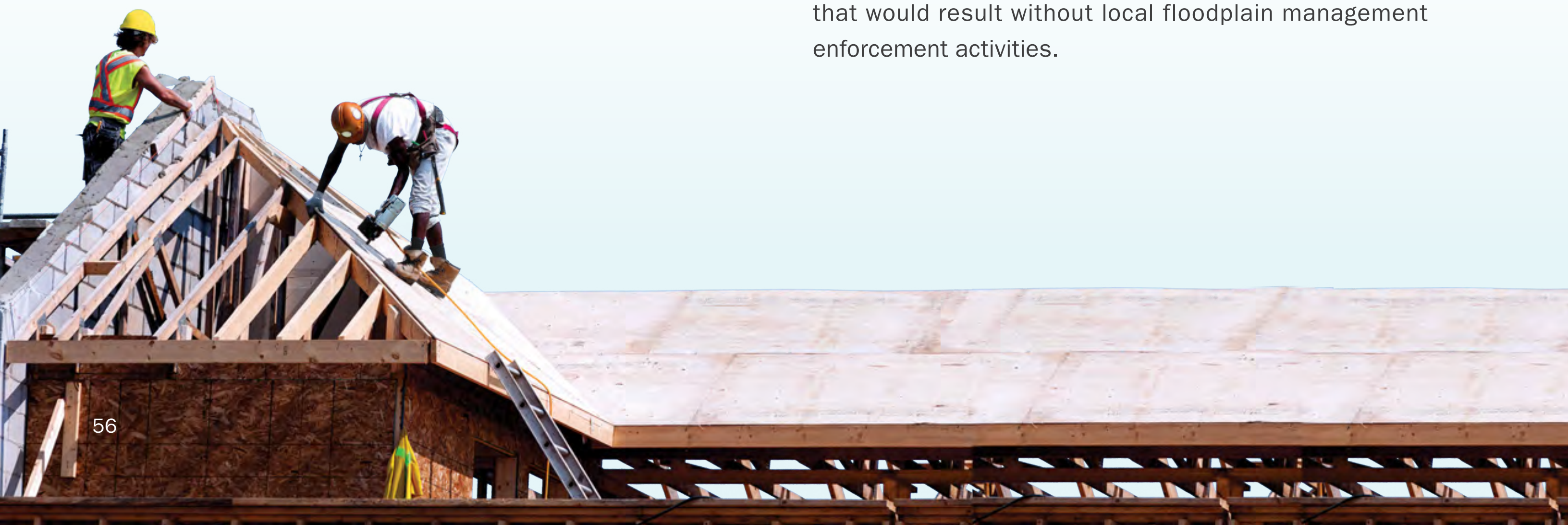
A community's participation status can significantly affect current and future owners of property located in SFHAs. The decision should be made with full awareness of the consequences of each action.

Why is participation in the NFIP on a community basis rather than on an individual basis?

The National Flood Insurance Act of 1968 allows the Federal Emergency Management Agency (FEMA) to make flood insurance available only in areas where the appropriate public body has adopted adequate floodplain management regulations for its flood-prone areas.

Individual residents cannot regulate or establish construction priorities for communities. Without community oversight of building activities in the floodplain, the best efforts of some to reduce future flood losses could be undermined or nullified by the actions of others.

Unless the community as a whole is practicing adequate flood hazard mitigation, the potential for loss will not be reduced sufficiently to affect disaster relief costs. Flood insurance rates also would reflect the probable higher losses that would result without local floodplain management enforcement activities.



How can property owners or renters find out if their community participates in the NFIP?

The NFIP provides a list of participating communities in the Community Status Book at Agents.FloodSmart.gov/community-status-book. You can also contact a community official or insurance agent to find out if your community participates in the NFIP.

What is the role of the local community in its flood hazard assessment?

Prior to flood hazard assessment, community officials, FEMA representatives and selected contractors meet to discuss the land areas to be studied and the level of study required.

FEMA works closely with community officials and the contractors before and during the study to obtain all relevant information and to obtain community input before the flood map, and collateral Flood Insurance Study (FIS) report, is published.

Additionally, these parties meet to discuss technical and administrative procedures and ensure accurate study results. Community officials also hold public meetings to explain the assessment process to the public.

Deep Dive

Find more information on the **Community Assistance Program – State Support Services Element** (CAP-SSSE) grant and State NFIP Coordinator activities at fema.gov/floodplain-management.

What is the NFIP Emergency Program?

The Emergency Program is the initial phase of a community's participation in the NFIP and was designed to offer a limited amount of flood insurance.

A community participating in the Emergency Program either does not have an identified and mapped flood hazard area or has not been provided with a Flood Hazard Boundary Map (FHBM). The community is required to adopt limited floodplain management standards to control the future use of its floodplains.

What is the NFIP's Regular Program?

A community participating in the Regular Program of the NFIP is usually given a flood map and a detailed engineering study, termed the FIS. Under the Regular Program, higher amounts of flood insurance coverage are offered than under the Emergency Program.

Do state governments assist the NFIP?

Each governor has designated an agency of state or territorial government to coordinate that state's or territory's NFIP activities and designates an NFIP State Coordinator. The governor determines what office they are located in, which is most often in natural resources or emergency management.

FEMA offers a cooperative agreement to the Community Assistance Program, State Support Services Element (CAP-SSSE). These offices give technical assistance and evaluate community performance in implementing NFIP floodplain management activities, including the key activity of monitoring floodplain management regulations and enforcement of those to reduce the flood risk.

Do federal floodplain management requirements take precedence over state requirements?

The regulatory requirements set forth by FEMA are the minimum measures acceptable for NFIP participation. More stringent requirements adopted by the community or state take precedence over the minimum regulatory requirements established for flood insurance availability.

For example, some states and communities require newly constructed buildings to be built higher than the Base Flood Elevation (BFE) to further reduce the risk of flooding (e.g., +2 feet). This is known as freeboard and can result in lower flood insurance premiums.

FEMA supports state-initiated enforcement actions of higher standards by providing technical assistance and initiating FEMA enforcement actions where appropriate.

If a state chooses not to enforce its own floodplain management requirement regulations, FEMA shall limit its enforcement actions to compliance with the NFIP's criteria. After all technical assistance has been exhausted, FEMA may strongly suggest that the floodplain management provision be omitted from state law until adequate progress can be shown that the provision is being fully enforced.

Community Probation and Suspension

What is community probation?

Probation is 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.

When can a community be placed on probation?

A community can be placed on probation 90 days after FEMA gives written notice to community officials of specific deficiencies. Probation is imposed only after FEMA has consulted or tried to consult with the community, and the community has not been able to resolve deficiencies and violations.

How long will probation last?

Probation lasts a minimum of one year, even if program deficiencies are corrected and violations are remediated to the maximum extent possible before the end of the one-year period.

If program deficiencies and violations have not been resolved to the maximum extent possible at the end of one year, or if program deficiencies were serious and violations were multiple and substantive and future compliance remains questionable, FEMA may extend the probationary period in one-year increments. Probation may be continued for up to one year after the community corrects all deficiencies and remedies all violations to the maximum extent possible.

What penalties are imposed when a community is placed on probation?

A surcharge is added to the premium for each NFIP flood insurance policy sold or renewed in the community. The surcharge is in effect for at least one year after the community's probation period begins. The surcharge is intended to highlight the community's noncompliance to policyholders. This is in an effort to avoid suspension of the community, which has serious adverse impacts on those policyholders. Probation does not affect the availability of flood insurance.

What is community suspension?

Suspension of a participating NFIP community occurs when the community fails to adopt adequate floodplain management regulations, including reference to the most current flood map. FEMA may also suspend a participating community when the community fails to enforce its floodplain management regulations, or if it repeals or amends previously compliant floodplain management measures.

FEMA will give written notice of the impending suspension and grant the participating community 30 days to show why it should not be suspended. If the community is suspended following a period of probation, the community is given written notice of the impending suspension and granted 30 days in which to show cause why it should not be suspended. If suspended, NFIP flood insurance policies cannot be written or renewed. Policies in force at the time of suspension, however, continue in force for the policy term.

Reducing Cost Through Best Practice: The Community Rating System (CRS)

What is the CRS?

As a part of the NFIP, the CRS is a voluntary incentive program that recognizes and encourages community floodplain management activities that exceed the minimum NFIP requirements.

As a result, flood insurance premium rates are discounted to reflect the reduced flood risk resulting from the community actions meeting the three goals of the CRS:

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

Why would a community want to join the CRS?

Many communities, especially those with severe flood hazards, high rates of growth or a history of repeated flooding, are aware of the wide range of actions they can take to reduce flood risk and participate in the NFIP.

These floodplain management actions keep residents safer, minimize property damage, build resiliency and foster a better quality of life within the community.

Joining the CRS enables communities to earn insurance premium reductions for residents for activities already being implemented by a community. Community participation in the CRS gives a national benchmark by which a community can measure its performance in floodplain management. It also offers recognition for a job well done and fosters a sense of community pride.

Is there any way to obtain a community-wide discount on the cost of flood insurance premiums?

All communities in the NFIP adopt and enforce minimum standards for managing construction and development in the SFHA. Some communities want to achieve a higher level of safety and protection for residents than what is achieved through the minimum standards. When these communities join the NFIP's CRS, policyholders may receive a discount on flood insurance premiums.

Communities that join the CRS receive a rating according to a point system devised to reflect the level of safety provided by the floodplain management activities they implement.

CRS communities are assigned a CRS Class, from Class 9 to Class 1, that establishes the level of premium discount policyholders receive. The discount on annual flood insurance premiums can range from 5% to as much as 45%, based on the community's CRS Class. Policyholders in a CRS Class 9 community receive the lowest discount of 5%. The highest discount of 45% is given to CRS Class 1 communities and requires the most points.

The same discount applies to all flood insurance policies for eligible properties located in a CRS community, regardless of flood zone.

Why don't all NFIP communities join the CRS?

Some communities believe that participating in the CRS will be time-consuming.

A CRS-participating community must designate a local official to act as the CRS coordinator and point of contact. This person will need to devote some time to become familiar with the CRS and complete an application.

After the first year, less time is required as the community standardizes its procedures. The time commitment for CRS Class 9 or Class 8 communities is much less than that for CRS Class 2 or 1 communities, but the premium discount is not as significant.

CRS communities report that the additional commitment is well worth the effort in reduced premiums, a safer community and increased recognition and awareness of flood risk.

How can community members find out if a community is in the CRS?

Community members can call the NFIP at **877-336-2627** or **visit the CRS website at** fema.gov/community-rating-system.

If a community is not participating in the CRS, what can a resident do to have their community join?

The decision to join the CRS is a voluntary action of a community's elected officials. As with many community actions, residents can contact local elected officials and encourage the community to consider learning more about joining the CRS.

Floodplain Management

What are floodplain management regulations?

Floodplain management regulations refer to an overall community program of corrective and preventive measures for reducing future flood damage. These regulations may be found in zoning codes, building codes or in stand-alone floodplain management regulations.

What is the role of the community in floodplain management?

When a community chooses to join the NFIP, it must adopt and enforce minimum floodplain management standards for participation. In return, the federal government makes flood insurance available for eligible buildings and contents within the community.

FEMA works closely with state and community officials to identify flood hazard areas and flood risks. The floodplain management requirements within SFHAs are designed to prevent new development, or substantially damaged or improved buildings, from increasing flood risk and to protect new and existing buildings from expected flood events.

When a community chooses to join the NFIP, it must require permits for all development in SFHAs and ensure that construction materials and methods used will minimize future flood damage. Permit files must contain documentation to substantiate how buildings were constructed. Communities must also ensure that their adopted floodplain management regulations and enforcement procedures meet program requirements.

Do the floodplain management regulations required by the NFIP affect existing buildings?

The minimum federal requirements affect an existing building only when it is substantially damaged or improved.

There may also be situations where a building has been constructed in accordance with a local floodplain management regulation, and the owner subsequently alters it in violation of the local building regulation without a permit. Such unapproved modifications to an existing building may not meet the minimum federal requirements.

A floodplain management regulation should define "existing construction" for the purposes of determining flood insurance rates as structures for which the "start of construction" began before the effective date of the flood map, or before January 1, 1975, for flood maps effective before that date.

Where can additional information on floodplain management requirements of the NFIP be found?

Interested parties can find additional information on **floodplain management requirements of the NFIP by visiting** fema.gov/floodplain-management.

What is a regulatory floodway, and who designates it?

A regulatory floodway, which is adopted into a community's floodplain management regulation, includes the stream channel plus a portion of the floodplain outside of the channel banks. That portion must be kept free from encroachment so that water flows may pass without increasing flood levels by more than 1 foot. Some states specify a smaller allowable increase.

The intention of the floodway designation is not to stop development. Instead, it is intended to assist communities in managing floodplain development and its impacts on other property owners. The community is responsible for prohibiting encroachments, including fill, new construction and substantial improvements within the floodway unless water flow analyses show it will not increase flood levels within the community.

In Summary

In the floodway, development must cause no more than a 1-foot increase in the 1% annual chance flood levels. Some communities may have even stricter requirements.

Do the floodplain management requirements apply to construction outside the SFHAs within a community?

The local floodplain management regulations required by the NFIP apply only in SFHAs. However, communities may regulate development in areas of moderate and low flood risk.

Can modifications be made to the basic floodplain management requirement?

Participating communities must meet at least the minimum regulatory standards issued by FEMA. FEMA reviews NFIP standards and policies periodically and revises them when appropriate. Communities are strongly encouraged to adopt standards that are more restrictive than the minimum NFIP standards and policies.

Recent studies show that structures built to the minimum NFIP requirements consistently and reliably incur less flood damage. According to the Insurance Information Institute, FEMA estimates that buildings constructed to NFIP standards suffer about 80% less damage annually that those not built in compliance.

If communities are having difficulty developing a regulation that is compliant with the NFIP's minimum standards, community officials should contact the NFIP State Coordinator and appropriate FEMA Regional Office. For a breakdown of the FEMA Regions, **see page 69.**

Online Resources

- For more information on community probation, visit fema.gov/glossary/probation. To learn more about FEMA enforcement of floodplain management, review 44 CFR §59.24 of the Code of Federal Regulations.
- Learn about joining the Community Rating System (CRS) and find an application at fema.gov/community-rating-system.

SECTION SIX

Mitigating Flood Risk for Prospective Buyers & Policyholders

More than anything, the National Flood Insurance Program (NFIP) wants property owners and renters to mitigate their risk of experiencing loss after a flood. Mitigation is the effort to reduce the loss of life and property by lessening the impact of disasters. Effective mitigation measures can break the cycle of disaster damage, reconstruction and repeated damage. The Federal Emergency Management Agency's (FEMA's) mitigation efforts provide value by:

- Creating safer communities by reducing the loss of life and property;
- Enabling individuals to recover more rapidly from floods and other disasters; and
- Lessening the financial impact on the federal treasury, states, tribes and communities.

Mitigation Efforts

Mitigation measures not only protect your property against flood damage but can also help lower insurance costs.

Learn more about mitigation below or visit floodsmart.gov/flood/mitigating-flood-damage.

How is flood risk mitigated?

Common efforts include elevating buildings above the base flood, floodproofing, demolishing buildings and relocating buildings from SFHAs. Sometimes, mitigation even takes the form of a local drainage improvement project that meets the NFIP's standards.

What other floodproofing efforts can property owners employ?

Elevating utilities by putting them in an attic, extra closet or on an elevated platform can reduce their risk of damage. Installing flood openings so floodwater has a place to go if it does enter the building is also recommended.

For more actions you can take, reference the Homeowner's Guide to Retrofitting at agents.floodsmart.gov/resources/homeowners-guide-retrofitting.

Does elevating a structure on posts or pilings remove a building from an SFHA?

Elevating a structure on posts or pilings does not remove a building from an SFHA. Flood insurance will still be required as a condition of a government-backed mortgage for the structure.

However, FEMA recommends this practice to reduce the risk to life and property. It offers flood insurance discounts that could result in significant savings in premium costs for those who elevate. It does not remove the SFHA designation because the ground around the supporting posts or pilings is still within the floodplain, so the building remains at high risk. During a flood event, ground saturation may lead to the decreased load-bearing capacity of the soil supporting the posts or pilings, which can cause a partial or full collapse of the structure.

Hazard Mitigation Grant Programs

FEMA offers several Hazard Mitigation Assistance (HMA) grant programs as a form of financial assistance.

Learn about some of the different types below or visit fema.gov/grants/mitigation.

Hazard Mitigation Grant Program (HMGP)

The HMGP is intended to help communities implement hazard mitigation measures following a presidential disaster declaration in the areas of the state, tribe or territory requested by the governor or tribal executive. The key purpose of this grant program is to enact mitigation measures during the reconstruction process that reduce the risk of loss of life and property from future disasters.

Flood Mitigation Assistance (FMA) Grant Program

The FMA Grant Program is authorized by Section 1366 of the National Flood Insurance Act of 1968, as amended, to reduce or eliminate the risk of repetitive flood damage to buildings insured by the NFIP. The program offers funding to states, territories, federally recognized tribes and local communities for projects and planning that reduces or eliminates the long-term risk of flood damage to structures insured under the NFIP. Funding is also available for management costs. The FMA grant program is only available to NFIP policyholders.

Building Resilient Infrastructure and Communities (BRIC) Program

The BRIC program supports states, local communities, tribes and territories as they undertake hazard mitigation projects reducing the risks they face from disasters and natural hazards. It is a new FEMA pre-disaster hazard mitigation program that replaces the existing Pre-Disaster Mitigation (PDM) program and is a result of amendments made to Section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) by Section 1234 of the Disaster Recovery Reform Act of 2018 (DRRA).

Survivor Story

Allison Marcillac and her family nearly lost their Santa Barbara home in the mudflows that devastated Southern California in January 2018. The mudflows occurred a month after the largest fire in state history at the time. With help from the NFIP, they are rebuilding and taking mitigation measures so they are better prepared for future flood events.

"You could see our bedrooms just being washed away. It was like Armageddon. Had we not gotten out of bed that night, things would be different. In rebuilding our home, we had to elevate it 4.5 feet and we put in flood vents and worked with flood control down at the county. I feel very safe there now. You could never predict this, I would have never in a million years. I will always have flood insurance."

Declared Disasters

What mitigation opportunities may become available after a presidential disaster declaration?

When major flooding disasters have affected a region, it is common for communities and individuals to consider relocation, acquisition or elevation of flood-damaged structures to avoid the recurrence of such an experience in the future. Policyholders should be aware of their options and contact local officials to learn more about possible Hazard Mitigation Assistance (HMA) funding, which is determined on a case-by-case basis.

Are there any specific programs associated with a presidential disaster declaration available to assist with mitigation?

Yes, the Hazard Mitigation Grant Program (HMGP) is FEMA's primary hazard mitigation program designed to assist states and communities in implementing long-term hazard mitigation measures following a major disaster declaration. States manage this program and may set state-specific project criteria.

The U.S. Department of Housing and Urban Development (HUD) also provides flexible grants to help cities, counties and states recover, especially in low-income areas. In response to presidentially declared disasters, Congress may appropriate additional funding for the Community Development Block Grant (CDBG) Program as Disaster Recovery grants to rebuild the affected areas and give crucial seed money to start the recovery process. Since CDBG Disaster Recovery (CDBG-DR) assistance may fund a broad range of activities, HUD can help communities and neighborhoods that otherwise might not recover due to limited resources.

Loans may also be available through the Small Business Administration to assist with the costs of mitigation.

Individuals should send questions and concerns about these post-disaster mitigation funding opportunities to their local community official.

Online Resources

- For more information on obtaining a Small Business Administration Disaster Loan, visit sba.gov/funding-programs/disaster-assistance.

SECTION SEVEN

Resources

This section is intended to help all audiences understand the various flood hazard areas, identify how states are organized into FEMA regions, follow the history of the NFIP and define commonly used terms.

Flood Hazard Areas

The definitions for the various flood hazard areas are below.

Zone V: primary frontal dunes and areas along coasts subject to inundation by the 1% annual chance flood event with additional hazards associated with storm-induced waves. Because detailed coastal analyses have not been performed, no Base Flood Elevation (BFEs) or flood depths are shown. Mandatory flood insurance purchase requirements apply.

Zones VE and V1-V30: primary frontal dunes and areas along coasts subject to inundation by the 1% annual chance flood event with additional hazards due to storm-induced velocity wave action. BFEs derived from detailed hydraulic coastal analyses are shown within these zones. Mandatory flood insurance purchase requirements apply. Zone VE is used on new and revised maps in place of Zones V1-V30.

Zone A: areas subject to inundation by the 1% annual chance flood event. Because detailed hydraulic analyses have not been performed, no BFEs or flood depths are shown.

Zones AE: areas subject to inundation by the 1% annual chance flood event determined by detailed methods. BFEs are shown within these zones. Mandatory flood insurance purchase requirements apply. Zone AE is used on new and revised digital maps. Older, printed maps may label these areas as Zones A1-A30.

Zone AH: areas subject to inundation by 1% annual chance shallow flooding (usually areas of ponding) where average depths are 1-3 feet. BFEs derived from detailed hydraulic analyses are shown in this zone. Mandatory flood insurance purchase requirements apply.

Zone AO: areas subject to inundation by 1% annual chance shallow flooding (usually sheet flow on sloping terrain) where average depths are 1-3 feet. Average flood depths derived from detailed hydraulic analyses are shown within this zone. Mandatory flood insurance purchase requirements apply.

Zone A99: areas subject to inundation by the 1% annual chance flood event but will ultimately be protected upon completion of an under-construction federal flood protection system. These are areas of special flood hazard where enough progress has been made on the construction of a protection system, such as dikes, dams and levees, to consider it complete for insurance rating purposes. Zone A99 may be used only when the flood protection system has reached specified statutory progress toward completion. No BFEs or flood depths are shown. Mandatory flood insurance purchase requirements apply.

Zone AR: areas that result from the decertification of a previously accredited flood protection system that is determined to be in the process of being restored to provide base flood protection. Mandatory flood insurance purchase requirements apply.

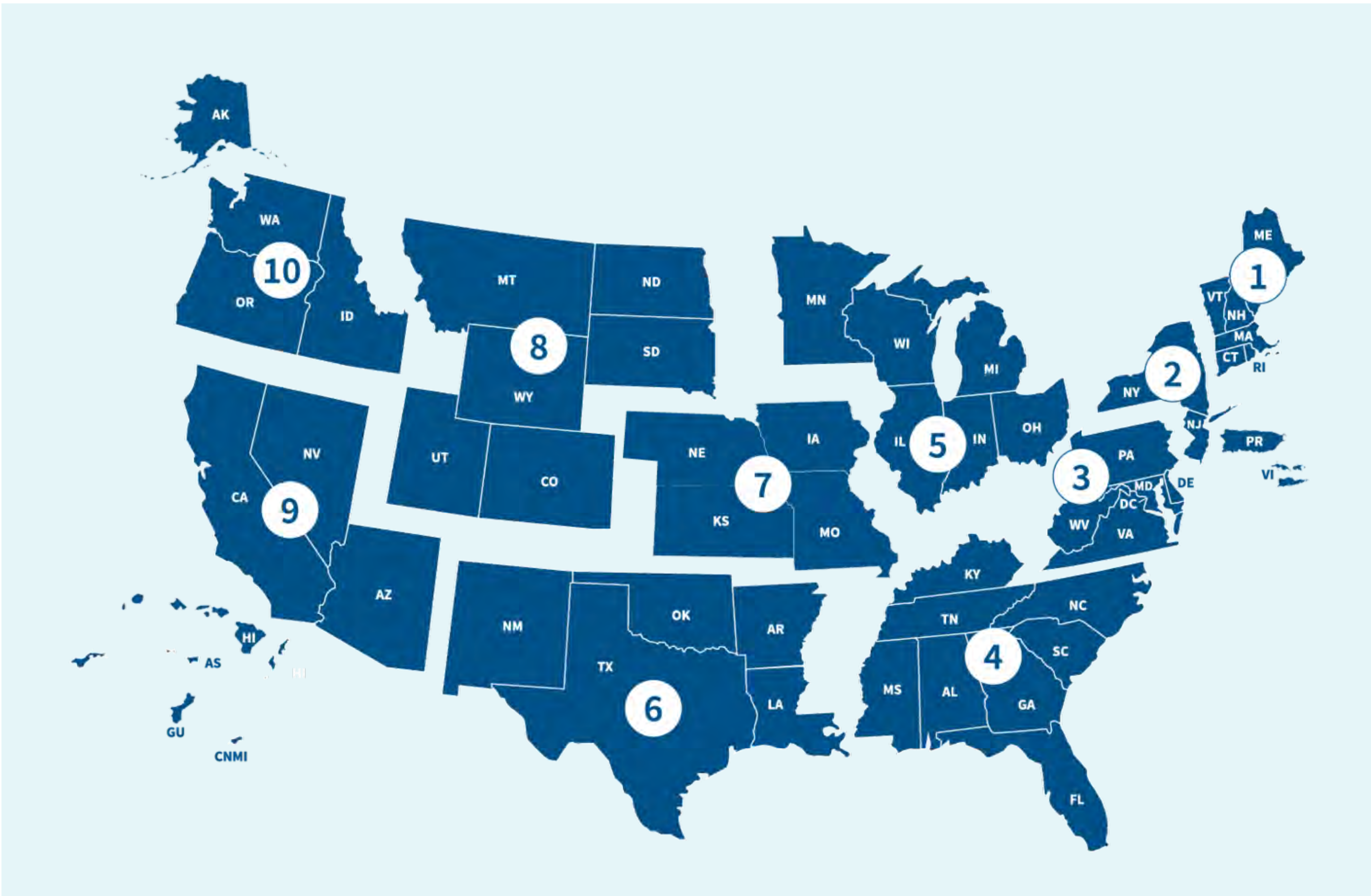
Zones AR/AE, AR/AH, AR/AO, AR/A1-A30 and AR/A: dual flood zones that, because of the risk of flooding from other water sources that the flood protection system does not contain, will continue to be subject to flooding after the flood protection system is adequately restored. Mandatory flood insurance purchase requirements apply.

Zones B, C and X: areas identified in a community's Flood Insurance Study (FIS) as areas of moderate or minimal hazard from the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local stormwater drainage systems are generally not considered in a community's FIS. The failure of a local drainage system creates areas of high flood risk within these rate zones. Flood insurance is available in participating communities but is not required by regulation in these zones. Zone X is used on new and revised maps in place of Zones B and C. No mandatory flood insurance purchase requirements apply.

Zone D: unstudied areas where flood hazards are undetermined, but flooding is possible. No mandatory flood insurance purchase requirements apply, but coverage is available in participating communities.

FEMA Regional Offices

For a list of regional contacts and disaster declarations by state and FEMA Region, visit fema.gov/about/organization/regions.



Region 1: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

Region 2: New Jersey, New York, Puerto Rico, Virgin Islands

Region 3: Delaware, Maryland, Pennsylvania, Virginia, District of Columbia, West Virginia

Region 4: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee

Region 5: Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin

Region 6: Arkansas, Louisiana, New Mexico, Oklahoma, Texas

Region 7: Iowa, Kansas, Missouri, Nebraska

Region 8: Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming

Region 9: Arizona, California, Hawaii, Nevada, Guam, American Samoa, Commonwealth of Northern Mariana Islands, Republic of Marshall Islands, Federated States of Micronesia

Region 10: Alaska, Idaho, Oregon, Washington

History of the NFIP

Since 1968, the National Flood Insurance Program (NFIP) has used flood insurance to empower Americans to protect the lives they've built.

1968

The National Flood Insurance Act of 1968 launches the NFIP with two primary goals: reducing future flood damage and protecting property owners.

1973

The Flood Disaster Protection Act of 1973 requires the purchase of flood insurance for some homeowners in Special Flood Hazard Areas (SFHAs).

1979

Executive Order 12127 officially makes the NFIP part of the Federal Emergency Management Agency (FEMA).

1989

After making landfall in South Carolina, Hurricane Hugo causes more than $375 million in NFIP claims damage.

1993

The Midwest Floods cause more than $270 million in NFIP claims damage.

1995

Spring flooding in Louisiana causes more than $585 million in NFIP claims damage.

2003

The NFIP digitizes its flood mapping process, modernizing how the program represents flood risk.

2004

The Flood Insurance Reform Act of 2004 eliminates incentives to rebuild on properties that repeatedly flood, increases transparency of the claims process and establishes a flood insurance training requirement for insurance professionals.

2005

Hurricane Katrina becomes the most expensive hurricane in American history. In just one year, NFIP claims damage exceeds $17 billion.

2012

The Biggert-Waters Flood Insurance Reform Act of 2012 authorizes the national mapping program and implements rate changes to increase the NFIP's fiscal soundness. Hurricane Sandy causes more than $8 billion in NFIP claims damage.

2014

The Homeowner Flood Insurance Affordability Act of 2014 restores grandfathering and places limits on flood insurance rate increases, ushering in a new customer-centric era at the NFIP.

2017

Hurricanes Harvey, Irma and Maria result in more than $9 billion in NFIP claims damage.

2018

FEMA announces a future-focused strategic plan to build a national culture of preparedness and close the insurance gap.

2021

FEMA announces its new rating methodology, Risk Rating 2.0: Equity in Action, which leverages industry best practices and cutting-edge technology to enable FEMA to deliver rates that are actuarially sound, equitable, easier to understand and better reflect a property's individual flood risk.

Glossary

Actual Cash Value (ACV): the cost to replace an insured item of property at the time of loss, less the value of physical depreciation. **(pages 18-19, 24)**

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 map for zones AE, AH, A1-A30, AR, AR/A, AR/AE, AR/A1-A30, AR/AH, AR/AO, V1-V30 and VE. **(pages 23, 46, 48, 50, 57, 68)**

Base Flood Depth (BFD): the depth on the flood map for Zone AO that indicates the depth of water above Highest Adjacent Grade (HAG) resulting from a flood that has a 1% chance of equaling or exceeding that level in any given year.

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. **(pages 16-18)**

Biggert-Waters Flood Insurance Reform Act of 2012 (BW12): legislation that authorized and funded the national mapping program and certain rate increases to ensure the fiscal soundness of the program by transitioning the program from subsidized rates, also known as artificially low rates, to offer full actuarial rates reflective of risk. **(pages 7, 70)**

Coastal Barrier: a naturally occurring island, sandbar or other strip of land (including coastal mainland) that protects the coast from severe wave wash. **(page 47)**

Coastal Barrier Resources Act (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 may be shown on appropriate flood insurance map panels and have certain coverage restrictions. **(page 47)**

Coastal Barrier Resources System (CBRS): communities, coastal barriers and Otherwise Protected Areas (OPAs) identified under CBRA. **(page 47)**

Community Rating System (CRS): a program developed by FEMA to give incentives for those communities in the Regular Program that have gone beyond the minimum floodplain management requirements to develop extra measures to provide protection from flooding. **(pages 59, 61)**

Conditional Letter of Map Amendment (CLOMA): a determination letter from FEMA stating a proposed structure that is not to be elevated by fill (natural grade) would not be inundated by the base flood if built as proposed. **(pages 49, 52)**

Conditional Letter of Map Revision (CLOMR): FEMA's comment on a proposed project that would, upon construction, affect the hydrologic or hydraulic characteristics of a flooding source and thus result in the modification of the existing regulatory floodway, the effective Base Flood Elevations (BFEs) or the Special Flood Hazard Area (SFHA). **(pages 49, 52)**

Conditional Letter of Map Revision based on fill (CLOMR-F): a determination letter issued by FEMA based on fill added to a property on the condition that submitted site plans are built according to the plan. **(pages 49, 52)**

Cooperating Technical Partners (CTP) program: developed for state, local, regional or tribal organizations and universities with the interest, capability and resources to be active partners in FEMA's flood hazard mapping program. **(page 52)**

Dwelling Form: the policy form used to insure a building designed for use as a residence for no more than four 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 five or more units can use this form to insure contents only in their own residential unit. **(pages 8, 17, 20, 29)**

Elevation Certificate (EC): helps inform mitigation actions that will lower flood risk. Used for floodplain management building requirements, which can affect eligibility for Community Rating System (CRS) discounts. No longer required to purchase coverage, however, a property owner may complete one and send it to their agent to determine if it will affect their premium. **(pages 22, 24)**

Emergency Program: the initial phase of a community's participation in the NFIP, as prescribed by Section 1306 of the Act. **(pages 20, 23, 46, 57)**

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. **(page 6)**

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 NFIP operations. **(page 16)**

Glossary (continued)

FEMA Mapping and Insurance eXchange (FMIX): specialists at the FMIX Customer Care Center can help policyholders with questions about flood mapping and insurance. FMIX provides the full range of information needed to make informed decisions about both insurance and risk. FMIX also connects customers with technical experts specializing in subjects like modeling, GIS mapping, insurance underwriting and claims and the Hazus loss-estimation software. **(page 51)**

Fill: earthy material sometimes placed in a Special Flood Hazard Area (SFHA) to reduce flood risk to structures built upon the filled area. **(pages 33, 48-49, 61)**

Flood Disaster Protection Act: a 1973 act that made the purchase of flood insurance mandatory for the protection of property located in Special Flood Hazard Areas (SFHAs). **(pages 7, 13, 51, 70)**

Flood Hazard Boundary Maps (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. **(pages 7, 26, 46, 57)**

Flood Insurance Rate Maps (FIRM): also called a flood map, an official map of a community on which FEMA has delineated the Special Flood Hazard Areas (SFHAs), the Base Flood Elevations (BFEs) and the flood zones applicable to the community. **(pages 7, 44-53)**

Flood Insurance Reform Act of 2004: the 2004 Act further strengthened the NFIP with a number of reforms that included: 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 added an education requirement for insurance professionals. **(pages 7, 70)**

Flood Insurance Study (FIS): a compilation and presentation of flood risk data for specific watercourses, lakes and coastal flood hazard areas within a community. **(pages 44-45)**

Flood Loss Avoidance: a protective action to minimize flood damage and losses to buildings and personal property before a flood occurs. **(page 33)**

Floodproofing Certificate: document of certification by a registered professional engineer or architect that the design and methods of construction of a non-residential building are in accordance with accepted practices for meeting the floodproofing requirements in the community's floodplain management ordinance.

Freeboard: an additional amount of height above the Base Flood Elevation (BFE) 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 floodproofed to be in accordance with state or community floodplain management regulations. **(pages 23, 57)**

Full-Risk Rate/Premium: the chargeable premium for a property based on its determined flood risk under Risk Rating 2.0: Equity in Action and the full cost to pay expected losses and expenses for that property. In the past, some policies received subsidized premiums, and those premiums are slowing rising to full-risk premiums as required by federal law. **(pages 8, 23, 53)**

General Property (GP) Form: the policy form used to insure a non-residential building or a five-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 five or more units. **(pages 8, 17, 20, 29)**

Grandfathering: a former NFIP administrative discount that is no longer offered. **(pages 53, 70)**

Group Flood Insurance Policy (GFIP): issued by NFIP Direct 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 three-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. **(pages 8-9)**

HFIAA Surcharge: the statutory annual surcharge imposed on each policy by Congress in the Homeowner Flood Insurance Affordability Act of 2014, ranging from $25 for single-family primary residences to $250 for all other properties. **(page 16)**

Glossary (continued)

Highest Adjacent Grade (HAG): the highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure. **(page 71)**

Homeowner Flood Insurance Affordability Act of 2014 (HFIAA): act repealing and modifying certain provisions of the Biggert-Waters Flood Insurance Reform Act and making additional program changes to other aspects of the NFIP. **(pages 7, 16, 70)**

Housing Assistance: Assistance under FEMA's Individuals and Households Program (IHP) that may include rental assistance, lodging expense reimbursement, home repair assistance and/or home replacement assistance. **(page 8)**

Increased Cost of Compliance (ICC) Coverage: coverage for expenses that 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, floodproofing, relocation, demolition or any combination thereof. **(pages 21-22, 28-29)**

Individuals and Households Program (IHP): gives financial and/or direct assistance to eligible applicants who, as a result of a major disaster declaration, have necessary expenses and serious needs that are unmet through insurance or other means. **(pages 8-9, 35)**

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 an SFHA. A LODR deals only with the location of a building relative to the SFHA boundary shown on the flood map. **(page 14)**

Letter of Map Amendment (LOMA): an amendment to the currently effective FEMA map which establishes that a property is not located in an SFHA. A LOMA is issued only by FEMA. **(pages 14, 48, 50-52)**

Letter of Map Change (LOMC): a general term used to refer to the several types of revisions and amendments to FEMA maps that can be accomplished by letter. They include LOMA, LOMR and LOMR-F. **(pages 22, 48-50, 52)**

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. **(pages 48-52)**

Letter of Map Revision Based on Fill (LOMR-F): FEMA's modification of the SFHA shown on the flood map based on the placement of fill outside the existing regulatory floodway. **(pages 48-52)**

Limit of Moderate Wave Action (LiMWA): the inland limit of the area expected to receive 1.5-foot or greater breaking waves during the 1% annual chance flood event. The area between Zone VE and the LiMWA on the flood map is called the Coastal A Zone. While the insurance rates are not different than Zone A outside this area, property owners are encouraged to build safer and higher to minimize risk to life and property. **(page 46)**

Lowest Adjacent Grade (LAG): the lowest point of the ground level immediately next to a building.

Mitigation: the effort to reduce the loss of life and property by lessening the impact of disasters. **(pages 41, 63-65)**

Mortgage Portfolio Protection Program (MPPP): a retired program initially designed to help lending institutions maintain compliance with the Flood Disaster Protection Act of 1973.

National Flood Insurance Program (NFIP): a federal program established by Congress in 1968 designed to provide an insurance alternative to disaster assistance to meet the escalating costs of repairing damage to buildings and their contents caused by floods. **(pages 5-9)**

National Flood Insurance Reform Act (NFIRA): a 1994 act which strengthened the NFIP with a number of reforms that included increasing the focus on lender compliance and creating a mitigation assistance program to further reduce the costly and devastating impacts of flood. **(pages 7, 29, 51)**

NFIP Direct: FEMA's wholly owned insurance company that assists in issuing NFIP flood insurance policies. **(pages 9, 37, 39)**

Glossary (continued)

NFIP Direct Servicing Agent: a corporation, partnership, association or any other organized entity that contracts with FEMA to service insurance policies as direct business.

Non-Special Flood Hazard Area (NSFHA): an area that is in a moderate- to low-risk flood zone (Zones B, C, X, Shaded X). **(page 46)**

Non-Primary Residence: a single-family building, two-to-four family building or unit that the insured or the insured's spouse lives in 50% or less of the 365 calendar days following the current policy effective date. **(pages 24-25)**

Office of the Flood Insurance Advocate (OFIA): advocates for the fair treatment of policyholders and property owners by providing education and guidance on all aspects of the NFIP. **(pages 26-29, 39, 41, 51)**

Other Needs Assistance (ONA): FEMA program which gives money to qualifying property owners for necessary expenses and serious needs caused by a disaster. **(pages 8-9)**

Otherwise Protected Area (OPA): an area established under federal, state or local law, or held by a qualified organization, primarily for wildlife refuge, sanctuary, recreational or natural resource conservation purposes. **(page 47)**

Out-As-Shown Determination: an alternative outcome of the FEMA LOMA review process stating that a specific property is located outside the SFHA as indicated on the FHBM or flood map. **(page 14)**

Physical Map Revision (PMR): used to change flood risk zones, a PMR is an action whereby one or more map panels are physically changed. **(pages 48, 50, 52)**

Post-Flood Insurance Rate Map (FIRM): buildings of new construction and those built after the effective date of the first flood map for a community. Insurance rates for Post FIRM buildings are dependent on the elevation of the lowest floor in relation to the Base Flood Elevation (BFE). **(page 16)**

Preferred Risk Policy (PRP): a lower-cost SFIP written under the General Property (GP) Form or Dwelling Form that offered fixed combinations of building/contents coverage limits or contents-only coverage. The PRP insurance product is no longer offered, though policyholders with lower risk will continue to pay lower premiums. **(page 8)**

Pre-FIRM: a building for which construction or substantial improvement occurred on or before December 31, 1974, or before the effective date of an initial flood map. **(page 16)**

Primary Residence: a single-family building, condominium unit, apartment unit or unit within a cooperative building that will be lived in by the policyholder or the policyholder's spouse for more than 50% of the 365 calendar days following the current policy effective date; or 50% or less of the 365 calendar days following the current policy effective date if the policyholder has only one residence and does not lease that residence to another party or use it as rental or income property at any time during the policy term. **(pages 24-25, 28)**

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. **(pages 24-25, 36)**

Private Flood Insurance/Insurers: an alternative option to purchase flood insurance from a private company that may have no affiliation with the federal government and has no affiliation with the NFIP. In other words, not sold or backed by the federal government. **(pages 8, 15)**

Regular Program: the final phase of a community's participation in the NFIP. In this phase, a flood map is in effect and full limits of coverage are available under this phase. **(pages 20, 57)**

Repetitive Loss Property/Structure: an NFIP-insured structure that has had at least two paid flood losses of more than $1,000 each in any 10-year period since 1978. **(page 21)**

Replacement Cost Value (RCV): the cost to replace property with the same kind of material and construction without deduction for depreciation. A building's Replacement Cost Value is the cost to replace the building or unit, including, for a building, the cost of the foundation. **(pages 18-19, 36)**

Reserve Fund Assessment: an amount dedicated to the NFIP Reserve Fund as authorized by the Biggert-Waters Flood Insurance Reform Act of 2012 (BW12). Its purpose is to set aside a fund to pay future claims. **(page 16)**

Glossary (continued)

Residential Condominium Building Association Policy (RCBAP): the policy form used to insure a building, owned and administered as a condominium, containing one or more units and in which at least 75% of the building's floor area is residential. The building must be located in a Regular Program community. **(pages 8, 19-20, 29)**

Section 1316: Section 1316 of the National Flood Insurance Act of 1968, as amended, 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. **(pages 12, 29)**

Severe Repetitive Loss (SRL): FEMA designates as SRL any NFIP-insured single family or multi-family residential building:

1. That has incurred flood-related damage for which four or more separate claims payments have been made, with the amount of each claim (including building and contents payments) exceeding $5,000, and with the cumulative amount of such claims payments exceeding $20,000; or
2. For which at least two separate claims payments (building payments only) have been made under such coverage, with the cumulative amount of such claims exceeding the market value of the building.

In both instances, at least two of the claims must be within 10 years of each other, and claims made within 10 days of each other will be counted as one claim. In determining SRL status, FEMA considers the loss history since 1978, or from the building's construction if it was built after 1978, regardless of any changes in the ownership of the building. The term "SRL property" refers to either an SRL building or the contents within an SRL building, or both. **(pages 40-41)**

Special Flood Hazard Area (SFHA): an area having flood, mudflow or flood-related erosion hazards and shown on a FHBM or a 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. The SFHA is the area where the National Flood Insurance Program's floodplain management regulations must be enforced and the area where the mandatory purchase of flood insurance applies. **(pages 7, 23, 46)**

Standard Flood Hazard Determination Form (SFHDF): required for all government-backed loans and is used by lenders to determine the flood risk for their building loans. **(pages 13, 29)**

Standard Flood Insurance Policy (SFIP): the insurance policy provided by the NFIP, paying for direct physical damage to a policyholder's insured property by flood up to the policy limit. The replacement cost may be more than the policy limit. **(page 8)**

Substantial Damage: applies to a structure in an SFHA for which the total cost of repairs is 50% or more of the structure's market value before the loss occurred, regardless of the cause of damage. **(pages 20-21, 35, 53, 60)**

Substantial Improvement: a building that has undergone reconstruction, rehabilitation, addition or other improvement, the cost of which equals or exceeds 50% of the market value of the building before the "start of construction" of the improvement. **(pages 35, 53, 60)**

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. **(pages 12, 50, 58)**

Waiting Period: the time between the date of application and the policy effective date, which is typically 30 days. If flood insurance is lender-required at closing of a loan, there is no waiting period. If a property is newly mapped into an SFHA and there is no loan, there is a one-day waiting period. **(pages 26-27, 29, 35)**

Write Your Own (WYO) Program: The program under which FEMA enters into a standard arrangement with private sector property insurers, also known as WYO companies, to sell and service NFIP flood insurance policies under their own names and adjust and pay claims arising under the SFIP (authorized by 42 U.S.C. 4081(a)). **(page 9)**

FEMA

NATIONAL FLOOD INSURANCE PROGRAM®

Congress created the National Flood Insurance Program (NFIP) in 1968 to reduce future flood damage through floodplain management, and to provide people with flood insurance through individual agents and insurance companies. The Federal Emergency Management Agency (FEMA) manages the NFIP. For more information about NFIP flood insurance, contact your insurer or agent or call **800-621-3362**.

If you use a relay service, such as video relay service (VRS), captioned telephone service or others, give FEMA the number for that service.

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