

**NATIONAL FLOOD INSURANCE PROGRAM**

# Answers to Questions About the NFIP



**FEMA**





# 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 15, 20)

**Base Flood Elevation (BFE):** the elevation of surface water resulting from a flood that has a one-percent chance of equaling or exceeding that level in any given year. The BFE is shown on the Flood Insurance Rate Map (FIRM) for zones AE, AH, A1-A30, AR, AR/A, AR/AE, AR/A1-A30, AR/AH, AR/AO, V1-V30 and VE. (pages B, C, 19, 20, 26, 38, 40, 41, 42, 43, 52, 60)

**Base Flood Depth (BFD):** the depth on the Flood Insurance Rate Map (FIRM) for Zone AO that indicates the depth of water above highest adjacent grade resulting from a flood that has a one-percent 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 12, 13, 26, 28)

**Coastal barrier:** a naturally occurring island, sandbar, or other strip of land, including coastal mainland, that protects the coast from severe wave wash. (page 44)

**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 are shown on appropriate flood insurance map panels and have certain coverage restrictions. (page 44)

**Coastal Barrier Resources System (CBRS):** communities, coastal barriers, and Otherwise Protected Areas (OPAs) identified under CBRA. (pages 44, 45)

**CLOMR 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 43, 48)

**Community Rating System (CRS):** a program developed by FEMA to provide 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 53, 54, 55)

**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 43, 48)

**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 43, 48)

**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 48)

**Dwelling Policy 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 his or her own residential unit. (pages C, 4, 13, 16, 17, 20)

**Elevation Certificate (EC):** a community's permit file must have an official record that shows new buildings and substantial improvements in all identified Special Flood Hazard Areas (SFHAs) are properly elevated. This elevation information is needed to show compliance with the floodplain management ordinance. FEMA encourages communities to use the Elevation Certificate developed by FEMA to fulfill this requirement since it also can be used by the property owner to obtain flood insurance. (pages 18, 20)

**Emergency Program:** the initial phase of a community's participation in the NFIP, as prescribed by Section 1306 of the Act. (pages 16, 39, 40, 52)

**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. (pages A, B, C, D, E, 2, 3, 4, 5, 7, 8, 10, 12, 13, 16, 17, 18, 19, 20, 21, 22, 24, 25, 31, 32, 33, 34, 36, 37, 38, 39, 41, 42, 43, 45, 46, 47, 48, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 61)

**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 12)

**FEMA Mapping and Insurance eXchange (FMIX):** specialists at the FMIX Customer Care Center can help policyholders with questions about flood mapping and insurance. The FMIX provides the full range of information needed to make informed decisions about both insurance and risk. The FMIX also connects customers with technical experts specializing in subjects like modeling, GIS mapping, insurance underwriting and claims, and the Hazus loss-estimation software. (pages 19, 20, 47, 54)

**Fill:** earthy material sometimes placed in a Special Flood Hazard Area (SFHA) to reduce flood risk to structures built upon the filled area. (pages 28, 41, 42, 43, 56)

**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. (pages 2, 9, 16, 46)

**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 C, D, 3, 10, 21, 39, 52)

**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 risk premium zones applicable to the community. (pages A, D, 3, 5, 12, 18, 30, 39, 50)

**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 and establishing a minimum flood insurance training and education requirement for insurance professionals. (pages E, 2, 36)

**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 39, 40, 41, 42, 45, 47, 51, 52, 61)

**Floodproofing Certificate:** document of certification by a registered professional engineer or architect that the design and methods of construction of a nonresidential building are in accordance with accepted practices for meeting the floodproofing requirements in the community's floodplain management ordinance. (pages 17, 36)

**Freeboard:** an additional amount of height above the Base Flood Elevation used as a factor of safety (e.g., two 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 19, 52)

**Full-Risk Rate:** a rate charged to a group of policies that results in aggregate premiums sufficient to pay anticipated losses and expenses for that group. (pages 19, 40, 41)

**General Property 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 C, 4, 13, 15, 16, 17, 18, 28)

**Grandfathering:** an exemption based on circumstances previously existing. (pages E, 23, 24, 40)

**Group Flood Insurance Policy (GFIP):** issued by the NFIP Direct Program in response to a Presidential Disaster Declaration. Disaster assistance applicants, in exchange for a modest premium, receive a minimum amount of building and/or contents coverage for a 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 4, 11)

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

**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 E, 2, 12, 21)

**HFIAA Surcharge:** the statutory annual surcharge imposed on each policy by Congress in HFIAA, ranging from \$25 for single-family primary residences to \$250 for all other properties. (pages 12, 21)

**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 15, 17, 18, 22, 24, 35)

**Individuals and Households Program (IHP):** provides 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 4, 31)

**Letter of Determination Review (LODR):** FEMA's ruling on the determination made by a lender or third party that a borrower's building is in a SFHA. A LODR deals only with the location of a building relative to the SFHA boundary shown on the flood map. (page 10)

**Letter of Map Amendment (LOMA):** an amendment to the currently effective FEMA map which establishes that a property is not located in a SFHA. A LOMA is issued only by FEMA. (pages C, 10, 18, 40, 41, 42, 43, 46, 47, 48)

**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 41, 46, 47, 48)

**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 41, 42, 43, 46, 47, 48)

**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 41, 42, 46, 47, 48)

**Limit of Moderate Wave Action (LiMWA):** the inland limit of the area expected to receive 1.5-foot or greater breaking waves during the one-percent-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 44)

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

**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 i, A-5, 7-9, 11-20, 22, 24, 25, 28-32, 34-37, 39-41, 43-59)

**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 2, 25, 46)

**NFIP Direct Servicing Agent:** a corporation, partnership, association, or any other organized entity that contracts with FEMA to service insurance policies as direct business. (pages 5, 30, 32, 34, 35, 36)

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

**Non-Primary Residence:** a single-family building, 2-4 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.

**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 22, 34, 47)

**Other Needs Assistance (ONA):** program which provides money to qualifying property owners for necessary expenses and serious needs caused by a disaster. (page 4)

**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. (pages A, 44)

**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 10)

**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 41, 46, 48)

**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 12)

**Preferred Risk Policy (PRP):** a lower-cost SFIP written under the Dwelling Form or General Property Form. It offers fixed combinations of building/contents coverage limits or contents-only coverage. (pages 4, 40, 41, 42)

**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. (pages 5, 12, 18, 19, 50)

**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 B, 20, 21, 22, 23)

**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 15, 20, 21, 31)

**Private Flood Insurance:** 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. (page 12)



**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 D, 16, 38, 40, 52)

**Repetitive Loss (RL):** 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. (pages 5, 18, 35, 50, 58)

**Replacement Cost Value (RCV):** the cost to replace property with the same kind of material and construction without deduction for depreciation. (pages 11, 15, 20, 31)

**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 12)

**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 B, 4, 15, 16)

**Section 1316:** Section 1316 of the National Flood Insurance Act of 1968, as amended, which states that no new flood insurance coverage shall be provided for any property that FEMA finds has been declared by a duly constituted state or local zoning authority or other authorized public body to be in violation of state or local laws, regulations, or ordinances that are intended to discourage or otherwise restrict land development or occupancy in floodprone areas. (pages 8, 25)

**Severe Repetitive Loss (SRL):** a SRL building is any building that: is covered under a SFIP made available under this title; has incurred flood damage for which: four or more separate claim payments have been made under a SFIP issued pursuant to this title, with the amount of each such claim exceeding \$5,000, and with the cumulative amount of such claims payments exceeding \$20,000; or at least two separate claims payments have been made under a SFIP with the cumulative amount of such claim payments exceeding the fair market value of the insured building on the day before each loss. (pages 35, 36)

**Special Flood Hazard Area (SFHA):** an area having special 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 A, B, C, 2, 3, 5, 9, 10, 17, 18, 19, 21,

25, 39, 40, 42, 43, 50, 54, 55, 56, 60)

**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. (page 9)

**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. (pages B, C, 4, 11, 13, 14, 16, 18, 20, 22, 28, 30)

**Substantial Damage:** applies to a structure in a 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 17, 18, 25, 30, 31, 40, 44, 55)

**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 A, C, 30, 31, 38, 40, 44, 55, 56)

**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 8, 43, 52, 53)

**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 21, 23, 24)

**Write Your Own (WYO) Program:** the WYO Program operates within the context of the NFIP and involves private insurance carriers who issue and service NFIP policies. (pages 5, 16, 29, 30, 35, 36)

## 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.

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**1973** The Flood Insurance Protection Act of 1973 requires the purchase of flood insurance for some homeowners in high-risk flood zones.

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**1979** Executive Order 12127 officially makes the NFIP part of the Federal Emergency Management Agency (FEMA).

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**1989** After making landfall in South Carolina, Hurricane Hugo causes more than \$375 million in NFIP claims damage.

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**1993** The Midwest Floods cause more than \$270 million in NFIP claims damage.

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**1995** Spring flooding in Louisiana causes more than \$585 million in NFIP claims damage.

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**2003** The NFIP digitizes its flood mapping process, modernizing how the program represents flood risk.

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**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.

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**2005** Hurricane Katrina becomes the most expensive hurricane in American history. In just one year, NFIP claims damage exceeds \$17 billion.

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**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.

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**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.

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**2017** Hurricanes Harvey, Irma, and Maria result in more than \$9 billion in NFIP claims damage.

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**2018 & Beyond** FEMA announces a future-focused strategic plan to build a national culture of preparedness and close the insurance gap.

# Introduction to the National Flood Insurance Program (NFIP)

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Founded in 1968, the NFIP protects Americans 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. And above all, the program will continue to ensure that our policyholders and our customers are foremost on our minds.





## Examples of Flooding



### Did You Know?

**More than 24,000 communities currently participate in the NFIP.**



### Deep Dive

**If a community wants to work with the NFIP, see page 49.**

## 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
- Erosion that suddenly occurs from an overflow of the body of water along lakes or oceans.

## What is the National Flood Insurance Program?

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

The NFIP provides a flood 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, the National Flood Insurance Reform Act of 1994, the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004, Biggert-Waters Flood Insurance Reform Act of 2012, and the Homeowner Flood Insurance Affordability Act of 2014. **For more on the evolution of the NFIP, see the timeline on the previous page (pg. E).**

## 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 high-risk flood areas (otherwise known as Special Flood Hazard Areas, or SFHAs). The intent is to reduce future flood risks, with the federal government making flood insurance available to property owners in that community in return.

**For more on community participation with the NFIP, see page 49.**



## Why do communities participate in the NFIP?

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

- 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 its citizens to purchase flood insurance, thereby transferring the financial risk of flooding in exchange for an annual premium, and/or
- Federal agencies may not provide flood disaster assistance in a community with SFHAs unless the community participates in the program.

## What is the Special Flood Hazard Area (SFHA)?

The SFHA is a high flood risk area defined as any land with at least a one-percent chance of flooding within a given year (also referred to as the base flood). On flood maps, SFHAs are labeled as zones starting with A or V.

The high-risk-area standard constitutes a reasonable compromise between the need for developing measures to minimize the potential loss of life and property and the economic benefits from floodplain development. Development may occur within an SFHA, provided development 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 high-risk areas to protect federal financial investments.

In support of the NFIP, FEMA identifies high-risk flood hazard areas throughout the United States and its territories. Most flood hazard areas are commonly identified on Flood Insurance Rate Maps (FIRM), or flood map. Areas not yet identified by a flood map may be mapped on Flood Hazard Boundary Maps (FHBM) prior to a flood map being produced. The flood map is a guide to indicate flood risk. Whatever the risk, FEMA encourages flood insurance to protect personal belongings and structures. Several levels of flood hazards are identified on these maps, including the SFHA.

## What is a Flood Insurance Rate Map (FIRM)?

A FIRM or a flood map, is an official map of a community which delineates both the SFHA and the risk premium zones applicable to the community (see flood map example below). Flood maps help us to understand risks but are only part of the story. Homeowners and business owners inside high-risk areas are required to purchase flood insurance if they have a government-backed loan on the structure, but those outside this area are encouraged to buy flood insurance. From 2015 to 2019, more than 40% of all NFIP paid flood losses occur in areas outside of mapped high-risk areas.



## Did You Know?

The NFIP was  
established in 1968.



## Deep Dive

**Other Needs Assistance (ONA) is a program which provides money to qualifying property owners for necessary expenses and serious needs caused by a disaster.**

## What is the Standard Flood Insurance Policy (SFIP)?

The SFIP is the contract between the policyholder and FEMA that provides the conditions, coverages, exclusions, and the rights of the carrier and the insured. The SFIP comes in three forms, the Dwelling Form, General Property Form, and the Residential Condominium Building Association Policy (RCBAP) Form.

## What is a Preferred Risk Policy (PRP)?

A PRP is a rating option that offers low-cost coverage to owners and tenants of eligible buildings located in the low- to moderate-risk B, C, and X Zones in NFIP-participating communities.

## How much coverage can be purchased under the SFIP?

The chart below details the maximums for both residential and non-residential coverage available through the NFIP.

Coverage type	Residential	Non-residential/business
Structure	\$250,000	\$500,000
Contents	\$100,000	\$500,000

Note: coverage for co-op buildings and buildings with five or more residential dwellings differ from the above, please refer to page 16 for more information.

## 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 a high-risk area;
- 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
- 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 is for this defined coverage amount and is 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. The WYO Program 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 provide identical coverage and rates.

## What is the NFIP Direct?

An alternative to the WYO Program, the 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 the NFIP Direct or a WYO company. The NFIP Direct also functions as the default carrier should a WYO choose to leave the program.

## 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 through the NFIP Direct. After signing up to sell flood insurance through the NFIP Direct, agents can acquire detailed information about the prospective policyholder and the property such as name, address, and supporting documents, completing the NFIP flood insurance application form, and submitting to the NFIP Direct for processing and issuance.

## 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 citizens 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 high-risk zones. Lowering the number of pre-FIRM structures in high-risk zones saves taxpayers, homeowners, and communities.



### Deep Dive

**Curious if a homeowners, renters, or auto insurance provider is a participating Write Your Own? [FloodSmart.gov/find](https://floodsmart.gov/find).**



### In Summary

**All Write Your Own (WYO) companies provide identical coverage, and rates are subject to NFIP rules and regulations.**



### Online Resources

**Download the flood insurance application form here: [fema.gov/flood-insurance/find-form](https://fema.gov/flood-insurance/find-form).**





# Policy Information for Prospective Buyers and Policyholders

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When thinking through whether to purchase flood insurance, here are some important facts to keep in mind:

- Homeowners and renters insurance do not typically cover flood damage;
- Between 2015 and 2019, more than 40% of the National Flood Insurance Program (NFIP) flood claims came from properties outside the high-risk flood areas;
- 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 over the past five years was about \$69,000.





### 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.**

**Where it can rain,  
it can flood.**



### Online Resources

**See how much  
a flood could cost at  
[FloodSmart.gov/floodcosts](https://www.floodsmart.gov/floodcosts).**

## WHY BUY FLOOD INSURANCE?

Flooding is the most common and costly natural disaster in the United States. Just one inch of flood water in an average-sized home can cause \$25,000 in damage. Homeowners and renters insurance does 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 more 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 to \$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 a flood insurance policy?

Any homeowner, business owner, or renter wishing to insure a property 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. **For more on participation in the NFIP, see page 50.**

### Who cannot purchase a 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, 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.

### 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 program 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 25.**

### If someone doesn't live in a high-risk flood area, should he or she still purchase flood insurance?

Floods can happen anytime, anywhere, and can be financially devastating. No home is entirely safe from potential flooding. While FEMA designates certain areas at greater risk of flooding than others, from 2015 to 2019, more than 40% of flood claims come from properties outside high-risk flood areas.



# WHO IS REQUIRED TO PURCHASE FLOOD INSURANCE?

## 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 a participating NFIP community and high-risk areas. Some financial institutions may require flood insurance for properties outside the high-risk area 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 are 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, a high-risk area known as the Special Flood Hazard Areas (SFHAs).

The lender reviews the current active flood maps for the community in which the property is located to determine its location relative to the high-risk area and completes the Standard Flood Hazard Determination Form (SFHDF). If the lender determines that the structure is located within the high-risk area 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.

## 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 a high-risk area, 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 high-risk flood areas obtain and maintain flood insurance for the life of the loan.



### Deep Dive

**Flooding can happen anywhere, even far from water. In fact, 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.**



### Online Resources

**Find the Standard Flood Hazard Determination Form (SFHDF) at this link: [FloodSmart.gov/SFHDF](https://www.floodsmart.gov/SFHDF).**



### Did You Know?

An "out-as-shown determination" is an alternative outcome of the FEMA Letter of Map Amendment (LOMA) review process stating that a specific property is located outside the Special Flood Hazard Area (SFHA) as indicated on the Flood Hazard Boundary Map (FHBM) or flood map.

## What if a borrower disagrees with his or her lender's determination that a property is in a high-risk flood area?

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 submit 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 a 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 submit this request within 45 days of the date the lending institution notified the property owner that a building is in the high-risk flood area, 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 high-risk flood area 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.

# WHAT IS INCLUDED IN FLOOD INSURANCE COVERAGE?

## What flood losses are covered?

The Standard Flood Insurance Policy (SFIP) forms contain complete definitions of the coverages provided. 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 the normally dry land of two acres or more. Small- or large-scale flooding affects the lives and property 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 page 4.**

## 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. Contact the flood insurance agent to discuss specific flood insurance protection needs for a 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 page 15.**

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).



### Did You Know?

**Just one inch of water can cause \$25,000 in flood damage to a home. With flood insurance, property owners are able to recover faster and more fully.**



### Online Resources

**Find the latest NFIP Flood Insurance Manual here: [FloodSmart.gov/Flood-Insurance-Manual\\_Policyholders](https://www.floodsmart.gov/flood-insurance-manual-policyholders).**



### In Summary

**A policy is valid for one year, and must be renewed to remain covered.**



## 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, **please see the chart on page 4.**

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 C.**

## 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 his or her 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 (FIRM) building located in a high-risk flood area. There is also limited coverage in basements, regardless of the flood zone.

### Getting Technical

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

**Post-Flood Insurance Rate Map (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 for 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.

## Getting Technical

**Pollutants:** Substances that include, but are not limited to, any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. “Waste” includes, but is not limited to, materials to be recycled, reconditioned, or reclaimed.

## 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 provide 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) are covered if personal property coverage is purchased and when the property is inside a building at the insured location.

## 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.

## Flood Tip

If there is a couch, computer, and television in a basement and the basement floods, the flood policy does not provide any coverage for those items. Those same items would be covered if above the lowest elevated floor.

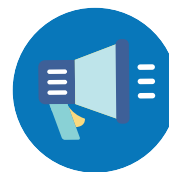
Coverage is provided for the following:

- Foundation elements, including posts, pilings, piers, or other support systems for elevated buildings,
- Basement and enclosure utility connections, and



## Online Resources

Find the General Property Form here:  
[fema.gov/flood-insurance/find-form](https://www.fema.gov/flood-insurance/find-form).



## 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, a freezer, the food within a freezer, and an air conditioning unit in its functional use location (not those seasonally stored in a basement).**

- 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 and linoleum and contents items, such as rugs and furniture, are not covered. The SFIP has a complete list of covered elements and equipment.

### 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; and
- Contents coverage for personal belongings located within an eligible building can also be purchased.

### 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; and
- NFIP only covers a travel trailer when it has the wheels removed, is built on a frame, and is connected to a permanent foundation that a community regulates under its floodplain management and building ordinances.

### What types of property are not insurable under the NFIP?

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

Buildings entirely over water or principally below ground	Shrubbery
Gas and liquid storage tanks	Land
Animals and fish	Livestock
Aircraft	Roads
Wharves and piers	Machinery or equipment in the open
Bulkheads	Most motor vehicles
Growing crops	



## 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 buildings 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 reduce policy premiums but will have to be approved by the mortgage lender.

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 28**),
- Condominium loss assessments (**see below**), or
- Increased Cost of Compliance (**see page 17**).

## Does insurance under the NFIP provide coverage at replacement cost?

Yes, for 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 the 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 means 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.



### 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.**

**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.**



## Online Resources

To access the Dwelling Policy Form, the General Property Policy Form, or the Residential Condominium Building Association Policy Form: [FloodSmart.gov/SFIP](https://www.floodsmart.gov/SFIP).



## In Summary

A Residential Condominium Building Association Policy (RCBAP) is a special policy for condominiums.



## 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 issued, the community is brought into the Regular Program of the NFIP.

For more on the Regular and Emergency Program, see page 52.

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

No, the SFIP does not provide payments for additional living expenses if the home is unlivable due to a flood. The SFIP does provide for advanced 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 provide. 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 learn more and apply at [DisasterAssistance.gov](https://www.disasterassistance.gov) or by calling the FEMA Disaster Assistance Helpline at 800-621-3362.

## What is the Dwelling Form of the SFIP?

The Dwelling Form is used to ensure 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 his or her own residential unit.

## What is the RCBAP Form of the SFIP?

The 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 52.

## What is the General Property Form of the SFIP?

The General Property 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 Mortgage Portfolio Protection Program (MPPP) policy?

This is a program designed to help lending institutions maintain compliance with the Flood Disaster Protection Act of 1973. Policies written under the MPPP can be placed only through a Write Your Own (WYO) company. This policy protects the interest of the lender and is not protection of the property owner or for the personal property within the insured structure.

The cost of this policy is added to the amount of the loan that the property owner is already paying. The cost of an equal amount of coverage would be less if purchased independently of the lender and directly from an insurance agent who sells flood insurance.

## Can policyholders still start a flood insurance claim even if there is no Presidential Disaster Declaration?

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 does it mean if a home is declared substantially damaged?

The term “substantial damage” applies to a structure in a high-risk flood area (i.e., 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.

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.

### Survivor Story

Homeowner Danielle Rees was able to mitigate her future risk with Increased Cost of Compliance (ICC) funding to elevate her home after it was damaged in a flood.



“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.”

## 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 he or she 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, in addition to those listed in the Dwelling Form. This coverage is separate from the FEMA or NFIP grant program. **For more on ICCs, see page 24.**



### In Summary

**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.**





## Online Resource

Find the General  
Property Form here:  
[FloodSmart.gov/SFIP](https://FloodSmart.gov/SFIP).

### 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 a high-risk flood zone. 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 the General Property Form Section III.**

**For more on mitigation activities, see page 57.**

### Why is there a premium for ICC coverage in non-SFHA?

Rather than a flat fee, the NFIP, to the extent practical, charges each policyholder the individual expected loss and expenses. For instance, the NFIP currently charges a higher premium for ICC coverage provided to pre-FIRM buildings located in SFHAs, since those buildings are more likely to file ICC claims (i.e., those properties are more likely to sustain flood damage greater than 50% of the structure's market value, requiring higher funds to comply with current floodplain management regulations).

However, the NFIP only charges a minimal amount for ICC coverage provided to buildings located outside of SFHAs because those buildings are much less likely to be eligible for ICC. This might occur if an insured structure in a non-SFHA is newly mapped into an SFHA and then experiences a loss.

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

The EC is an administrative tool used by the NFIP. It is used to provide elevation information necessary to ensure compliance with community floodplain management ordinances, to determine the proper insurance premium rate, and/or support a request for a LOMA to remove a building from a high-risk flood area.

### 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 state NFIP State Coordinator; or
- Talk to the local building permit office.

## What is a Base Flood Elevation (BFE)?

The identification and management of flood-prone areas under the NFIP is founded on the flood with a one-percent chance of being equaled or exceeded in any year. Areas affected by the base flood are shown as SFHAs on flood maps. The BFE is the computed elevation to which floodwater is estimated to rise during the base flood.

## 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 base flood) in determining the level at which a building's lowest floor must be elevated or flood-proofed to meet state or community floodplain management regulations.

## What are subsidized rates?

The NFIP provides subsidized flood insurance to policyholders living in flood-prone regions, which cost less than the full-risk price. Most subsidized rates are given when a pre-FIRM property is involved—buildings constructed before the community adopted its first flood map—in high-risk areas and undetermined-risk areas.

## Who can a policyholder contact if he or she has 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](https://www.floodsmart.gov).

If the policyholder has additional questions, he or she can contact the NFIP at 877-336-2627.

# HOW TO PURCHASE FLOOD INSURANCE

If a policyholder is interested in purchasing flood insurance, a local homeowners, renters, or business insurance agent may be able to help. A policyholder can also contact 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 which 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 determine the rates for establishing the flood insurance premium. FEMA requires that the full annual premium be submitted with the application.



## Deep Dive

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



## Online Resources

For additional help finding and purchasing flood insurance, visit [FloodSmart.gov](https://www.floodsmart.gov).

Find an insurance provider at [FloodSmart.gov/find](https://www.floodsmart.gov/find).

To check if a property is in a high-risk flood area, visit [msc.fema.gov](https://msc.fema.gov).

The steps to purchase flood insurance are as follows:

- Identify the flood zone in which the structure is located (typically done by an agent);
- Complete the flood insurance application;
- If required, obtain supporting documentation (i.e., elevation certificate, photos, zone determination); and
- Submit 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 his or her current insurance agent or provider. For help finding an insurance provider, he or she can call the NFIP at 877-336-2627 or visit [FloodSmart.gov/find](https://www.floodsmart.gov/find).

### **How can a property owner determine if a property is in a high-risk flood area?**

Flood maps can be viewed on FEMA's Map Service Center website at [msc.fema.gov](https://msc.fema.gov). Residents can also view maps generally kept in community planning or building permit departments or contact his or her insurance agent, who usually have access to flood maps or a flood zone determination service.

### **How are flood insurance premiums calculated?**

Several factors are considered in determining a flood insurance premium. Variables includes the amount of coverage purchased, the deductible amount selected, the flood zone, location, age, and design of the building, building occupancy, as well as the type of foundation. For structures in high-risk flood areas built after the community entered the NFIP, the elevation of the building in relation to the BFE is also a factor in determining the premium.

### **What is primary and principal residential occupancy?**

A primary residence is a dwelling or condominium unit that is occupied at least 51% of the year or for the period of ownership if owned less than one year. A principal residence is when the structure is used for 80% or more of the year or for 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 damages will be paid using ACV.

**For more on ACV, see page 15.**



## Getting Technical

### Primary Residence

This is 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.

There can be two primary residences. If the policyholder and the policyholder's spouse identify different primary residences, they must submit the appropriate documentation for each person's primary residence. A two- to four-person family building may be considered a primary residence for the purposes of assessing the HFIAA Surcharge if the policyholder documents that the building is also his or her primary residence.

### Principal Residence

This is 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.

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

There is 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, provided 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



The 30-day waiting period does not apply if a property has been affected by flooding from federal land caused by post-wildfire conditions.



## 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.**



## 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 cannot be started.**



## Online Resources

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](https://fema.gov/flood-insurance/advocate).

## 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 OFIA?

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.

### Primary Residence 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 a flood insurance claim settlement of the NFIP

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](https://fema.gov/flood-insurance-advocate).

## 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 provided 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.

## 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, 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.”



## Did You Know?

**When adding or increasing coverage to an existing policy there is a 30-day wait before the change goes into effect.**

## 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.

### How is flood insurance changed?

To make changes to a policy, contact the insurance agent.

Examples of changes that might impact a premium:

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

Examples of changes that will not impact a premium:

- Changing a mortgagee,
- Changing the mailing address,
- Changing insured information, or
- 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. One example would be preserving grandfathered rates, enabling policyholders to use a prior flood map for rating if the building was built in compliance or continuously insured. Additionally, because a policyholder cannot plan for when a flood will



## Online Resources

View the NFIP Flood Insurance Manual online here: [FloodSmart.gov/Flood-Insurance-Manual\\_Policyholders](https://FloodSmart.gov/Flood-Insurance-Manual_Policyholders).

To learn more about Increased Cost of Compliance (ICC) coverage: [floodsmart.gov/flood/mitigating-flood-damage](https://floodsmart.gov/flood/mitigating-flood-damage).

occur, there is a risk in not maintaining continuous coverage. A lapsed policy will require a 30-day waiting period.

**For more on continuous coverage and grandfathered rates, see page 40.**

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

Yes, there are also 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 compliance activities. This is the only assignment of benefit for the mitigation grant program.

The policyholder can agree to transfer this interest by submitting the ICC coverage form to the local authorities, state, or community administering the grant. 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 policy 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 submitting the **Assignment of Coverage D – ICC Coverage Form (Appendix I) online**.

## Who does a policyholder contact if he or she wants to make a change to his or her flood policy?

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

## How can a policyholder identify his or her 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.

## 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 pro-rated return.

However, due to the seasonal nature of flooding, and to protect the lender's interest, there are limited valid cancellation reasons. The legitimate cancellation reasons and the proper procedures and documentation required to cancel a policy are outlined in the NFIP Flood Insurance Manual.

To request a cancellation, the policyholder should contact the insurance agent servicing 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 provided 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 cancellation or expiration.

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

The National Flood Insurance Reform Act of 1994 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 determined not in compliance with local ordinances related to floodplain management, after being determined substantially damaged, and not being brought into compliance standards. Contents and personal property contained in these buildings are ineligible for coverage. The NFIP's flood insurance is not available for buildings with a Section 1316 designation. 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.



### Did You Know?

**In 2017, the NFIP paid an average claim amount of more than \$94,000, more than twice the \$35,000 limit for individual disaster assistance.**



### In Summary

**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 provided that the full renewal premium is received within 30 days of the policy expiration date.**

## Things policyholders should know and do before a flood:

Know what elevation the lowest floor is compared to the base flood elevation (BFE);

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Move furniture, valuables, utilities, and essential documents to a safe place above the BFE;

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Make sure basements are waterproofed and the sump pump is working, then install a battery-operated backup in case of power failure;

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Install a water alarm to alert if water is accumulating in the basement;

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Clear debris from gutters and downspouts;

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Anchor any fuel tanks;

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Store copies of irreplaceable documents (such as birth certificates, passports, etc.) in a safe, dry place and keep originals in a secure location;

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Build an emergency supply kit;

---

Plan and practice a flood evacuation route;

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Ask someone out of state to be a “family contact” in an emergency, and make sure everyone knows their address and phone number;

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Make a plan on what to do with pets if required to evacuate the residence as many shelters do not allow pets.

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For more information on what to do before a flood, visit [FloodSmart.gov/prepare](https://www.floodsmart.gov/prepare).

# Before and After a Flood

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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.







## Online Resources

For the Standard Flood Insurance Policy form, visit [FloodSmart.gov/sfip](https://FloodSmart.gov/sfip).



## Deep Dive

Coverage for personal property in a basement is limited. Most of what is kept, stored, and used in basements is not protected against flood loss by the Standard Flood Insurance Policy (SFIP).



## Did You Know?

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

## What is 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. 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.

No deductible is applied to this coverage.

**For additional information on loss avoidance coverage, refer the General Property Form Section III, Part C.**

## What loss avoidance expenses are eligible?

The following expenses are eligible for coverage:

- Sandbags (including sand to fill them),
- Fill to create temporary levees,
- Water pumps,
- Plastic sheeting and lumber used in connection with any of these items listed above,
- Labor by the individual or a family member, which can be covered at the federal minimum wage, and/or
- Reasonable expenses (up to \$1,000) incurred to move insured property to protect it from flood or the imminent danger of flood.

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.

## What other steps should policyholders take before flooding occurs?

Compiling an inventory of belongings after a flood occurs and attempting to remember everything one owns is difficult and can be overwhelming. Policyholders should prepare and keep a list of personal property within the home or business when purchasing personal property coverage. 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.



# 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. A claims adjuster will be assigned the loss, and the policyholder must typically start a proof of loss within 60 days of the date of loss. 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.

### 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."

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

To learn more about the claims process, visit [FloodSmart.gov/start](https://www.floodsmart.gov/start), or read the Flood Insurance Claims Handbook at [FloodSmart.gov/NFIP-Claims-Handbook\\_Policyholders](https://www.floodsmart.gov/NFIP-Claims-Handbook_Policyholders). An adjuster should provide 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 recovery, the NFIP allows advance payments to policyholders on their flood insurance claims. When a policyholder contacts his or her 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 provides evidence of damage to his or her 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.

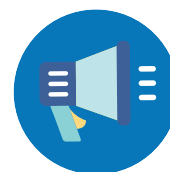
## What types of losses are covered under the NFIP?

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.



### Online Resources

For a detailed step-by-step guide to starting a claim: [FloodSmart.gov/start](https://www.floodsmart.gov/start).



### In Summary

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



### Did You Know?

**As of 2018, the NFIP has covered more than 2.3 million policyholders who have experienced a flood loss.**

### 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 submitted to the NFIP or the WYO company within 60 days of the loss. A printed form is usually available from the adjuster assigned to the claim.

Note: Some WYO companies and the NFIP Direct 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 from the date of purchase or change in coverage for 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 may include ongoing flooding in the community where the insured building is located, flooding that causes damage from an opened spillway, breached levee, water released from a dam, or water that escapes from the banks of a 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 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 video 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:**  
[FloodSmart.gov/flood/document-damage-and-start-clean-up](https://www.floodsmart.gov/flood/document-damage-and-start-clean-up).

### 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 project for improvement of a building 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.

## **AFTER A CLAIM IS SUBMITTED**

### **What are the requirements for Replacement Cost (RC) coverage?**

Requirements for RC 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.

### **What should a policyholder do if he or she identifies additional flood damage?**

If a policyholder identifies additional flood damage after a claim has already been submitted, policyholders may file a request for an additional flood payment. He or she 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, he or she 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 he or she finds that the amount allowed by the adjuster was not enough to make the repairs.



### **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.**



## Deep Dive

Appeal requests can be sent to  
**FEMA, 400 C Street SW,  
3rd Floor SW, 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.**

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 provide a detailed estimate showing quantities and unit costs.

## 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:** refers to the needed remedy of cleaning, repair, or replacement of damage; and
- **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.

## What should a policyholder do if he or she disagrees with a claim amount or claim denial?

There are four steps available to policyholders if he or she disagrees with a claim amount:

1. The first thing to do is talk to the insurance agent or adjuster to clarify the claim and remedy any errors.
2. If the policyholder has some or all of their claim denied by their insurer, he or she may file a flood insurance appeal directly to FEMA. FEMA will then gather claim details, review the policy, and provide 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.
3. 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, he or she cannot also file an appeal.
4. The last step 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, he or she also forfeits the option to appeal directly with FEMA.

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

## What is the process for filing an appeal?

A policyholder may submit 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
- Provide 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.

### 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 submit 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.

### 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 submit 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 he or she finds 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 provide a detailed estimate from a contractor if applicable, showing quantities and unit costs and explain why some prices are higher than estimated. Once the policyholder has gathered all necessary documentation, he or she will need to complete the proof of loss and present it to the adjuster or insurance company.

#### 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.



#### Deep Dive

**If a policyholder chooses to have a third party submit 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.**



## Online Resources

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](https://fema.gov/flood-insurance/advocate).

## 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.

## 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, he or she must start the suit within one year after the date the insurer first denied all or part of the claim in writing.

## 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 the 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.

## 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. Providing 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 the 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 SRL property is any NFIP-insured building constructed after 1978 that meets one of the following criteria:

- Four or more separate claim payments where each is greater than \$5,000 (including building and contents payments); or
- Two or more separate claim payments (building payments only) where the total payments exceed the current value of the property.

In either case, two of the claim payments must have occurred within 10 years of each other. Losses occurring at the same location within 10 days of each other count as one loss.

**For more information on Increased Cost of Compliance (ICC) coverage for SRL properties, see page 17.**

## How is the loss history determined?

The loss history includes all of the NFIP's paid flood claims 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. SRL properties are afforded coverage, whether new or renewal, only through the NFIP Direct.

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

At least 90 days before the policy renewal date, the WYO company sends a notice to policyholders and their flood insurance agents that states the policy is ineligible for renewal through the WYO Program and offering renewal with the NFIP Direct. A follow-up notice is sent by the NFIP Direct 45 days before the renewal date.

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

If the policyholder wishes to continue to have flood coverage, he or she should follow the renewal instructions provided by the NFIP Direct offer notice. He or she will not be able to renew the policy with the present WYO company.

## 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 in the NFIP Direct during the review.

### **What happens to an SRL property?**

The appropriate FEMA Regional Office provides information about the property to state and local floodplain management officials. States or communities may sponsor projects to mitigate flood losses to these properties or may be able to provide 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 the 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 high-risk flood areas. Sometimes, mitigation takes the form of a local drainage improvement project that meets the NFIP's standards.

**For more on mitigation, see page 57.**

### **If an NFIP policyholder who is an SRL property owner declines an official mitigation offer from FEMA, will his or her flood insurance premium increase?**

SRL policyholders who refuse an offer of mitigation will be subject to an increase in their flood insurance premium rate equal to 150% of the chargeable rate for the property at the time the offer was made, as adjusted by any other premium modifications otherwise applicable to the property. This increase will reflect the property's flood risk more accurately to the SRL policyholder's declining an offer of mitigation under this program.

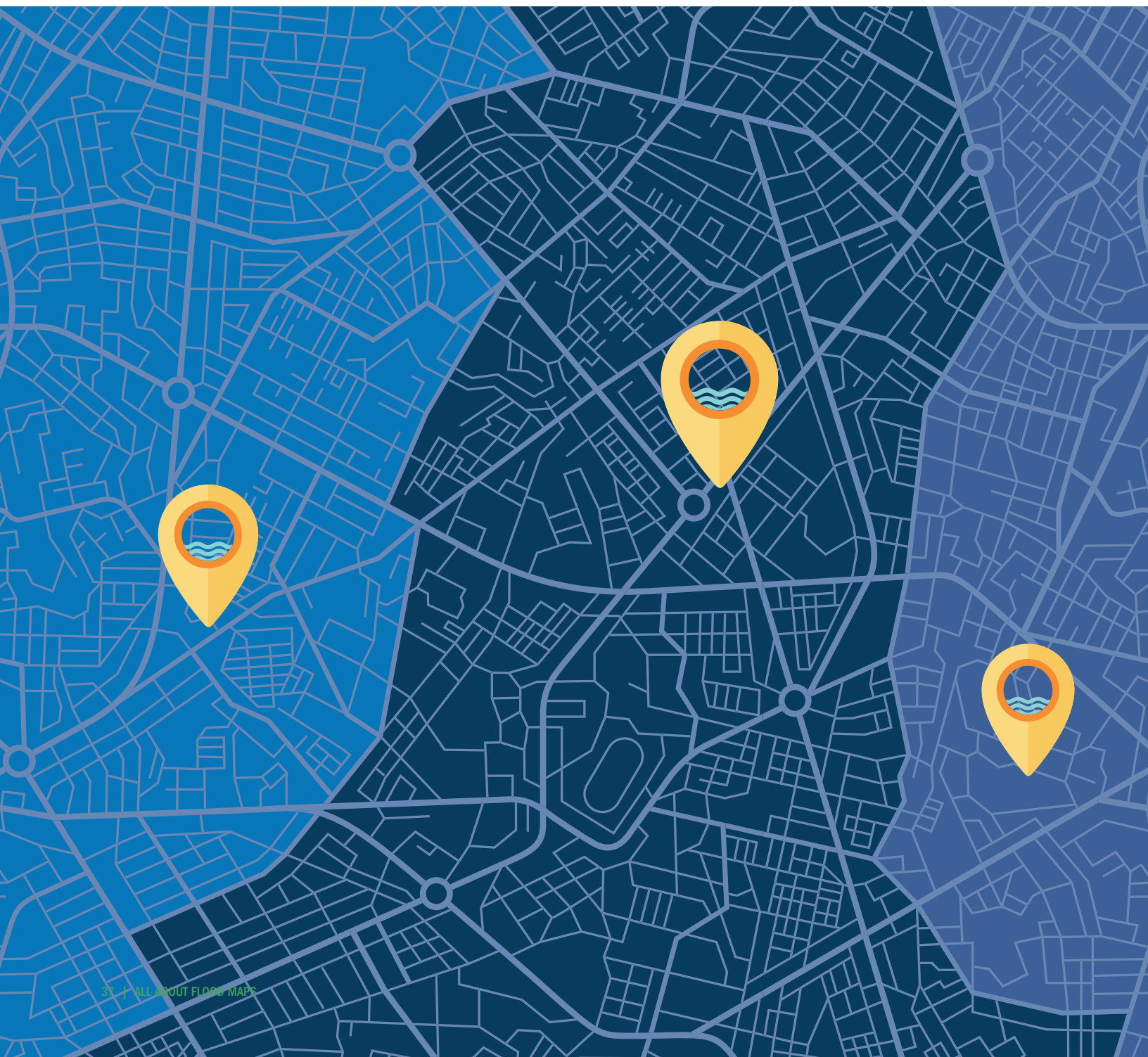
An SRL policyholder who has declined a mitigation offer may appeal the insurance premium rate increase within 90 days of the notification. The appeal must be based on one of the six provisions for appeal specified in the Flood Insurance Reform Act of 2004.



# All About Flood Maps

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





## Online Resources

No matter where someone lives or works, some risk of flooding exists. To find a community's flood map, visit: [mfc.fema.gov](https://mfc.fema.gov).



## Did You Know?

From 2015 to 2019, more than 40% of flood claims came from outside the high-risk flood areas.

**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 the local flood risk, manage floodplains, and require new and substantially improved buildings to be built more safely and to mitigate losses from future floods. These efforts make a safer, more resilient community in which to live and work.



**Mortgage lenders** 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** 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.

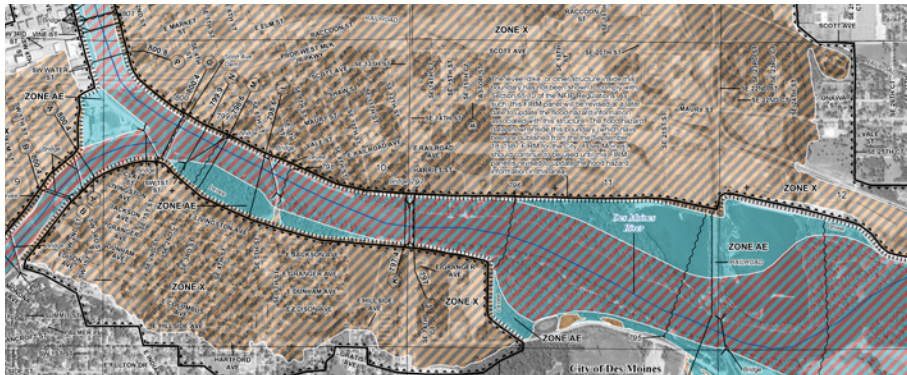


**Residents and business owners** use flood maps to learn about flood risk in order to purchase property and investigate how best to protect their property, financially and tangibly, from flooding.

# 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 risk premium zones applicable to the community. Flood maps help us to understand risks but are only part of the story. Homeowners and business owners inside high-risk areas 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.



## 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.

**For more information on the FIS process, see page 51.**

## 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 found at [msc.fema.gov](https://msc.fema.gov).



### Deep Dive

**Flood Insurance Study (FIS) reports can be accessed at FEMA's Map Resource Center: [msc.fema.gov/portal/advancesearch](https://msc.fema.gov/portal/advancesearch).**



## Deep Dive

**Learning that a new flood map shows a policyholder's home or business at a higher risk of flooding can be stressful. But 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, this option provides the lower-cost Preferred Risk Policy (PRP) base premium before fees and surcharges. Every year after, premium increases of up to 18% will be applied until the premium rates reflect full-risk rates.**



## Did You Know?

**For a full overview of Base Flood Elevation (BFE) and the Regular Program, please see page 52.**

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 an 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 NFIPs goal of a fiscally sound rating and coverage structure.

## What flood hazard zones are shown on the flood map?

Several areas of flood hazard are commonly identified on the flood map. One of these areas is the SFHA, which is defined as the area that would be inundated by the flood event having a one-percent chance of being equaled or exceeded in any given year. The "one-percent annual chance" flood is also referred to as the "base flood." SFHAs are labeled as zones starting with A or V.

Moderate flood hazard areas, labeled Zone B or Zone X (shaded), are also shown on the flood map and are the areas between the limits of the base flood and the 0.2-percent-annual-chance flood. The areas of minimal flood hazard, which are the areas outside the SFHA and higher than the elevation of the 0.2% annual chance flood, are labeled Zone C or Zone X (unshaded).

## Can a National Flood Insurance Program (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. To recognize policyholders who built in compliance with the flood map that was effective when the building was constructed, the NFIP has "grandfather rules" that allow policy premiums to be rated based on the flood map that was in effect when the structure was built. Supporting documentation that confirms the flood zone and/or BFE information from the prior flood map is required to grandfather the rating. NFIP "grandfathering rules" only lock in the lower-risk zone or BFE for future premium rating and not the actual rate itself.

NFIP grandfathering rules do not apply to the low-cost Preferred Risk Policy (PRP); however, another rating option may apply called the Newly Mapped Procedure.

## 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.



## When a property's flood zone changes from a moderate-to-low risk flood zone (i.e., Zone B, C, or X) to a high-risk zone (i.e., A or V) as a result of a flood map update; can the property continue to be rated using the moderate-to-low risk zone?

Yes. If a property owner has a loan, most lenders will require the homeowner or businessowner to carry flood insurance. Consequently, flood zone revisions on updated flood maps can result in a financial challenge for many homeowners. To save money on flood insurance while protecting investments, the NFIP offers a lower-cost flood insurance option known as the Newly Mapped Procedure.

Property owners who purchase flood insurance within the first year of a map update may be eligible for a lower-cost option, known as a PRP. The building must also meet the PRP claim history requirements. The rate will then slowly transition to the full-risk rate (equivalent to a standard Zone-X rate) through annual increases of no more than 18%. However, if the building is elevated above the BFE, at some point, it may be cheaper to use the new map for future rating.

## If a property's flood zone changes from high-risk (i.e., Zone A or V) to a moderate-to-low risk (i.e., Zone X) as a result of a flood map update, does one still need flood insurance?

If a property owner is experiencing a decrease in flood risk – moving from the high-risk flood area to the moderate- to low-risk flood area – his or her flood insurance rates may now be more affordable.

While flood insurance is now optional, the NFIP highly recommends maintaining a policy for the property as risk is reduced, not removed.

The property may now be eligible for a PRP. The policyholder should contact the insurance agent today to keep coverage and get money back once the new map goes into effect. After converting the current policy to a PRP, the policyholder will be refunded the difference in premium. There will be no gaps in coverage and no additional money up front.

## 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 Based on Fill (LOMR-F), and Letter of Map Revision (LOMR).

## What is a Physical Map Revision (PMR)?

A PMR is an official re-publication of a community's flood map to make changes to 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 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 provided with copies of the revised information and is



### Deep Dive

For more on Letter of Map Change (LOMC), see page 46.



### Online Resources

The Letter of Map Amendment (LOMA) application form can be downloaded here: [fema.gov/flood-maps/change-your-flood-zone/loma-lomr-f](https://www.fema.gov/flood-maps/change-your-flood-zone/loma-lomr-f).

Completed application forms can be sent to the attention of the LOMA Manager the LOMC Clearinghouse, 3601 Eisenhower Ave., Ste. 500, Alexandria, VA 22304-6426



### Did You Know?

**A LOMA is submitted 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.**



### Online Resources

**A Letter of Map Revision (LOMR) or LOMR-F is submitted by a home or property owner or a community official. For more information on submitting a LOMR: [fema.gov/flood-maps/change-your-flood-zone/loma-lomr-f](https://fema.gov/flood-maps/change-your-flood-zone/loma-lomr-f).**

afforded a review period. When new or modified flood hazard information (e.g., BFEs, high-risk areas, or floodway boundaries) is provided, 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 provided.

### Can a flood map be appealed?

When new preliminary flood maps are issued and updated flood hazard information is provided, FEMA must offer a 90-day appeal and comment period. During this time, a community, builder, property owner or anyone else can submit 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 submit a LOMA once the new flood map becomes effective.

### What is a 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 submitted by the owner or lessee of property who believes the property has inadvertently been included in a designated high-risk area or has been included in the wrong high-risk area. 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 the high-risk area or is located within the correct high-risk area.

### 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 the high-risk area. While the risk may be reduced, it is not removed, and flood insurance is strongly encouraged. A lower-cost flood insurance policy may be available, known as a PRP.

Note: changes made to the grade of the land after the first flood map identified the area as being of high-risk to flooding during the base flood must be properly permitted by the local government.

### 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 an LOMR is not submitted through the chief executive officer of the community, evidence must be submitted that the community has been notified of the request.

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

CLOMAs, CLOMRs, and CLOMR 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 "one-percent annual chance" floodplain. A CLOMR is needed only for those projects that will result in a "one-percent annual chance" water surface elevation increase of greater than one foot for streams with BFEs specified, but no floodway designated, or any one-percent-annual-chance water surface elevation increase for proposed construction within a regulatory floodway. The technical data needed to support a CLOMR request generally involve detailed hydrologic and hydraulic analyses and are 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 one-percent annual chance floodplain may need to demonstrate 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.

## 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, communities 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 50.**



### In Summary

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



### Online Resources

**For subsequent additions to the CBRS, the insurance prohibition date is shown on the CBRS map found at [fws.gov/cbra](https://fws.gov/cbra).**

## 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 constructed without considering coastal hazards. Flood maps for coastal areas may now 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 one-percent 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 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 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.

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, for natural resource conservation purposes. 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.

## 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.

## What is the FIS process?

To determine what the flood hazards are for an area, FEMA performs an engineering study called an FIS. An FIS evaluates shallow flood areas and flood hazard areas along rivers, streams, coasts, and lakes. An FIS 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, and
- 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/portal](https://msc.fema.gov/portal).

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.



## Online Resources

Layer (NFHL) viewer can be found here: [fema.gov/flood-maps/products-tools/national-flood-hazard-layer](https://fema.gov/flood-maps/products-tools/national-flood-hazard-layer).

A Flood Insurance Study (FIS) Request Form is available at [fema.gov/flood-maps/change-your-flood-zone/status/flood-insurance-study](https://fema.gov/flood-maps/change-your-flood-zone/status/flood-insurance-study). It includes additional information and fees for requesting FIS-related data.





## Online Resources

The NFIP Flood Insurance Cancellation/Nullification Request Form can be found here: [FloodSmart.gov/CancellationRequestForm](https://www.floodsmart.gov/CancellationRequestForm).

# MAP UPDATES: AMENDMENTS AND REVISIONS

## 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](https://hazards.fema.gov/femaportal/onlinelomc/signin)

Requests for conditional and final map revisions can also be sent by mail to the FEMA LOMC Clearinghouse. The address, forms, and instructions are located on the FEMA website at [fema.gov/letter-map-changes](https://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 instead of submitting by mail to:

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

## 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 submission 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.

## 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 the high-risk area 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. In 2019, over 40% of all NFIP claims originate from areas mapped outside those considered at high risk.

## 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 cancellation form with the LOMA, LOMR-F, or LOMR and the waiver must be submitted by the insurance agent to the NFIP or the appropriate company.

When a LOMA, LOMR-F, or LOMR is issued and cancellation 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 the following as a first step to resolving a LOMC process:

FEMA Mapping and Insurance Exchange 877-336-2627 or [msc.fema.gov/portal](https://msc.fema.gov/portal) for information on LOMA and LOMR, how to view or read a flood map, and understanding zone definitions.

### **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 an 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 submit adequate supporting data.

### **Are there fees associated with flood map updates?**

There are fees for some map update requests, but some others are free. To minimize the financial burden on policyholders while keeping the NFIP sustainable, FEMA implemented 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 FEMA's NFIP at 877-336-2627 or visit [fema.gov/flood-maps](https://fema.gov/flood-maps).

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

FEMA implemented the use of 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.



## Deep Dive

**For questions about flood maps, LOMAs, LOMR-Fs, flood mapping procedures, or the map revision process, call 877-336-2627 toll-free and ask to speak with a “FEMA Flood Map Specialist.”**

## 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,
- PMRs,
- CLOMAs,
- LOMAs,
- CLOMR-Fs,
- LOMR-Fs,
- CLOMRs, and
- LOMRs.

To obtain technical and administrative data, a written request must be submitted to the FRiSEL at the address or fax number below.

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



# The National Flood Insurance Program (NFIP) and the Community

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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 more than five million policyholders across 24,000 communities from the financial losses flooding can bring.





## Online Resources

To learn if a community participates in the NFIP, refer to this list online at [fema.gov/flood-insurance/work-with-nfip/community-status-book](https://fema.gov/flood-insurance/work-with-nfip/community-status-book) or contact the community official or insurance agent.

# 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 citizens and the community against much of the devastating financial losses resulting from flood disasters. Careful local 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 they are 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 high-risk zones. Lowering the number of pre-flood Insurance Rate Map (pre-FIRM) structures in high-risk zones helps protect taxpayers, homeowners, and communities.

**For more on the role of communities in coverage requirements and flood insurance claims, see pages 11, 30, and 31.**

## 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 provided 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 citizens cannot regulate building 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?**

NFIP flood insurance coverage is available only in participating communities. The NFIP provides a list of participating communities in the Community Status Book.

To learn if a community participates in the NFIP, refer to this list online at [fema.gov/flood-insurance/work-with-nfip/community-status-book](https://www.fema.gov/flood-insurance/work-with-nfip/community-status-book) or contact a community official or insurance agent.

## **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 are 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.

## **Do state governments assist in implementing 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 a state NFIP State Coordinator. The governor determines what office they are located in, which is most often in natural resources or emergency management.

FEMA provides a cooperative agreement to the Community Assistance Program, State Support Services Element (CAP-SSSE). These offices provide 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.



### **Deep Dive**

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



## Online Resources

For more information on community probation: [fema.gov/glossary/probation](https://fema.gov/glossary/probation).

To learn more about FEMA enforcement of floodplain management, review 44 CFR §59.24 of the Code of Federal Regulations.

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 also 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.

## What is the NFIP's Regular Program?

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

## 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 provide 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 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.

# 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 provides written notice to community officials of specific deficiencies. Probation is imposed only after FEMA has consulted or attempted 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 provide written notice of the impending suspension and grant the participating community 30 days to demonstrate why it should not be suspended. If the community is suspended following a period of probation, the community is provided 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 (in 5% increments from 5% to 45%) 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.



### **Online Resources**

**For more information on joining the Community Rating System (CRS) and to find an application:**  
[fema.gov/flood-insurance/rules-legislation/community-rating-system](https://fema.gov/flood-insurance/rules-legislation/community-rating-system).

These floodplain management actions keep citizens 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 provides a national benchmark by which a community can measure its performance in floodplain management. It also provides 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 citizens than achieved through implementing 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 through 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 receives. 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 provided in CRS Class 1 communities and requires the most points.

The discount applies to flood insurance policies for properties located in the SFHA that qualify. Policies on properties located outside the SFHA receive smaller discounts.

### **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 implementation 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 NFIP at 877-336-2627, visit the CRS website at [fema.gov/flood-insurance/rules-legislation/community-rating-system](https://www.fema.gov/flood-insurance/rules-legislation/community-rating-system), or reference the NFIP Flood Insurance Manual at [FloodSmart.gov/Flood-Insurance-Manual\\_Policyholders](https://www.floodsmart.gov/flood-insurance-manual-policyholders).

## 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, citizens can contact local elected officials and encourage the community to consider learning more about joining the CRS.

## How can a community acquire the CRS coordinator's manual and other information describing the program?

The CRS Coordinator's Manual can be accessed at [fema.gov/flood-insurance/rules-legislation/community-rating-system](https://www.fema.gov/flood-insurance/rules-legislation/community-rating-system).

# 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 the SFHA are designed to prevent new development, or substantially damaged or improved buildings, from increasing flood risk and to protect new and existing buildings from anticipated flood events.

When a community chooses to join the NFIP, it must require permits for all development in the SFHA 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" commenced before the effective date of the flood map, or before January 1, 1975, for flood maps effective before that date.



## In Summary

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



## **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 one 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 the floodway, development must cause no more than a one-foot increase in the one-percent 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, the high-risk flood areas. However, communities may regulate development in areas of moderate and low flood risk.

# **FLOODPLAIN MANAGEMENT**

## **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 than 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 list of the FEMA Regional Offices, see the Resources on page 61.**

## **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 the website [\*\*fema.gov/floodplain-management\*\*](https://www.fema.gov/floodplain-management).

# Mitigating Flood Risk for Prospective Buyers and Policyholders

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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 flood and other disasters, and
- Lessening the financial impact on the federal treasury, states, tribes, and communities.





## Online Resources

Learn more about the different types of mitigation grants here: [fema.gov/grants/mitigation](https://fema.gov/grants/mitigation).

## Is financial assistance available for NFIP policyholders to mitigate flood risks?

Yes, FEMA offers several Hazard Mitigation Assistance (HMA) grant programs, listed below. The Flood Mitigation Assistance (FMA) grant program is only available to NFIP policyholders.

## What are the hazard mitigation grant programs?

### The Hazard Mitigation Grant Program (HMGP)

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 Grant Program (FMA)

The FMA program is authorized by Section 1366 of the National Flood Insurance Act of 1968, as amended to reduce or eliminate flood risk of severe repetitive and repetitive flood damage to buildings insured by the NFIP. The program provides 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.

### Building Resilient Infrastructure and Communities (BRIC) Program

Building Resilient Infrastructure and Communities (BRIC) will support states, local communities, tribes, and territories, as they undertake hazard mitigation projects reducing the risks they face from disasters and natural hazards. BRIC 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).

## Does elevating a structure on posts or pilings remove a building from the high-risk flood area?

Elevating a structure on posts or pilings does not remove a building from the high-risk flood area.

If the ground around the supporting posts or pilings is within the floodplain, the building is still at 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.

Flood insurance will still be required as a condition of a government-backed mortgage for the structure. FEMA recommends securely elevating structures above the high-risk flood area to reduce the risk to life and property and has established ratings that could result in significant savings in premium costs for those who elevate.

## 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.

Property owners who sustained extensive damage are often interested in avoiding the recurrence of such an experience. Such mitigation projects must be established on a case-by-case basis. Policyholders should be aware of their options and contact local officials to learn more about possible HMA funding.

## Are there any specific programs associated with a Presidential Disaster Declaration available to assist with mitigation?

Yes, the 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. Individuals with questions should contact local officials for more information.

The U.S. Department of Housing and Urban Development (HUD) also provides flexible grants to help cities, counties, and States recover from Presidentially declared disasters, especially in low-income areas, subject to availability of supplemental appropriations. 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 provide crucial seed money to start the recovery process. Since CDBG Disaster Recovery (CDBG-DR) assistance may fund a broad range of recovery activities, HUD can help communities and neighborhoods that otherwise might not recover due to limited resources.

Loans may be available to qualifying applicants to assist with the costs of mitigation through the Small Business Administration. Due to the need to coordinate many activities following Presidential Disaster Declarations, individual citizens should raise questions and concerns about these post-disaster mitigation opportunities with local community officials.



### Online Resources

For more information on obtaining a Small Business Administration Disaster Loan: [sba.gov/funding-programs/disaster-assistance](https://sba.gov/funding-programs/disaster-assistance).

### Survivor Story

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



"You could just 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 four and a half 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."



# RESOURCES

## 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 one-percent 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 one-percent 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 one-percent annual chance flood event. Because detailed hydraulic analyses have not been performed, no BFEs or flood depths are shown.

**Zones AE and A1-A30:** areas subject to inundation by the one-percent 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 maps in place of Zones A1-A30).

**Zone AH:** areas subject to inundation by one-percent annual chance shallow flooding (usually areas of ponding) where average depths are one to three 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 one-percent annual chance shallow flooding (usually sheet flow on sloping terrain) where average depths are one to three 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 one-percent 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: [fema.gov/about/organization/regions](https://www.fema.gov/about/organization/regions).

Region	States/ Territory
<b>Region 1</b>	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
<b>Region 2</b>	New Jersey, New York, Puerto Rico, Virgin Islands
<b>Region 3</b>	Delaware, Maryland, Pennsylvania, Virginia, District of Columbia, West Virginia
<b>Region 4</b>	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee
<b>Region 5</b>	Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin
<b>Region 6</b>	Arkansas, Louisiana, New Mexico, Oklahoma, Texas
<b>Region 7</b>	Iowa, Kansas, Missouri, Nebraska
<b>Region 8</b>	Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming
<b>Region 9</b>	Arizona, California, Hawaii, Nevada, Guam, American Samoa, Commonwealth of Northern Mariana Islands, Republic of Marshall Islands, Federated States of Micronesia
<b>Region 10</b>	Alaska, Idaho, Oregon, Washington

## Notes

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[FloodSmart.gov/Answers-to-Questions](https://www.floodsmart.gov/Answers-to-Questions)

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