

NATIONAL FLOOD INSURANCE PROGRAM

FLOOD INSURANCE MANUAL

April 2024



FEMA



3. How To Write

The focus of this section is how to write new business. The Introduction overviews the NFIP rating methodology and the process for new business. General Rating Information provides guidance on the information and rating variables that FEMA's system uses to generate premium quotes. Condominium Rating Information elaborates on that guidance by explaining how the policy forms and rating variables apply to various scenarios when insuring condominium buildings. Provisional Rating Information addresses situations when FEMA's system is unavailable to provide premium quotes.

I. Introduction

A. Snapshot of the NFIP Rating Methodology

FEMA develops the NFIP rating methodology in collaboration with catastrophe modeling companies to incorporate industry best practices, technology and modeling to inform better ways of identifying and pricing flood risk. This methodology brings several benefits to individual property owners and their communities:

- Using expert technical capability and tools allows FEMA to better assess a property's unique flood risk.
- This individualized, more accurate picture of risk enables FEMA to provide individuals with easy-to-understand information about what drives their rates.
- Property owners can now make better-informed decisions on purchasing flood insurance and reducing flood risk.
- This methodology also provides states and local governments with a better understanding of risk to help communities and individuals take action and mitigate.

Figure 1: Overview of the NFIP Rating Data Sources and Rating Factors



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The NFIP rating methodology calculates a rate based on a series of unique variables and flood hazards for each building, rather than relying on flood zones and Base Flood Elevations to evaluate flood risk for broad classes of properties. The rating variables can be grouped into several broad categories, outlined in Table 1 and discussed in detail under the General Rating Information heading. Table 1 also outlines the other main content in this section.

Table 1. NFIP Rating Information

CATEGORIES	INFORMATION
General Rating Information	
Policyholder and Mortgagee Information	• Policyholder Information • Mortgagee Information
Geographic Location Variables	• Building Location • Community Map Information and Flood Zone • Community Rating System Discount
Structural Variables	• Building Occupancy and Description – Building Occupancy – Building Description • Construction Type • Foundation Type • First Floor Height • Mitigation Discounts – Machinery & Equipment Above First Floor – Proper Openings • Floodproofing • Replacement Cost Value – Square Footage – Building Replacement Cost Value • Claims History – Prior NFIP Claims – Severe Repetitive Loss Property • Other Building Factors – Date of Construction – Number of Detached Structures on Property – Number of Elevators – Number of Floors in Building – Floor of Unit – Total Number of Units in Building – Rental Property – Building Over Water – Primary Residence Status

Table 1. NFIP Rating Information *continued*

CATEGORIES	INFORMATION
Coverages and Deductibles	- Maximum Coverage Limits - Increased Cost of Compliance (ICC) Coverage - Deductibles Note: The premium is based on the cost per \$1,000 of coverage.
Statutory Discounts	- Newly Mapped Discount - Pre-FIRM Discount - Other Statutory Discounts
Assessments, Fees, and Surcharges	- Reserve Fund Assessment - HFIAA Surcharge - Federal Policy Fee - Probation Surcharge
Condominium Rating Information	
Condominium Rating Scenarios	Condominium Rating Scenarios - Condominium Association Coverage for Residential Condominium Building (Scenario #1) - Residential Unit Owner Coverage in Residential Condominium Building (Scenario #2) - Residential Unit Owner Coverage in Non-Residential Condominium Building (Scenario #3) - Condominium Association Coverage for Non-Residential Condominium Building (Scenario #4) - Non-Residential Unit Owner Coverage in Residential or Non-Residential Condominium Building (Scenario #5) Applying the Condominium Rating Scenarios
Provisional Rating Information	
Provisional Rating	Provisional Rating

B. Process for Writing New Business

Here is a high-level summary of the process for writing new business:

- **Agent** – Using the insurer system, work with the prospective policyholder to complete the [Flood Insurance Application Form](#), determine eligibility for NFIP coverage, and submit the information to FEMA for a quote.
- **FEMA** – Validate eligibility for NFIP coverage, apply geospatial and relevant third-party data, calculate the premium, and send the quote to the insurer system.
- **Agent** – Apprise the prospective policyholder of the total amount due and, if they want to proceed, collect the premium and any supporting documentation and submit it to the insurer.
- **Insurer** – Validate the payment, determine the policy effective date, issue the policy and declarations page, and report policy data to FEMA.

II. General Rating Information

A. Policyholder and Mortgagee Information

1. Policyholder Information

The Application Form asks several questions about the individual or entity insuring the property. Some help ensure the correct type of coverage and policy form; others satisfy federal reporting requirements. The information below will help to indicate the correct “yes or no” answers to these questions.

- **Is the policyholder a tenant?** Does the policyholder own the building or are they a renter? This question may help to avoid duplicate coverage by a renter/lessee and the owner of a building. A building can have only one policy with building coverage, which means that the tenant/lessee and owner must be named on the same policy if the tenant/lessee has an insurable interest in the building (see the [Insurable Interest](#) heading in Section 2: Before You Start for more information). A tenant must always purchase contents coverage separately.
- **Is the policyholder a condominium association?** A condominium association is an entity made up of condominium unit owners, responsible for the maintenance and operation of common elements owned in undivided shares by unit owners and other buildings, in which the unit owners have use rights, and where membership in the entity is a required condition of ownership.
- **Is the policyholder a small business?** For reporting purposes, a small business is a commercial (for-profit) enterprise having less than 100 employees total at all locations.
- **Is the policyholder a non-profit entity?** For reporting purposes, a non-profit entity is an organization that has been granted tax-exempt status by the Internal Revenue Service (IRS) because it furthers a social cause and provides a public benefit.
- **Is the policy force-placed by a lender?** Is this a policy that a lender obtained (force-placed) on a building that is subject to the mandatory purchase of flood insurance requirement but did not have flood insurance coverage? The mandatory purchase requirement applies to buildings that have federally backed mortgages and are located in Special Flood Hazard Areas (SFHAs).

2. Mortgagee Information

Applicants must provide the name, mailing address, and loan number for the first mortgagee and, as applicable, provide any second mortgagee, loss payee, or other information such as disaster assistance.

For condominium association applicants, do not enter the mortgagees for the individual condominium unit owners when applying for coverage under an RCBAP. Individual condominium unit owners submit their individual mortgagee information when applying for unit coverage under the Dwelling Form.

B. Geographic Location Variables

1. Building Location

The building’s location informs its eligibility for NFIP flood insurance coverage, beginning with its location in a participating NFIP community. Identifying the precise location of a building is also essential to determining its unique flood hazards.

a. Property Address

A property address is required for every policy, which is usually a street address but may be a descriptive address:

- **Street Address** is the best and preferred method; it includes the street number and street name (Address Line 1), unit or apartment number (Address Line 2), city or county name, state, and zip code (Address Line 3). Use standard United States Postal Service (USPS) abbreviations.
- **Other (Descriptive Address)** – If a street address is unavailable, a descriptive address in the form of a rural route or a legal description is acceptable. This field also may be used when more information is needed to distinguish between multiple buildings at the same address (see [Multiple Buildings at the Same Address](#) below).
 - A rural route is one established and recognized by the USPS for mail delivery in a country (non-urban) free delivery area.
 - A legal description is a method of locating or describing land in relation to the public land survey system. It should be used only for buildings or subdivisions under construction or where a street address is not available. Legal descriptions also may include the lot and block number as provided by the community; some use metes and bounds to identify the boundaries of a property.

b. Geolocation

Typically, FEMA will successfully geolocate the provided property address. Insurers also have the option to provide the building's latitude and longitude. FEMA will prompt the insurer (or agent) to submit the building's latitude and longitude (or use the values they already provided) to enable geolocation if either:

- FEMA cannot geocode the street address or descriptive address; or
- FEMA's geocoding tool is unavailable.

Latitude and Longitude – Latitude denotes the north and south coordinates of the location, and longitude measures the east and west coordinates. The insurer (or agent) can obtain the latitude and longitude for a property from an Elevation Certificate (EC), a flood zone determination, or one of the free geolocation services available on the Internet. Insurers are responsible for reviewing and validating latitude and longitude coordinates entered by agents.

Table 2. Requirements for Latitude and Longitude Coordinates

Latitude: _____ (decimal degrees*, at least 5 decimal places, leading minus sign (–) for south values)

Longitude: _____ (decimal degrees*, at least 5 decimal places, leading minus sign (–) for west values)

Datum: ☐ WGS 84 (common for phones, mapping websites, GPS) ☐ NAD 83 (less common)

- Location should be near the center of the structure or near the front door.
- Coordinates from the EC are preferred if they are available and can be supplied in the above manner.

Example: Latitude: 38.88948 Longitude: –77.03523 Datum: ☐ WGS 84

Note: If the agent needs to clarify which of multiple buildings at the address the policyholder wants to insure, see [Multiple Buildings at the Same Address](#) below.

Latitude and longitude coordinates are not a means for distinguishing between multiple buildings at one address.

Using the property geolocation derived from street address or latitude and longitude, FEMA can systematically determine certain rating variables, including specific flood hazards based on the building's distance from various flooding sources. In the rare event that FEMA's system is unavailable (see the [Latitude and Longitude](#) guidance above for situations when only FEMA's geocoding capability is unavailable), then the insurer can still issue the policy using provisional rates. For more information see the [Provisional Rating Information](#) heading later in this section.

c. Multiple Buildings at the Same Address

Specific property location information helps to ensure coverage of the correct building when there are multiple buildings at the same address. Correct identification of the building is especially important for proper claim adjustment following a flood loss.

If there is more than one building at the location of the insured property, use the Application Form's Building Location section to clearly identify the building being insured under this policy. For example, five buildings with the same property location may be insured with separate policies. If necessary, use identifiers such as Building A, B, or C, or "Smith Hall", in the second line of the street address to distinguish the buildings. Also select the Building Description that best corresponds to the insured building. If there are multiple buildings at the same address and the specific building identification is not clear, a photo of the building or a sketch showing the location of the building on the property to be insured should be retained in the policy file. This will help in proper identification of the insured building for the adjustment of claims, especially for multiple non-residential buildings at the same location.

2. Community Map Information and Flood Zone

The community in which a property is located can affect certain aspects of both coverage and rating, so it is important to obtain accurate community information. The Application Form requires current community map information including the community number and map panel, current flood zone shown on the map, the map date, and whether the community is in the NFIP's Regular or Emergency Program. See [Appendix D: Flood Maps](#) for more detailed information on flood maps and flood zones.

FEMA expects insurers to provide map and flood zone information and validate it at the next renewal following a map change. Although flood zones are no longer a rating element for NFIP rates, they remain relevant to NFIP coverage and rating for several reasons:

- Federally-regulated lenders enforce the flood insurance mandatory purchase requirement for properties located in SFHAs.¹
- Communities document and enforce compliance with local floodplain management ordinances and laws tied to flood zones.²
- Eligibility for Newly Mapped discounts is based in part on location inside or outside an SFHA.³
- Eligibility for Zone AR and Zone A99 discounts⁴ is based on the process of restoration of non-accredited flood protection systems in those zones.

1. 42 U.S.C. § 4012a

2. 44 CFR Subpart A

3. 42 USC § 4015(i)

4. 4014(e)&(f) and Biggert-Waters Flood Insurance Reform Act of 2012, Pub. Law No. 112-141, Div. F., Title II § 100230; 126 Stat. 946-949 (2012), as amended

- Eligibility for residential and non-residential floodproofing discounts is based in part on flood zone.⁵
- When using an EC to provide a First Floor Height value, FEMA's guidance on which data fields to provide on the Application Form varies depending on the flood zone.
- The NFIP insures an enclosure under a Post-FIRM elevated building if located outside an SFHA but not if located within an SFHA.⁶ The flood zone at the time of loss determines how elevated building coverage limitations are applied.
- While flood zones do not directly affect eligibility for Community Rating System discounts, rules around floodplain management violations tied to location inside or outside an SFHA can make a property ineligible for a CRS discount.

3. Community Rating System (CRS) Discount

a. General Information

The Community Rating System (CRS) is a voluntary incentive program for communities participating in the NFIP. The CRS offers NFIP premium discounts in communities that develop and execute extra measures beyond minimum floodplain management requirements to provide protection from flooding. The CRS discount applies uniformly across the community, with the exceptions noted below.

b. Policies Ineligible for CRS Discounts

The following policies are not eligible for CRS discounts:

- Emergency Program Policies
- Group Flood Insurance Policies
- Provisionally Rated Policies
- Buildings not in compliance with community floodplain management regulations or that have known floodplain management violations are ineligible for the CRS premium discount. In particular, this ineligibility applies to policies for Post-FIRM buildings located in an SFHA where the elevation difference used for rating is at least 1 foot or more below the BFE, with the following exceptions:
 - Post-FIRM V-Zone buildings with unfinished breakaway wall enclosures and machinery or equipment at or above the BFE.
 - A building with a subgrade crawlspace with certification from a community official. The letter signed by the community official that certifies a subgrade crawlspace exception must contain the following statement:

“I certify that the building located at (ININSERT ADDRESS) has a crawlspace that was built in compliance with the NFIP requirements for crawlspace construction as outlined in FEMA Technical Bulletin 11-01, [Crawlspace Construction for Buildings Located in Special Flood Hazard Areas](#).”

FEMA maintains a list of properties that are in violation of floodplain management standards. These properties are ineligible for the CRS discount. A policyholder can request a change to their CRS discount eligibility status by contacting their community Floodplain Administrator (FPA) to determine the appropriate documentation required to show compliance (details can be found [here](#)). Upon review of the documentation and determination that the structure is compliant with the floodplain management standards, the community FPA contacts their State NFIP Coordinator or FEMA Regional office to remove the property from the CRS Discount

5. 42 USC § 4014(a)(1)(A)(ii); 42 U.S.C. § 4102(d); 44 CFR § 60.6(c)

6. 44 CFR Part 61, Appendix A(1)-(2), III.A.8 & B.5; 44 CFR Part 61, Appendix A(3), III.A.8 & B.4

Exclusion list. Once the FEMA Regional office concurs with the community's determination on the violation resolution, the FEMA Regional office will contact FEMA headquarters Floodplain Management Division to request an update to the property's CRS discount eligibility status.

c. CRS Classes and Discounts

The CRS recognizes measures for flood protection and flood loss reduction. The four main activity categories include Public Information, Mapping and Regulation, Flood Damage Reduction, and Flood Preparedness.

To participate in the CRS, a community must complete and submit an application to FEMA. Subsequently, FEMA reviews the community's floodplain management efforts and assigns the appropriate CRS classification based on credit points earned for various activities. A community's classification may change depending on the level of continued floodplain management efforts. Classifications range from 1 to 10 and determine the premium discount for eligible flood insurance policies (see Table 3 below). All community assignments begin at Class 10 with no premium discount. Communities with a Class 1 designation receive the maximum 45 percent premium discount.

Note: If, midway through a policy term, a community's CRS class changes or a policy's eligibility for a CRS discount changes, any resulting adjustment to the CRS discount applies only at the next policy renewal.

Table 3 shows the available CRS premium discounts based on community CRS class.

Table 3. CRS Premium Discounts By Class

CLASS	DISCOUNT	CLASS	DISCOUNT
1	45%	6	20%
2	40%	7	15%
3	35%	8	10%
4	30%	9	5%
5	25%	10	—

d. CRS Community Status Information

A list of all current CRS eligible communities and their status can be found at: <https://www.fema.gov/flood-insurance/rules-legislation/community-rating-system>.

C. Structural Variables

1. Building Occupancy & Description

a. Building Occupancy

Building occupancy is a key factor that determines which policy form to use, which specific rating factors apply, as well as the policy's maximum coverage limits and deductible options. The NFIP recognizes nine different building occupancies, discussed in Tables 4 and 5. **Table 4** explains which building occupancy to select when buying building or contents coverage for a building or unit.

Table 4. Building Occupancy: Building or Contents Coverage for a Building or Unit

OCCUPANCY	DEFINITION
Single-Family Dwelling	
Single-Family Home	A single-family building, townhouse, or rowhouse that is residential (or mixed-use with non-residential uses limited to less than 50 percent of the building's total floor area) and not in condominium ownership (or not eligible for the RCBAP Form). Notes: • This building occupancy should not be used for a residential unit in any building or any manufactured/mobile home or travel trailer. These occupancies are listed separately below. • The NFIP defines a townhouse or rowhouse as a unit of a building, divided from similar units by solid, vertical, load-bearing walls dividing the building from its lowest level to its highest ceiling and having no openings in the walls between units and with no horizontal divisions between any of the units. For more information, see the Single and Multiple Buildings heading in Section 2: Before You Start. • Examples of non-residential uses within a residential single-family building include an office, private school, studio, or small service operation. • See RCBAP eligibility rules under the Condominium Rating Information heading in this section (Scenario #1).
Residential Manufactured/Mobile Home	A single-family residential building (or mixed-use building with non-residential uses limited to less than 50 percent of the building's total floor area) that meets one of the following definitions: • A manufactured home (also known as a mobile home) built on a permanent chassis, transported to a site in one or more sections, and affixed to a permanent foundation; <i>or</i> • A travel trailer without wheels, built on a chassis, affixed to a permanent foundation, and regulated under the community's floodplain management and building ordinances or laws.
Residential Unit	A single-family residential unit (or mixed-use unit with non-residential uses limited to less than 50 percent of the unit's total floor area) located within a: • Residential or non-residential condominium building; <i>or</i> • Residential or non-residential building not in condominium ownership (for example, an apartment building or cooperative building); <i>or</i> • Townhouse or rowhouse in condominium ownership (if insured as a unit as opposed to an entire building). If insuring as an entire building, see the Residential Condominium Building row below for additional information.
Multifamily Building	
Two-to-Four Family Building	A residential building (or mixed-use building with non-residential uses limited to less than 25 percent of the building's total floor area) containing 2–4 units. This category includes the following buildings (but excludes buildings where the normal occupancy of a guest or resident is less than 6 months): • Apartment buildings • Assisted-living facilities • Condominium buildings (if not eligible for the RCBAP) • Cooperative buildings • Dormitories • Hotels and motels

Table 4. Building Occupancy: Building or Contents Coverage for a Building or Unit *continued*

OCCUPANCY	DEFINITION
Two-to-Four Family Building <i>continued</i>	• Rooming houses • Tourist homes Note: See RCBAP eligibility rules under the Condominium Rating Information heading in this section (Scenario #1).
Other Residential Building	A residential building (or mixed-use building with non-residential uses limited to less than 25 percent of the building's total floor area) containing 5 or more units. This category includes the following buildings (but excludes buildings where the normal occupancy of a guest or resident is less than 6 months): • Apartment buildings • Assisted-living facilities • Condominium buildings (if not eligible for the RCBAP) • Cooperative buildings • Dormitories • Hotels and motels • Rooming houses • Tourist homes Note: See RCBAP eligibility rules under the Condominium Rating Information heading in this section (Scenario #1).
Residential Condominium Building	
Residential Condominium Building	Select this building occupancy if all the following are true: • The policyholder is a condominium association; • The policy will insure a residential condominium building (or mixed-use condominium building with non-residential uses limited to less than 25 percent of the building's total floor area) with one or more units; <i>and</i> • The building is in a Regular Program community. Notes: • The criteria for RCBAP eligibility define the Residential Condominium Building occupancy. The RCBAP Form must be used to insure a building that meets the Residential Condominium Building definition. See additional information under the Condominium Rating Information heading (Scenario #1), including what building occupancy to select if ineligible for the RCBAP. • When determining non-residential uses, exclude the common areas of the building from the building's total floor area. Exclude areas such as garages, lobbies, recreation rooms, storage/utility rooms, and hallways when determining residential use of a condominium building.
Non-Residential	
Non-Residential Building	A building where the primary use is commercial or non-habitation. This category includes, but is not limited to the following: • A building in which the policyholder is a commercial enterprise primarily carried out to generate income, and the coverage is for: – A building used as an office, retail space, wholesale space, factory, hospitality space, or for similar uses; or – A building not used for habitation or residential uses.

Table 4. Building Occupancy: Building or Contents Coverage for a Building or Unit *continued*

OCCUPANCY	DEFINITION
Non-Residential Building <i>continued</i>	- A mixed-use building in which the total floor area devoted to non-residential uses is: – 50 percent or more of the total floor area within the building, if a single-family building; or – 25 percent or more of the total floor area within the building for all other buildings. - The following buildings where the normal occupancy of a guest or resident is less than 6 months: – Apartment buildings – Assisted-living facilities – Condominium buildings (if not eligible for the RCBAP) – Cooperative buildings – Dormitories – Hotels and motels – Rooming houses – Tourist homes - Other buildings not used for habitation including, but not limited to the following: – Agricultural buildings – Detached garages – Non-residential condominium buildings – Houses of worship – Recreation buildings (including pool houses and clubhouses) – Schools – Storage or tool sheds – Strip malls - A non-residential townhouse or rowhouse. Note: If insuring a non-residential townhouse or rowhouse in the condominium form of ownership as a unit, select the Non-Residential Unit occupancy.
Non-Residential Manufactured/Mobile Building	A single-unit non-residential building (or mixed-use building in which non-residential uses are 50 percent or more of the building's total floor area) that meets one of the following definitions: - A manufactured/mobile building built on a permanent chassis, transported to a site in one or more sections, and affixed to a permanent foundation; or - A travel trailer without wheels, built on a chassis, affixed to a permanent foundation, and regulated under the community's floodplain management and building ordinances or laws.
Non-Residential Unit	A single non-residential unit (or mixed-use unit in which non-residential uses are 50 percent or more of the unit's total floor area) within a: - Residential or non-residential building (whether or not in condominium ownership); or - Townhouse or rowhouse in the condominium form of ownership (if insured as a unit as opposed to an entire building). Note: If insuring a non-residential townhouse or rowhouse in the condominium form of ownership as an entire building, select the Non-Residential Building occupancy.

Table 5 explains which building occupancy to select when insuring residential or non-residential contents on a separate policy.

Table 5. Building Occupancy: Contents Coverage on a Separate Policy

Type of Contents	Residential Building	Non-Residential Building
Residential Contents	Building Occupancy to Select: (see guidance in Table 4 above) • Single-Family Home • Residential Manufactured/Mobile Home • Residential Unit • Two-to-Four Family Building • Other Residential Building • Residential Condominium Building Applicable Policy Form: (based on the building occupancy selected) • Dwelling Form • General Property Form	Building Occupancy to Select: (select the residential building occupancy that best characterizes the physical form of the non-residential building or unit the contents are located in) • Single-Family Home • Residential Manufactured/Mobile Home • Residential Unit Applicable Policy Form: • Dwelling Form
Non-Residential Contents	Building Occupancy to Select: (select the non-residential building occupancy that best characterizes the physical form of the residential building or unit the contents are located in) • Non-Residential Building • Non-Residential Manufactured/Mobile Building • Non-Residential Unit Applicable Policy Form: • General Property Form	Building Occupancy to Select: (see guidance in Table 4 above) • Non-Residential Building • Non-Residential Manufactured/Mobile Building • Non-Residential Unit Applicable Policy Form: • General Property Form

b. Building Description

When completing the Application Form, select the Building Description that best corresponds to the building to be insured by this policy. This is important in specifying what type of Residential Unit is being insured, identifying whether a non-residential building is commercial, and distinguishing multiple buildings at the same address. **Table 6** below lists the different types of buildings and includes a brief description of each. Please reference Table 4 above for additional details related to the building description.

Table 6. Building Description Options

Building Type	Description
Residential	
Entire Apartment Building	A residential building containing multiple residential units that is not in condominium or cooperative ownership.
Apartment Unit	A single residential unit within an apartment building.
Entire Cooperative Building	A residential building owned by a corporation; residents buy shares of the corporation, rather than the real estate (building, land, or both building and land).

Table 6. Building Description Options *continued*

Building Type	Description
Cooperative Unit	A shareholder's residential unit within a cooperative building.
Detached Guest House	A secondary house that shares the building lot of a larger, primary house.
Main Dwelling	A residential building that is the main dwelling on the property, as opposed to any secondary dwelling such as a detached guest house.
Entire Residential Condominium Building	A residential building in that form of ownership in which each unit owner has an undivided interest in common elements.
Residential Condominium Unit (in Residential Building)	A residential condominium unit in a <i>residential</i> condominium building.
Residential Condominium Unit (in Non-Residential Building)	A residential condominium unit in a <i>non-residential</i> condominium building.
Other Dwelling Type	Please describe on the Application Form.
Non-Residential	
Agricultural Building	A building used exclusively in connection with the production, harvesting, storage, raising, or drying of agricultural commodities and livestock.
Commercial	A non-habitation building, manufactured/mobile building, or unit used as an office, retail space, wholesale space, hospitality space, or for similar uses.
Detached Garage	A non-habitation building, accessory building at the same property location as a main dwelling or other building but insured separately. Designed for storage of a motorized vehicle and used only for parking and storage.
Government-Owned	A building owned by any government entity.
House of Worship	A church, temple, synagogue, mosque, or other building set apart primarily for the purpose of worship in which religious services are held and the main body of which is kept for that use and not put to any other use inconsistent with its primary purpose.
Recreation Building	A building designed for non-habitation uses and that does not qualify as a commercial building. Examples include clubhouses and poolhouses.
Storage/Tool Shed	A non-habitation building, accessory building designed for storage at the same property location as the main building, and the use of which is incidental to the use of the main building.
Other Non-Residential Type	Please describe on the Application Form.

c. Manufactured/Mobile Homes

As described in Table 4 above, the Building Occupancy for manufactured/mobile homes (including travel trailers) eligible for NFIP coverage (see the [Building Eligibility](#) heading in Section 2: Before You Start) may be residential or non-residential, depending on their use. [Table 4. Buildings the NFIP Insures](#), in Section 2 provides

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eligibility criteria for manufactured/mobile homes, including specific anchoring requirements and installation standards. In addition, the insurer must:

- Record the identification number (serial number) of the manufactured/mobile home on the Application Form; *and*
- When providing the square footage of the manufactured/mobile home in the appropriate section of the Application Form, include the square footage of any permanent additions or extensions.

2. Construction Type

If the building occupancy is a Single-Family Home or a Two-to-Four Family Building, determine the building's Construction Type based on the construction used for the wall on the building's first floor. The Construction Type rating factor only applies to the Single-Family Home or a Two-to-Four Family Building occupancy and does not apply to other occupancies, such as residential unit or manufactured/mobile home. **Table 7** provides guidance on how to determine the construction type.

Table 7. Construction Type Determination

Construction Type	Guidance
Frame	Use Frame as the construction type when: • The first floor above ground level is constructed with wood or metal frame walls; or • Other materials such as exterior brick or masonry veneer are connected to frame construction.
Masonry	Use Masonry as the construction type when the first full floor above ground level is constructed with masonry materials such as brick (not brick veneer), or concrete block walls for the full floor. Note: If the bottom floor is masonry (such as a basement, walkout level, or crawlspace), and the next higher floor has frame construction, use Frame as the construction type.
Other	Use Other as the construction type when: • The first floor above ground level is constructed with materials other than wood or metal frame walls or masonry walls for the full story; or • Any portion of the wall between ground level and next higher floor is frame construction (for example, "knee walls" whose lower wall is concrete block with frame wall on the higher portion).

3. Foundation Type

FEMA recognizes six foundation type options on the Application Form. The foundation types are:

- Slab on Grade (Non-Elevated)
- Basement (Non-Elevated)
- Elevated Without Enclosure on Posts, Piles or Piers
- Elevated With Enclosure on Posts, Piles or Piers
- Elevated With Enclosure Not on Posts, Piles, Piers (Solid Foundation Walls)
- Crawlspace (Elevated or Non-Elevated Subgrade Crawlspace)

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These foundation types are described below and illustrated in **Tables 8–13**. Each foundation type identifies a building as non-elevated or elevated. The foundation type also corresponds with the Building Diagrams shown on the [Elevation Certificate](#) (EC) form in Appendix B: Forms.

a. Non-Elevated Building

A non-elevated building is a building with a:

- Slab-on-grade foundation with wood or metal frame walls on the first floor; or
- Basement or below grade (subgrade) crawlspace foundation.

Note: A basement is any area of the building, including any sunken room or sunken portion of a room, that has its floor below ground level (subgrade) on all sides. A building has a subgrade crawlspace if the subgrade under-floor area is no more than 5 feet below the top of the next higher floor (living floor) and no more than 2 feet below the Lowest Adjacent Grade (LAG) (lowest point of the ground level immediately next to a building) on all sides.

Tables 8 and **9** describe the Slab on Grade (Non-Elevated) and Basement (Non-Elevated) foundation types.

Table 8. Foundation Type – Slab on Grade (Non-Elevated)

A building whose foundation is slab-on-grade or slab-on-stem-wall with fill.



One floor, slab on grade



Slab with attached garage



Crawlspace with converted garage or attached finished room



Stem wall



Two floor frame wall both floors



Three or more floors on slab

Elevation Certificate Building Diagram Distinguishing Features

Diagram 1A: The bottom floor is at or above ground level (grade) on at least one side.

Diagram 1B: The bottom floor is at or above ground level (grade) on at least one side on slab-on-grade or slab-on-stem wall with fill.

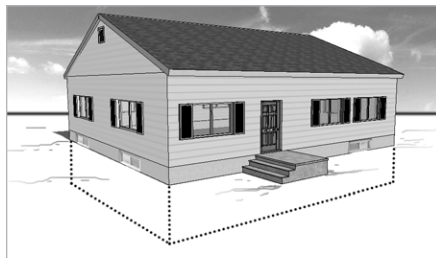
Diagram 3: Split-level building; the bottom floor (excluding garage) is at or above ground level (grade) on at least one side.

Table 8. Foundation Type – Slab on Grade (Non-Elevated) *continued*

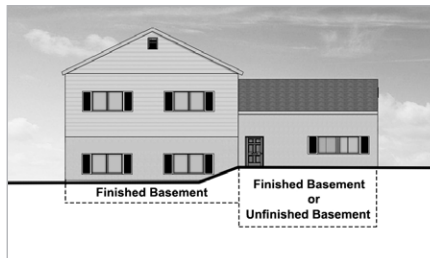
A building whose foundation is slab-on-grade or slab-on-stem-wall with fill.	
Building Indicators	- The building is constructed with wood or metal frame walls and encompasses the full footprint of the building with a slab-on-grade foundation. - The building is one floor with any wall type and no airspace between the ground and lowest floor of the building. For example, a one floor building on grade with masonry/cinder block walls. - If slab-on-grade, there is no airspace between the ground and the lowest floor of the building. - This foundation type includes a building with a dual foundation. For example, an elevated building with a crawlspace or enclosure with an attached converted garage or attached finished room where the floor of the converted garage or attached finished room is equal to or lower than the enclosure floor.

Table 9. Foundation Type – Basement (Non-Elevated)

A non-elevated building that has a floor or any area of the building, including any sunken room or portion of a room, below the ground level (subgrade) on all sides.



Basement building



Split level with basement

Elevation Certificate Building Diagram Distinguishing Features	Diagram 2A: The bottom floor (basement or underground garage) is below ground level (grade) on all sides. Diagram 2B: The bottom floor (basement or underground garage) is below ground level (grade) on all sides; most of the height of the walls are below ground level on all sides and the door and area of egress is also below ground level on all sides. Diagram 4: Split-level building; the bottom floor (basement or underground garage) is below ground level (grade) on all sides.
	- The building, including split-level, has a floor that is below grade on all sides even if the floor is used for living purposes, or as an office, garage, workshop, etc. - If the building has a subgrade crawlspace and the distance from the crawlspace floor to the top of the next higher floor is more than 5 feet, or the crawlspace floor is more than 2 feet below the grade on all sides, describe the foundation type as a basement. Note: If the building has a “walkout basement,” refer to foundation type Elevated with Enclosure Not Posts, Piles, Piers.
Building Indicators	

b. Elevated Building

An elevated building is a building that:

- Has no basement; *and*
- Has its lowest elevated floor raised above ground level by foundation walls, shear walls, posts, piers, pilings, or columns.

Elevated buildings are generally elevated with the following elevating foundation types:

- **Posts, Piles, Piers, and Columns:** Reinforced masonry piers or concrete piers or columns.
- **Foundation Walls:**
 - Masonry walls, poured concrete walls, or precast concrete walls – regardless of height – that extend above grade and support the weight of a building.
 - Buildings with multiple floors with knee foundation walls below the elevated floor (e.g., foundation walls not constructed the full height of the area between the lowest elevated floor and the grade, with wood-frame or studs attached above the foundation wall), are considered elevated buildings for rating purposes. However, if the knee walls are supported on a slab foundation, the building is non-elevated.
- **Shear Walls:**
 - Shear walls are for structural support and not structurally joined or enclosed at the ends, except by breakaway walls.
 - Reinforced concrete or wood shear walls used as the method of elevating a building are normally parallel (or nearly parallel) to the expected flow of floodwaters.

Table 10 describes the Elevated Without Enclosure on Posts, Piles, or Piers foundation type.

Table 10. Foundation Type – Elevated Without Enclosure on Posts, Piles, or Piers

A building that has its lowest floor raised above the ground by posts, piles, piers, columns, or parallel shear walls with no enclosure below the lowest elevated floor.



Elevated no enclosure



Elevated hanging floor



Elevated with lattice



Elevated with utility chase



Mobile home with skirting

Table 10. Foundation Type – Elevated Without Enclosure on Posts, Piles, or Piers *continued*

A building that has its lowest floor raised above the ground by posts, piles, piers, columns, or parallel shear walls with no enclosure below the lowest elevated floor.	
Elevation Certificate Building Diagram Distinguishing Features	Diagram 5: The area below the elevated floor is open, with no obstruction to flow of floodwaters (open lattice work and/or insect screening is permissible).
Building Indicators	• Hanging floors are walled-in floor areas beneath an elevated building that do not extend to the ground. The top of the hanging floor is considered the first floor. • A mobile home with skirting around frame perimeter. • FEMA does not consider a small enclosed area (a utility chase) below the lowest floor to be an enclosure if all the following criteria are met: – It is the minimum size necessary to protect the building utilities (for example, plumbing, pipes, wiring, HVAC supply/return lines); – It is constructed with flood-damage-resistant materials; – There are no mechanical or electrical equipment inside the enclosed area; <i>and</i> – There is not enough space for a person to enter into the enclosed area.

c. Elevated Building with an Enclosure

Other elevated buildings have enclosures under the lowest elevated floor.

i. Definition of an Enclosure

An enclosure is that portion of an elevated building below the lowest elevated floor that is either partially or fully enclosed by rigid walls. The following are examples of enclosures:

- A garage, storage, or utility room below the elevated floor of an elevated building.
- A garage, storage, or utility room attached and next to an elevated building with the enclosure floor lower than the elevated floor.
- An enclosed crawlspace below the lowest elevated floor.

ii. Enclosure Wall Types

An enclosure may be enclosed with any of the following:

- Solid wood frame walls
- Masonry walls
- Breakaway walls

Note: Enclosures enclosed with insect screening with no additional support, plastic lattice, or wooden or plastic slats or shutters are treated as no enclosure. See Table 10: Elevated Without Enclosure.

Tables 11 and 12 describe the Elevated With Enclosure on Posts, Piles, or Piers and Elevated With Enclosure Not on Posts, Piles, or Piers foundation types.

**Table 11. Foundation Type – Elevated With Enclosure on Posts, Piles, or Piers
(With an Enclosure Below the Elevated Floor)**

A building that has its lowest floor raised above the ground by posts, piles, piers, columns, or parallel shear walls with an enclosure below the elevated floor.



Elevated with a garage



Elevated with a bedroom below the elevated floor



Elevated on posts, piles, or piers with a properly vented partial enclosure

**Elevation Certificate
Building Diagram
Distinguishing Features**

Diagram 6: The area below the elevated floor is enclosed, either partially or fully, with or without openings present in the walls of the enclosure.

Building Indicators

- The building is elevated on piers, posts, piles, columns, or parallel shear walls and there is an enclosed storage area or garage below the elevated floor.
- The building is elevated on piers, posts, piles, columns, or parallel shear walls and there is a finished area (for example, a bedroom or bathroom) below the elevated floor.

**Table 12: Foundation Type – Elevated with Enclosure Not On Posts, Piles, or Piers
(Solid Foundation Walls)**

A building that has its lowest floor raised above the ground by foundation walls (solid perimeter walls) with a full floor enclosure.



Walkout Basement



Two floor building with a full floor solid perimeter foundation for the first story and a frame construction for the second floor.

**Elevation Certificate
Building Diagram
Distinguishing Features**

Diagram 7: The area below the elevated floor is enclosed, either partially or fully, with or without openings present in the walls of the enclosure. The building is elevated on full-story foundation walls.

Table 12: Foundation Type – Elevated with Enclosure Not On Posts, Piles, or Piers (Solid Foundation Walls) *continued*

A building that has its lowest floor raised above the ground by foundation walls (solid perimeter walls) with a full floor enclosure.	
Building Indicators	- The building may have a walk-out level, where at least one side is at or above grade. - The principal use of the building is located on the elevated floors of the building. - The building has no basement (no portion of the building is below the ground on all sides). If the building has a floor below the ground on all sides refer to the Basement or Crawlspace foundation types.

d. Crawlspace – Elevated and Non-Elevated

Table 13 describes the Crawlspace (Elevated or Non-Elevated Subgrade Crawlspace) foundation type, which includes both elevated and non-elevated buildings.

Table 13. Foundation Type – Crawlspace (Elevated or Non-Elevated Subgrade Crawlspace)

A building that has its lowest floor raised above the ground by a crawlspace.	
  	
Crawlspace with attached garage Subgrade crawlspace Subgrade crawlspace with attached garage	
Elevation Certificate Building Diagram Distinguishing Features	Diagram 8: The area below the first floor is enclosed by solid or partial foundation perimeter walls. If the building has an above grade crawlspace, the crawlspace floor is no more than 5 feet below the top of the next higher floor above the crawlspace. If the difference between the crawlspace floor and floor above the crawlspace is more than 5 feet, then refer to Diagram 7 (Elevated with Enclosure Not on Posts, Piles, or Piers). Diagram 9: The bottom (crawlspace) floor is below ground level (grade) on all sides. If the building has a subgrade crawlspace, the crawlspace floor must be within 2 feet below the grade and the crawlspace floor is no more than 5 feet below the top of the next higher floor (above the crawlspace). If the difference between the crawlspace floor and floor above the crawlspace is more than 5 feet, or if the crawlspace floor is more than 2 feet below the grade, then refer to Diagram 2 (Basement). Note: An elevated building that has a crawlspace foundation with an attached slab-on-grade finished room or attached slab-on-grade garage converted to a living area is considered the Slab on Grade foundation type.
Building Indicators	A building with a crawlspace foundation may have an attached garage.

4. First Floor Height

a. General Information

The First Floor Height (FFH) is the height of the building's first lowest floor above the adjacent grade.

The FFH is determined by FEMA, or the policyholder has the option to provide an EC. If the policyholder provides an EC, FEMA's system compares the premium using elevation information from the EC with the premium using FEMA-sourced FFH and elevation data. After this comparison, FEMA returns the lowest premium for the policyholder. Providing EC information will not increase a premium.

Table 14 shows what floor the NFIP uses for the FFH measurement based on the foundation type selected.

The FFH is not used to determine the number of floors in the building. See [Number of Floors in Building](#) in Section 3, for information about determining the number of floors.

Table 14. First Floor Height Measurement by Foundation Type

Foundation Type	EC Diagram Number	Floor Used for First Floor Height Measurement
 Slab on Grade (Non-Elevated)	1A, 1B, and 3	Use the first floor of the building. If the garage has been converted to living space, use the garage floor.
 Slab on Grade with an attached garage (Non-Elevated)		
 Basement (Non-Elevated)	2A, 2B, and 4	Use the first floor above the basement.

Table 14. First Floor Height Measurement by Foundation Type *continued*

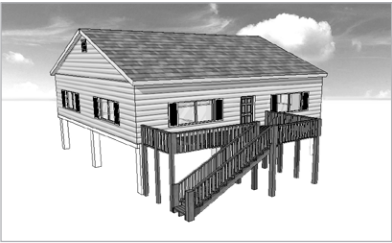
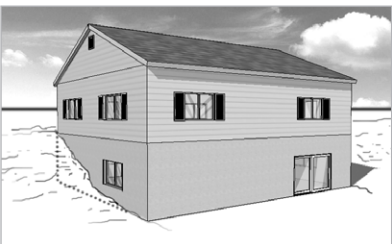
Foundation Type	EC Diagram Number	Floor Used for First Floor Height Measurement
 Elevated without Enclosure on Posts, Piles, or Piers	5	Use the first elevated floor, including hanging floor if applicable.
 Elevated with Enclosure on Posts, Piles, or Piers	6	Use the enclosure floor if: • Pre-FIRM building (any zone); • In a Non-Special Flood Hazard Area; or • In Zone Unnumbered A, A99, AO, AR/AO or Unnumbered V. Use the elevated floor or mid-level entry if: • Post-FIRM building; <i>and</i> • In Zones A1–A30, AE, AH, AR, AR/A, AR/AE, AR/AH, AR/A1–A30, V1–V30, or VE
 Elevated with Enclosure Not on Posts, Piles, or Piers (Solid Foundation Walls)	7	Use the enclosure floor if: • Pre-FIRM building (any zone); • In a Non-Special Flood Hazard Area; or • In Zones Unnumbered A, A99, AO, AR/AO or Unnumbered V. Use the elevated floor or mid-level entry if: • Post-FIRM building; <i>and</i> • In Zones A1–A30, AE, AH, AR, AR/A, AR/AE, AR/AH, AR/A1–A30, V1–V30, or VE.
 Elevated Crawlspace	8	Use the first floor above the crawlspace.

Table 14. First Floor Height Measurement by Foundation Type *continued*

Foundation Type	EC Diagram Number	Floor Used for First Floor Height Measurement
 Subgrade Crawlspace	9	Use the first floor above the crawlspace.

b. FEMA Determined First Floor Height

FEMA will determine a FFH value using application information and various datasets.

c. Elevation Certificate/Land Survey

The policyholder can optionally provide an EC (or land survey completed by a licensed engineer) to provide data for a FFH value by using Sections C, E or H of the NFIP EC form. Tables 15 and 16 show the steps to take when completing the FFH Determination portion of the Application Form as well as how to determine the elevations to use when calculating the FFH. All ECs and land surveys must be certified and accompanied by photographs. See [Documentation Required](#) below for additional documentation requirements.

i. Using Section C of the NFIP EC Form to Determine FFH

A policyholder may provide an EC with Section C completed by a licensed surveyor, architect, or engineer.

- NFIP requires the LAG and diagram number for all new business.
- Conversion of elevation datums is not required for rating purposes but the elevations must be the same datum.
- The policyholder or policyholder's representative must return the EC to the surveyor, engineer, architect, or community official completing the form to provide missing information in any part of Section A or C of the EC.
- The building elevation information contained in Section C (Survey Required) appears in feet, except in Puerto Rico, where it appears in meters. Before calculating the elevation difference, convert all metric elevation measurements to feet (1 m = 3.28084 ft.).
- Item C2.a of the EC may remain blank if the surveyor, engineer, or architect cannot gain access to the crawlspace to obtain the elevation of the crawlspace floor. Preparers should enter the estimated measurements in the comments area of Section D.

Table 15 shows the elevation in Section C of the NFIP EC form (see [Appendix B: Forms](#)) to report as the Lowest Floor Elevation (LFE).

Table 15. Completing the Application Form Using Section C of the Elevation Certificate (EC)

STEP	GUIDANCE
1.	Enter the EC date
2.	Enter the Building Diagram Number (Item A7 of the EC).
3.	Enter the LAG (Item C2.f of the EC).
4.	Enter the LFE. See below for guidance.
Determine the Lowest Floor Elevation (LFE) Using Section C of the EC	
EC Diagram Number and Scenario	Elevation to Report as the LFE
EC Diagram Number: 1A, 1B, 3 or 5 Scenario: Non-elevated building on slab or elevated without an enclosure.	C2.a = LFE <i>If C2.a is not provided C2.c can be used:</i> Add 1 foot to C2.c (for both residential and non-residential buildings). C2.c + 1 = LFE
EC Diagram Number: 2, 2B, or 4 Scenario: Non-elevated building with basement.	C2.b = LFE <i>If C2.b is not provided 8 feet can be added to C2.a:</i> Add 8 feet to C2.a C2.a + 8 = LFE
EC Diagram Number: 6 or 7 Scenario: Elevated building with an enclosure <i>and</i> - Is Pre-FIRM (in any zone); or - In a Non-Special Flood Hazard Area; or - In Zone Unnumbered A, A99, AO, AR/AO or Unnumbered V.	C2.a = LFE <i>If C2.a is not provided C2.c can be used:</i> Add 1 foot to C2.c (for both residential and non-residential buildings). C2.c + 1 = LFE
EC Diagram Number: 6 or 7 Scenario: Elevated building with an enclosure <i>and</i> - Is Post-FIRM; <i>and</i> - In Zone A1–A30, AE, AH, AR, AR/A, AR/AE, AR/AH, AR/A1–A30, V1–V30, or VE.	C2.b = LFE <i>If C2.b is not provided C2.c can be used:</i> Add 1 foot to C2.c (for both residential and non-residential buildings). C2.c + 1 = LFE
EC Diagram Number: 8 or 9 Scenario: Building with a crawlspace or subgrade crawlspace.	C2.b = LFE
5.	Enter the First Floor Height (FFH) in feet. The FFH is the difference between the LAG and LFE.

ii. Using Section E or H of the NFIP EC Form to Determine First Floor Height

Prior to the addition of the new Section H to the EC, guidance allowed the use of Section E for FFH. However, if using the new NFIP EC form, FEMA recommends using the new EC Section H for FFH for all flood zones. Use Section E if the building is located in Zone AO, Zone AR/AO or Zone A (without BFE) and the Certificate is being completed to document compliance with local floodplain management requirements, or it may still be used to determine the FFH using older ECs. These sections can be completed by the property owner, owner's authorized representative, or local floodplain management official.

Table 16 provides guidance on completing the application if section E or H are completed on the EC for the FFH.

Table 16. Completing the Application Form Using Section E or H of the Elevation Certificate (EC)

STEP	GUIDANCE	
1.	Enter the EC date.	
2.	Enter the Building Diagram Number (Item A7. of the EC).	
3.	Enter the First Floor Height. See below for guidance.	
	Determine the First Floor Height (FFH) Using Section E or H of the EC	
	EC Diagram Number and Scenario	Field to Report as the FFH
	EC Diagram Number: 1A, 1B, 3 or 5 Scenario: Non-elevated building on slab or elevated without an enclosure.	Section E: E1.b = FFH Section H: H1.a = FFH
	EC Diagram Number: 2, 2B, or 4 Scenario: Non-elevated building with basement.	Section E: E2 = FFH Section H: H1.b = FFH
	EC Diagram Number: 6 or 7 Scenario: Elevated building with an enclosure <i>and</i> - Is Pre-FIRM (in any zone); - In a Non-Special Flood Hazard Area; <i>or</i> - In Zone Unnumbered A, A99, AO, AR/AO or Unnumbered V.	Section E: E1.b = FFH Section H: H1.a = FFH
	EC Diagram Number: 6 or 7 Scenario: Elevated building with an enclosure <i>and</i> - Is Post-FIRM; <i>and</i> - In Zone A1–A30, AE, AH, AR, AR/A, AR/AE, AR/AH, AR/A1–A30, V1–V30, or VE.	Section E: E2 = FFH Section H: H1.b = FFH
	EC Diagram Number: 8 or 9 Scenario: Building with a crawlspace or subgrade crawlspace.	Section E: E2 = FFH Section H: H1.b = FFH

d. Additional Information on Elevation Certificates or Land Surveys

i. Documentation Required

- EC or survey signed by a licensed surveyor.
 - The surveyor, engineer, or architect must sign and include their identification number or seal in Section D or on the land survey.
 - A building official, a property owner, or an owner's representative may provide the EC for Zone AO, Zone AR/AO, and Zone A (without Base

Flood Elevation) by completing Section E. The property owner or owner's representative must complete Section F when they prepare the EC.

- A building official, a property owner, or an owner's representative may provide the EC for all flood zones by completing Section H. The property owner or owner's representative must complete Section I when they prepare the EC.
- Photographs that show the front and rear of the building, including the building foundation type.
 - Photograph Requirements:
 - > A minimum of two clear/legible photographs that show the front and back of the building.
 - > Photographs must confirm the current building description as described on the policy.
 - > Color photographs are preferred.
 - Building under construction:
 - > Photographs are not required when the building is under construction.
 - > A revised EC or survey based on finished construction elevations with photographs is required when the construction is complete.

ii. Other Elevation Information

- Existing documentation containing elevation information (for example, an older EC form, or surveyor letterhead) may transfer to Section C or H of the EC.
 - If Section C is completed, only a local official authorized by law or ordinance to administer the community's floodplain management ordinance may complete this transaction.
 - The official must certify the information and provide a statement documenting the transfer of information in Section G of the EC.
- In CRS communities, building elevation information and certificates may be available through the community.
- Fields not applicable to the surveyed property should be marked as N/A (not applicable).
- The building elevation information on the EC generally appears in feet, except in Puerto Rico, where it appears in meters. Before calculating the elevation difference, convert all metric elevation measurements to feet (1 m = 3.28084 ft.).

iii. Troubleshooting

- Fields not applicable to the surveyed property should be marked as N/A (not applicable)
- If Section C is completed, the policyholder or policyholder's representative must return the EC to the surveyor, engineer, architect, or community official completing the form to provide missing information in any part of Section A or C of the EC.
- The building elevation information contained in Section C (Survey Required) appears in feet, except in Puerto Rico, where it appears in meters. Before calculating the elevation difference, convert all metric elevation measurements to feet (1m = 3.28084 ft.).

- Section C2a. of the EC may remain blank if the surveyor, engineer, or architect cannot gain access to the crawlspace to obtain the elevation of the crawlspace floor. Preparers should enter the estimated measurements in the comments area of Section D.
- Section E, Building Elevation Information (Survey Not Required) marked “for Zone AO and Zone A (without BFE)” can be used in all flood zones for rating purposes.
 - Preparers must compute and enter the elevation differences between the lowest floor and the LAG along with lowest floor and Highest Adjacent Grade (HAG).
 - If Section E is completed for zones other than unnumbered A and AO, the information can be used for rating purposes only and does not relate to floodplain management requirements.

e. First Floor Height Used

The final two fields of the First Floor Height Determination portion of the Application Form are completed by FEMA's system when the quote is returned to the insurer.

- **FFH Used (In Feet).** FEMA's system will enter the FFH value used for rating purposes.
- **Method Used to Determine FFH.** FEMA's system will enter either FEMA Determined or Elevation Certificate depending on which source returned the more favorable value.

Note: When EC information is provided, FEMA's system compares the premium using elevation information from the EC with the premium using FEMA-sourced FFH and elevation data. After this comparison, FEMA returns the lowest premium for the policyholder. Providing EC information will not increase a premium.

5. Mitigation Discounts

FEMA offers certain mitigation discounts to incentivize a policyholder to take steps that meaningfully reduce their property's flood risk.

a. Machinery and Equipment Above First Floor

Policyholders may receive a mitigation discount if certain covered Machinery and Equipment (M&E) servicing the building, inside or outside the building, is elevated to at least the elevation of the floor above the building's first floor. Depending on the foundation type option selected, the building's first floor may be either the main living floor (if slab on grade), basement floor, crawlspace floor, or enclosure floor. See Table 17 below which provides examples of where the M&E should be located to be eligible for the discount.

If the policyholder purchased building-only coverage, the following M&E must be elevated to receive the discount:

- Central air conditioner (including exterior compressor)
- Furnace
- Heat pump (including exterior compressor)
- Hot water heater
- Elevator machinery and equipment

If the policyholder purchased contents-only coverage, the following appliances must be elevated to receive the discount:

- Clothes washers and dryers
- Food freezers

3. How to Write

If the policyholder purchased both building and contents coverage, all the M&E and appliances listed above must be elevated to receive the discount.

Select **Yes** on the Application Form under the question ***“Is the Building Eligible for the Machinery and Equipment Mitigation Discount?”*** if the M&E is elevated consistent with the guidance above and in **Table 17**, which provides examples of where the M&E should be located to be eligible for the discount.

Table 17. M&E Location for Discount Eligibility

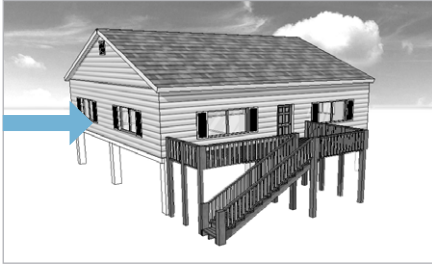
Diagram Showing Location	Guidance on Location
	Slab on Grade (Non-Elevated) • One floor: Elevated at least to the height of the attic • More than one floor: Elevated to the height of the second floor or higher
	Basement (Non-Elevated) • Elevated to the height of the floor above the basement or higher
	Elevated Without Enclosure on Posts, Piles or Piers • Elevated to the height of the lowest elevated floor or higher
	Elevated With Enclosure on Posts, Piles or Piers • Elevated to the height of the lowest elevated floor or higher
	Elevated With Enclosure Not Posts, Piles or Piers • Elevated to the height of the lowest elevated floor or higher

Table 17. M&E Location for Discount Eligibility *continued*

Diagram Showing Location	Guidance on Location
	Crawlspace (Elevated or Non-Elevated Subgrade Crawlspace) Elevated to the height of the floor above the crawlspace or higher

b. Proper Flood Openings

i. Proper Flood Openings Discount Requirements

Proper flood openings (flood vents) in enclosures or crawlspaces allow the hydrostatic flood forces on the walls to equalize and minimize foundation damage to the building. FEMA provides a discount for buildings, in any flood zone, with proper flood openings in enclosures.

Below are the foundation types that may be eligible to receive the proper flood openings discount:

- Elevated With Enclosure on Posts, Piles or Piers
- Elevated With Enclosure Not Posts, Piles or Piers (Solid Foundation Walls)
- Crawlspace (Elevated or Non-Elevated Subgrade Crawlspace)

To obtain the proper flood opening discount, all enclosures below the elevated floor must meet the following requirements:

- There must be a minimum of two openings positioned on at least two exterior walls. For partially subgrade floors, there must be a minimum of two openings positioned on a single exterior wall adjacent to the lowest grade next to the building.
- The bottom of all openings must be no higher than one foot above the higher of the exterior or interior adjacent grade or floor immediately below the openings.
- The openings must have a total net area of not less than one square inch for every one square foot of enclosed area.

The Application Form asks several questions to guide the policyholder's eligibility to receive the Proper Flood Openings discount.

- Is the enclosure/crawlspace constructed with proper flood openings or engineered openings?** Select Yes, if the enclosure or crawlspace is constructed with flood openings or engineered openings. Select No, if the enclosure or crawlspace is not constructed with proper flood openings or engineered openings.
- If Yes, enter the total number of flood openings.** Enter the number of flood openings located in the enclosure or crawlspace. There must be a minimum of two openings positioned on at least two exterior walls and the bottom of all openings are no higher than one foot above the higher of the exterior or interior adjacent grade or floor immediately below the openings.

- **Total area of all permanent openings (in square inches).** Enter the total square inches of openings.
- **Total enclosed area (in square feet).** Enter the total square footage of the entire enclosed area.

ii. Engineered Openings Certified by a Design Professional

An alternative to the proper openings requirement is engineered openings. Engineered openings can be used to obtain the proper flood opening discount. If used, the policyholder must provide to the insurer a copy of the certification validating that the openings meet NFIP requirements. NFIP Technical Bulletin 1, [Requirements for Flood Openings in Foundation Walls and Walls of Enclosures](#) provides technical guidance for these requirements.

The certification statement must identify the building with the installed engineered openings and include:

- The design professional's name, title address, type of license, license number, the state issuing the license, and the signature and applied seal of the certifying registered design professional;
- A statement certifying that the design of the openings will automatically equalize hydrostatic flood loads on exterior walls by allowing for the automatic entry and exit of floodwaters; *and*
- A description of the range of flood characteristics tested or computed for which the certification is valid, such as rates of rise and fall of floodwaters.

iii. Engineered Openings Certified by the International Code Council Evaluation Service

Engineered openings identified by the International Code Council Evaluation Service, Inc., can be used to satisfy the proper opening requirements and receive the proper flood opening discount. The International Code Council Evaluation Service publishes an evaluation report for each specific engineered opening product (make and model) that it certifies, specifying the square footage of the area for which it is certified. If these openings are used, documentation to confirm the installation and model number of the opening is required. Reference the evaluation report information to confirm whether the engineered openings satisfy the proper openings requirement. Examples of documentation that can be used are:

- Documentation to confirm installation should specify the number of openings installed, the square footage of the area for which they are certified, and the model number of the engineered opening; *or*
- An EC that has information confirming the use of engineered openings.

6. Floodproofing

a. General Information

Floodproofing may be an alternative to elevating a building to or above the BFE; however, the NFIP requires a Floodproofing Certificate to consider floodproofing mitigation measures in rating a building (see [Appendix B: Forms](#)). Certified floodproofing may result in a lower premium because floodproofing ensures:

- A watertight building;
- Waterproof non-collapsing walls; *and*
- The floor at the base of the floodproofed walls will resist flotation during a flood.

Once approved, the floodproofing discount is incorporated in the building and contents premium.

b. Application Form

The application form must indicate whether an applicant is eligible for the floodproofing discount through the response to this question:

- *Is the building properly floodproofed?*

Answer **Yes** when the building meets the eligibility requirements listed in **Table 18**.

For Non-Residential buildings that indicate Yes, FEMA must approve eligibility, so the initial policy may not include the discount. If FEMA approves the floodproofing discount, the insurer must endorse the policy to reflect the premium change.

Table 18. Eligibility for a Floodproofing Discount

Type	Eligibility Criteria	Notes
Residential⁷	Floodproofing a residential building may qualify the policy for a floodproofing discount if all the following apply: • The building's foundation type is Basement (Non-Elevated); • The building is located in an NFIP participating community where FEMA approved the residential basement floodproofing premium discount; • The building is located in zone A1–A30, AE, AR, AR Dual, AO, AH, or A with a BFE; • A registered professional engineer or architect certified that the building is floodproofed to at least one foot above the BFE; <i>and</i> • Refer to fema.gov/floodplain-management/manage-risk for additional eligibility criteria. If an existing policy for a residential building located in a community approved for the residential basement floodproofing discount received the discount before the property was remapped into a flood zone that doesn't qualify for floodproofing (for example a V zone), then the policyholder loses the discount when the insurer validates the zone upon the next renewal.	• The NFIP insurer is responsible for determining eligibility for the residential floodproofing discount. • Refer to https://www.fema.gov/floodplain-management/manage-risk/residential-buildings-basements for the list of communities approved for residential basement floodproofing. • The insurer must maintain a completed NFIP Residential Basement Floodproofing Certificate and at least two photographs of the building to obtain a floodproofing discount.

7. 42 U.S.C. 4014(a)(1)(A)(ii); 42 U.S.C. 4102(d); 44 CFR 60.6(c)

Table 18. Eligibility for a Floodproofing Discount *continued*

Type	Eligibility Criteria	Notes
Non-Residential	Floodproofing a Non-Residential Building may qualify the policy for a floodproofing discount if all the following apply: - The building's foundation type is Slab on Grade (Non-Elevated) or Basement (Non-Elevated); - The building is located in zone A1-A30, AE, AR, AR Dual, AO, AH, A with a BFE, B, C, X or D; <i>and</i> - The building is in any participating NFIP community. - For buildings located in zone A1-A30, AE, AR, AR Dual, AO, AH, A with a BFE, a registered professional engineer or architect certifies that the building is floodproofed to at least one foot above the BFE. - For buildings located in zone B, C, X or D, a registered professional engineer or architect certifies that the building is floodproofed to at least two feet above the natural Highest Adjacent Grade (HAG).	- The insurer must submit the required floodproofing documentation listed below so FEMA can determine eligibility for a floodproofing discount. The insurer must email the documentation to NFIPUnderwritingMailbox@fema.dhs.gov. - If the policy is issued without the floodproofing discount and FEMA approves the floodproofing discount, then the insurer must endorse the policy to reflect the premium change. - Use the Floodproofing Certificate date in place of the EC date on the Application. - The insurer must validate floodproofing documentation annually. - If the building is properly floodproofed, FEMA will consider the floodproofed floor for FFH purposes. (Reported as FEMA Adjusted Floor Height.) See Renewal Requirements for Non-Residential Floodproofing Discount in Section 5, III.E for additional information.

c. Documentation Requirements for Non-Residential Floodproofing

The insurer must email the following floodproofing documentation to NFIPUnderwritingMailbox@fema.dhs.gov, so FEMA can determine eligibility for a floodproofing discount:

- Completed Application Form;
- Completed EC;
- Completed NFIP Floodproofing Certificate for Non-Residential Structures;
- At least two photographs of the building that show the floodproofing measures in place, including:
 - Photographs of the exterior of the building (all sides);
 - Photographs of the components used to provide floodproofing protection (shields, gates, barriers); *and*
- Flood Emergency Plan that includes:
 - Chain of command;
 - Notification procedures;
 - Personnel duties;
 - Location of floodproofing components, install procedures, repair procedures;

3. How to Write

- Evacuation procedures for building occupants;
- Component maintenance procedures during flooding event;
- Drill and training program (at least once a year);
- Regular review and update of Flood Emergency Plan; *and*
- Inspection and Maintenance Plan that includes:
 - Inspection procedures for the entire floodproofing system: wall systems, floor slab, openings, floodproofing components, valve operation, drainage and pump systems, equipment and tools required to engage floodproofing measures; *and*
 - Regular review and update of the Inspection and Maintenance Plan.

7. Replacement Cost Value

Replacement cost value information such as square footage and Building Replacement Cost Value (BRCV) apply to building coverage only and is not required for contents-only policies.

a. Square Footage

FEMA uses square footage as one of the variables to determine BRCV. For certain building occupancies (see [Subsection 7.b.ii](#) below), the documentation requirements depend on the building's square footage total.

The percentage of total floor area determines the appropriate building occupancy to select and is not calculated in the same method as square footage. Follow the guidelines in **Table 19** to determine the building's square footage.

Table 19. Square Footage Calculation

Building Occupancy	Guidance
Single-Family Home, Residential Manufactured/Mobile Home, Residential Unit, and Two-to-Four Family Building	Provide the total finished living area. An attached garage converted to a living space or an attic converted to living space should be included in the square footage calculation. Do not include the following areas in the square footage calculation: • Any garage area solely used for parking, storage or access; • Finished or unfinished basement; • Finished or unfinished enclosure area; <i>or</i> • Porches or decks.
Other Residential Building, Residential Condominium Building, Non-Residential Building, Non-Residential Manufactured/Mobile Building, and Non-Residential Unit	Provide the square footage of the building: • Include stairwells and elevator shafts. • Do not include areas such as basements, enclosures and mezzanines, finished or unfinished. • If all of the floors are the same size, first calculate the ground floor area; then compute gross floor area by multiplying the ground floor area by the total number of floors. • If the floor sizes vary, calculate each floor's area, then provide the sum of all floors. • Do not include any garage area solely used for parking, storage or access.

Note: For a unit policy, provide the square footage for the unit and not the entire building.

b. Building Replacement Cost Value

BRCV is the cost to replace the building or unit (including, for a building, the cost of the foundation). The ratio of building coverage selected to BRCV is a rating factor. The BRCV used for rating does not affect the building replacement cost determined at time of loss.

The BRCV used for rating has no bearing on the amount of coverage a policyholder can select. However, if a policyholder selects building coverage above the BRCV (as determined by FEMA or provided to FEMA), then the building coverage amount selected by the policyholder will be used as the BRCV in determining the premium.

i. **Occupancy Type: Single-Family Home, Residential Manufactured/Mobile Home, Residential Unit, and Two-to-Four Family Building**

FEMA will determine BRCV for the building or unit by using Application Form data and insurance industry data connected with the property address. If FEMA is unable to determine the BRCV, the insurer must obtain the BRCV for the building or unit (including, for a building, the cost of the foundation) based on appraisals commonly used in the insurance industry, report it on the Application Form. FEMA reassesses its determination of BRCV at every renewal.

ii. **Occupancy Type: Other Residential Building, Residential Condominium Building, Non-Residential Building, Non-Residential Manufactured/Mobile Building, Non-Residential Unit**

FEMA will not determine the BRCV for these building occupancies. The insurer must obtain the BRCV for the building or unit (including the cost of the foundation). The BRCV may be obtained by using common industry practices. The insurer must review (and update if any changes) the BRCV. The method or documentation used to determine the BRCV must be maintained in the policy underwriting file by the insurer. The insurer must validate the BRCV information at least every 3 years. See the [sample BRCV notification letters](#) in Appendix I: Policyholder Communications.

Supporting BRCV method or documentation is not required if:

- The building occupancy is Non-Residential Manufactured/Mobile Building;
- The building description is either Storage/Tool Shed or Detached Garage; or
- The building or unit's square footage is less than 1,000 square feet.

iii. **Occupancy Type: Residential Condominium Building**

FEMA will not determine the BRCV for this building occupancy. The insurer must obtain the BRCV of the building (including the cost of the building's foundation) based on appraisals commonly used in the industry. The documentation used to determine the BRCV must be maintained in the policy underwriting file by the insurer.

- The insurer must maintain supporting documentation of the BRCV. Supporting documentation must include a recent appraisal stating the value of the building and its foundation on a BRCV basis to meet this requirement.
- The insurer must validate the BRCV information at least every 3 years. See [notice requirements](#) and [sample versions](#) in Appendix I: Policyholder Communications.

8. Claims History

The claims history used is the history of NFIP claim payments for loss or damage to insured property (building and contents) directly caused by a flood. The claims history applies to a building's property address and is not associated with the policyholder or building owner. NFIP claims history can impact the premium of a policy by the Prior NFIP Claims Rating Factor or through a Severe Repetitive Loss (SRL) Rating Factor for SRL properties.

a. Prior NFIP Claims Rating Factor

i. General Information

FEMA incorporates a Prior NFIP Claims Rating Factor on buildings with two or more claims. FEMA counts NFIP claims with a date of loss of April 1, 2023 or later into the Prior NFIP Claims Rating Factor which is used in determining an NFIP premium.

The Prior NFIP Claims Rating Factor excludes the following claim types:

- Claims with a date of loss prior to April 1, 2023;
- Increased Cost of Compliance (ICC) claims;
- Closed Without Payment (CWOP); and
- Loss Avoidance claims.

Claims with dates of loss within 10 days of each other will be counted as one claim.

See **Tables 20 and 21** for guidance on how the Prior NFIP Claims Rating Factor is applied.

Table 20. Applying the Prior NFIP Claims Rating Factor

TOPIC	GUIDANCE
Implementation of the Prior NFIP Claims Rating Factor	The Prior NFIP Claims Rating Factor is determined on the effective date of the next policy renewal term following the date of loss of the second claim.
Date of Loss	The Prior NFIP Claims Rating Factor is the number of NFIP claims with a date of loss of April 1, 2023 or later. Note: Claims with dates of loss within 10 days of each other will be counted as one claim.
10-Year Window	The Prior NFIP Claims Rating Factor is the number of NFIP claims with loss dates that are within 10 years of the policy effective date.

Table 21. Policy with Prior NFIP Claims Example

	Policy Effective Date	9/1/2023	9/1/2024	9/1/2025	9/1/2026	9/1/2027	9/1/2028	9/1/2029	9/1/2030	9/1/2031	9/1/2032	9/1/2033	9/1/2034	9/1/2035	9/1/2036	9/1/2037
Claims Date of Loss	4/1/2023															
	1/1/2025															
	6/1/2026															
	1/1/2034															
Total Number of Prior NFIP Claims		1	1	2	3	3	3	3	3	3	3	2	3	2	1	1
Does It Impact the Premium?		No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No

ii. Correcting or Updating NFIP Claims History

The policyholder may dispute the property's claims history if the policyholder believes that the number of claims used in applying the prior NFIP claims rating factor is inaccurate. The policyholder may also request that FEMA update the property's claims history if mitigation has occurred to reduce its future flooding potential.

Documentation that may be required to correct or update a property's claims history includes:

- Invalid Claim History Association
 - Incorrectly linked addresses and/or losses; or
 - A second address added to a Property Locator Record.
- Mitigation Action (Refer to <https://www.fema.gov/floodplain-management/manage-risk/document-library> for NFIP floodplain management standards to reset NFIP claims history.)
 - EC based on finished construction of the new or improved building (if the building was mitigated in a Special Flood Hazard Area);
 - Photographs of the building before the improvement;
 - Photographs of the building after the improvement;
 - Photographs of the flood vents/openings (if applicable);
 - Source of funding for the mitigation action (state, local or individual);
 - Demolition permit (if the building was demolished and rebuilt);
 - Building permit (if the building was elevated or rebuilt); and
 - In Zone B, C, or X, a signed statement from a community official that shows mitigation was approved by the community.

Required documents should be sent via email to: NFIPUnderwritingMailbox@fema.dhs.gov.

FEMA notifies the policyholder and agent of record regarding the review results when completed. If FEMA agrees to correct or update the property's claims history, FEMA will reevaluate the prior NFIP claims rating factor accordingly. If FEMA determines that the building was brought into compliance with NFIP minimum floodplain management standards, then FEMA will reset the prior claims count to zero at the next renewal.

b. Severe Repetitive Loss Property

FEMA designates as Severe Repetitive Loss (SRL) any NFIP-insured building:

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

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

Please see [Appendix F: Severe Repetitive Loss Properties](#) for additional information on SRL properties, including the Special Direct Facility that services SRL properties and how to correct or update a building's SRL designation.

c. Prior NFIP Claims Rating Factor and SRL Rating Factor

FEMA will not apply both the Prior NFIP Claims Rating Factor and the SRL Rating Factor on the same policy. FEMA will compare the impact of the Prior NFIP Claims Rating Factor and the SRL Rating Factor and apply whichever results in a higher premium.

Use of the Prior NFIP Claims Rating Factor does not impact the building's SRL designation or policy servicing with the Special Direct Facility.

Note: The Prior NFIP Claims Rating Factor and the SRL Rating Factor do not apply to provisionally rated policies.

d. Resetting the Prior NFIP Claims History

If the policyholder believes that the number of claims used in applying the Prior NFIP Claims Rating Factor is inaccurate, the policyholder may submit a request to FEMA to review. The policyholder may also request that FEMA update the property's claims history if mitigation has occurred to reduce its future flooding potential.

i. Correcting an Invalid Claim History Association

Documentation that may be required to correct or update a property's claims history includes:

- Incorrectly linked addresses and/or losses; *or*
- A second address added to a Property Locator Record.

ii. Mitigation Actions Used to Reset the Prior NFIP Claims History

NFIP policyholders and property owners can mitigate their property to potentially reduce flood risk and remove the SRL designation and NFIP Prior Claims Rating Factor from their property and policy rating. Mitigation actions include building elevation, non-residential floodproofing, building /removal/ relocation, building demolition, flood control or stormwater management project, or machinery and equipment elevation. Table 22 shows the requirements and supporting documentation for each mitigation action.

Table 22. Mitigation Actions, Requirements, and Documentation

Mitigation Action	Requirements	Documentation
Elevating a Building	• If the building is located in a Special Flood Hazard Area with a Base Flood Elevation (BFE), the building's Lowest Floor Elevation (LFE) must be elevated at least 2 feet above the BFE at the time of mitigation. • If the building is located in a Special Flood Hazard Area without a BFE (i.e., unnumbered A or V flood zone) or outside the Special Flood Hazard Area (i.e., B, C, X, or D flood zone), the building's LFE must be elevated at least 2 feet above the Highest Adjacent Grade (HAG). • If the building is located in an AO flood zone, the building's LFE must be elevated at least 3 feet above the HAG.	• NFIP Elevation Certificate • Proper flood openings information • Clear photos of the building's exterior
Floodproofing (Non-Residential)	• The non-residential building must be floodproofed to at least 2 feet above the BFE. • The non-residential building must be floodproofed to at least 3 feet above the HAG if there is no BFE.	• NFIP Floodproofing Certificate for Non-residential Structures • Clear photos of the building's exterior
Flood Control/ Stormwater Management Project	• If the building is mitigated as a result of a flood control or storm water management project, information must be provided to demonstrate how the mitigation performs. • For the purposes of SRL designation or the NFIP Prior Claims Rating Factor, levees are not considered flood control or stormwater management. Levee information is included in the NFIP rating methodology.	• A description of the project and how the mitigation performs • A letter from the community official and supporting documentation
Building Removed and Relocated	• The building was removed and relocated from the property to another location.	• Description of the project • Clear photos of the location from which the building was removed/relocated and photos of the building at the new location • If the building was removed and relocated by the community, a letter from the community official • Other documentation to confirm the building's new location

Table 22. Mitigation Actions, Requirements, and Documentation *continued*

Mitigation Action	Requirements	Documentation
Building Demolition	The building was demolished or removed.	- Demolition permit - If the building was acquired and demolished/removed by the community, a letter from the community official is required - Clear photos of the property where the building was demolished
Elevation of Machinery and Equipment	- A prior claim was due to damage to machinery and equipment only; and - The covered machinery and equipment has since been elevated to at least the building's FFH (the height of the first lowest floor above the adjacent grade, measured in feet).	- A description of the prior damage to machinery and equipment - A description of the mitigation (elevation) of the machinery and equipment - A letter from the community official certifying the elevation of machinery and equipment - Clear photos showing the elevation of the machinery and equipment

Required documents should be sent via email to: NFIPUnderwritingMailbox@fema.dhs.gov. For more information, refer to https://www.fema.gov/sites/default/files/documents/fema_applying-prior-claims-history-reset-factsheet.pdf.

FEMA notifies the policyholder and agent of record regarding the documentation review results when completed. If FEMA agrees to correct or update the property's claims history, FEMA will reevaluate the Prior NFIP Claims Rating Factor and SRL designation. If FEMA determines that the building was brought into compliance with NFIP minimum floodplain management standards, then FEMA will reset the prior claims count to zero at the next renewal for both the Prior NFIP Claims Rating Factor and SRL designation.

iii. Claims after Mitigation Action

If a property reports a claim after one of the above mitigation actions was completed, the property will be designated SRL again. The count for the Prior NFIP Claims Rating Factor will be based on the number of losses after the mitigation action.

If it can be demonstrated that the claim after a mitigation action was substantially reduced as a result of the mitigation, FEMA may not count the claim towards the Prior NFIP Claims Rating Factor.

9. Other Building Factors

a. Date of Construction

i. General Information

The date of construction is the date that the building permit was issued, provided the actual start of construction, repair, reconstruction, or improvement was within 180 days of the permit date. Use the month, day, and year of the building permit, even if the building has subsequently been substantially improved.

Based on the building's date of construction, insurers must determine if buildings are Post-Flood Insurance Rate Map (FIRM) or Pre-FIRM construction.

Buildings are **Post-FIRM** construction when the start of construction or substantial improvement was after December 31, 1974, or on or after the effective date of the initial FIRM for the community, whichever is later.

Buildings are **Pre-FIRM** construction when the start of construction or substantial improvement was on or before December 31, 1974, or before the effective date of the initial FIRM for the community, whichever is later.

ii. Substantial Improvement Date

A substantially improved building is a building that has undergone reconstruction, rehabilitation, addition, or other improvement, the cost of which equals or exceeds 50 percent (or a lower threshold if adopted and enforced by the community) of the market value of the building before the "start of construction" of the improvement. This term does not include a building that has undergone reconstruction, rehabilitation, addition, or other improvement related to:

- Any project or improvement of a building to correct existing violations of a state or local health, sanitary, or safety code specifications that have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions; *or*
- Any alteration of a "historic building", provided that the alteration will not preclude the structure's continued designation as a "historic building."

Note: All historic buildings are Pre-FIRM construction if they meet the definitions of "historic building" provided in [Appendix L: Definitions and Acronyms](#).

When a building has been substantially improved, the agent must confirm if a local community official has declared the building substantially improved. The Application Form must report both the original date of construction and the substantial improvement date. The NFIP will use the *substantial improvement* date for policy coverage and rating purposes.

iii. Date of Construction for Manufactured/Mobile Homes and Travel Trailers

Determining the date of construction differs for manufactured/mobile homes and travel trailers depending on whether they are in a manufactured home park or subdivision versus on individually owned lots or tracts of land. See **Table 23** for more detailed guidance.

Table 23. Date of Construction — Manufactured/Mobile Homes and Travel Trailers

Location	Determine Construction Date
Manufactured Home Park or Subdivision	- The date facilities were constructed for servicing the manufactured home site; <i>or</i> - The date of the building permit, provided that construction began within 180 days of the permit date.
Individually Owned Lots or Tracts of Land	- The date the manufactured home was permanently affixed to the site; <i>or</i> - The permit date, if affixed to the site within 180 days of the building permit date.

iv. Building Under Construction

The NFIP will insure a building under construction, alteration, or repair before it is walled and roofed, using the NFIP-issued rates based on the construction designs and the intended use of the building. See additional eligibility information in [Table 4](#) in Section 2: Before You Start.

A building under construction should follow the same guidance, documentation, and process as all other buildings except photographs are not required while the building is rated under construction. Also, if a building under construction, alteration, or repair does not have at least two rigid exterior walls and a fully secured roof at the time of loss, then the deductible amount will be two times the deductible that would otherwise apply to a completed building.⁸

A building under construction that is not walled and roofed is not eligible for coverage if construction stops for more than 90 days. A cancellation form must be completed indicating Reason Code 01 to receive a pro-rata refund for the remainder of the policy term. Once construction begins again, a new Application Form should be completed and submitted to reinstate coverage for a new policy term.

When the construction is complete, then the policy must be endorsed to reflect that the building is no longer under construction and update any other rating variables as needed.

See [Section 4: How to Endorse](#) for guidance on converting a policy once construction is complete. The policy will not renew automatically if the building is still under construction at time of renewal. An Application Form or recertification questionnaire will be required to renew the policy.

b. Number of Detached Structures on Property

When there are multiple structures located on the same property as the insured building, enter the total number of detached structures not including the insured building.

c. Number of Elevators

If there are elevators within the building, enter the total number of elevators, including those located inside an enclosure. Enter zero or leave blank (no answer) if there are no elevators.

8. 44 CFR Part 61, Appendix A(1)-(3), VI.A

d. Number of Floors in Building

Determine the building's number of floors based on the number of floors above the ground, excluding mid-level entries, enclosures or basements (finished or unfinished), crawlspaces (on grade or subgrade) and attics (if not used for living space). For example, a building with a basement and one floor above the ground is rated as having one floor. Likewise, an elevated building with an enclosure (either compliant or non-compliant) and one additional floor above that is rated as having one floor. Indicate the total number of floors in the building, including hanging floors, even if the policy covers only an individual unit.

e. Floor of Unit

If coverage is for a unit inside a multi-floor building with units located on different floors, indicate the floor where the unit to be insured is located. For example, if the unit is on the ninth floor of a twenty-story building, enter nine. If the building only has one floor, enter one.

f. Total Number of Units in the Building

Determine the number of units in the building. If the building contains multiple units, enter the total number of units in the building, even if the policy covers only a single unit. For example, if coverage is for a unit within a four-unit building, enter four. Count both residential and non-residential units.

g. Rental Property

Indicate if the building is a rental property. Select "Yes" if the building is a rental property; otherwise, select "No."

h. Building Over Water

Indicate whether the building is over water entirely, partially, or not at all.

i. Primary Residence Status

i. General Information

A primary residence is a Single-Family Home, Residential Manufactured/Mobile Home, Residential Unit, or Two-to-Four Family Building in which the policyholder or the policyholder's spouse lives. The policyholder or the policyholder's spouse may have no more than one primary residence per person. Where the policyholder and the policyholder's spouse identify different primary residences, the insured must submit the appropriate documentation for each person's primary residence.

For a Single-Family Home, Residential Manufactured/Mobile Home, Residential Unit, or Two-to-Four Family Building to qualify as a primary residence, the policyholder or the policyholder's spouse must live in the residence:

- More than 50 percent of the 365 calendar days following the current policy effective date; *or*
- 50 percent 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:
 - Examples include, but are not limited to:
 - > Active-duty military personnel deployed for 50 percent or more of the policy year in compliance with military orders;
 - > Persons displaced from a primary residence and living in a temporary residence due to a federally declared disaster or a loss event on the

primary residence claimed on any line of insurance for 50 percent or more of the policy year; *or*

- > Persons absent from a primary residence for reasons such as routine business travel, hospitalizations, or vacation for 50 percent or more of the policy year.

Note: NFIP uses the term “primary residence” for rating purposes only. NFIP uses the term “principal residence” to determine loss settlement as defined in the Standard Flood Insurance Policy (SFIP). A principal residence is a single-family dwelling in which, at the time of loss, the policyholder or the policyholder’s spouse has lived for either 80 percent of the 365 days immediately preceding the loss, or 80 percent of the period of ownership, if the dwelling was owned less than 365 days. If the dwelling does not meet the definition of principal residence in the SFIP, the NFIP will settle the building losses using actual cash value.

ii. Documentation of Primary Residence

If the policy or Application Form indicates that coverage is for a primary residence, the insurer must verify that the address is the primary residence. When the mailing address and the property address match, that provides sufficient verification and no further documentation is required. If the addresses do not match, the insurer must obtain supporting documentation. The NFIP accepts the following documentation of primary residence:

- Homestead Tax Credit form for primary residence;
- Automobile registration;
- Proof of insurance for a vehicle;
- Documents showing where children attend school; *or*
- A signed and dated primary residence verification statement with the text below:

<Insured Property Address>

The above address is my primary residence, and I and/or my spouse will live at this location for more than 50 percent of the 365 days following the policy effective date.

PURSUANT TO 28 U.S.C. § 1746 I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES OF AMERICA THAT THE FOREGOING IS TRUE AND CORRECT. I UNDERSTAND THAT ANY FALSE STATEMENTS MAY CAUSE MY POLICY TO BE VOID, AND MAY BE PUNISHABLE BY FINE OR IMPRISONMENT UNDER APPLICABLE FEDERAL LAW.

iii. Primary Residence and Trusts

If the policyholder is a trust and a beneficiary of the trust is using the building as a primary residence, the beneficiary of the trust must provide documentation of primary residence outlined above. In addition, the insurer must obtain documentation that the person using the home as a primary residence is a beneficiary of the trust named as the policyholder.

The grantor of a trust may also be eligible for the primary residence status if the trust documents support that the grantor is a beneficiary of the trust with the right to live in the home. The grantor must submit both the trust documents and the primary residence documentation outlined above. The insurer must obtain documentation that the grantor is a beneficiary of the trust named as the policyholder, with the right to live in the home as a benefit.

D. Coverage and Deductibles

1. Maximum Coverage Limits

Table 24 and **Table 25** show the maximum amounts of building and contents coverage available for each Building Occupancy, under the Regular Program and the Emergency Program respectively. Policies may carry building coverage not to exceed the lesser of:

- The building's replacement cost value; or
- The maximum amount of coverage established by statute and regulation for each Building Occupancy as shown in Tables 22 and 23.⁹

Note: The premium is based on the cost per \$1,000 of coverage.

See the [Building Occupancy](#) heading above for guidance on which Building Occupancy to select for a given building.

Table 24. Maximum Coverage Limits in the Regular Program

Building Occupancy	Building Coverage	Contents Coverage
Single-Family Dwelling		
Single-Family Home	\$250,000	\$100,000
Residential Manufactured/Mobile Home	\$250,000	\$100,000
Residential Unit¹⁰		
Residential Condominium Unit (in Residential Building)	\$250,000	\$100,000
All Other Building Descriptions	None	\$100,000
Multifamily Building		
Two-to-Four Family Building	\$250,000	\$100,000
Other Residential Building	\$500,000	\$100,000
Residential Condominium Building		
Residential Condominium Building¹¹	Not to exceed the lesser of: • The building's replacement cost value; or • Total number of units × \$250,000.	\$100,000
Non-Residential		
Non-Residential Building	\$500,000	\$500,000
Non-Residential Manufactured/Mobile Building	\$500,000	\$500,000
Non-Residential Unit	None	\$500,000

9. 42 U.S.C. § 4013(b); 44 C.F.R. § 61.6

10. For a Residential Unit, building coverage is only available if it is a residential condominium unit in a residential building. A Dwelling Form policy on a Residential Unit in a cooperative or apartment building cannot provide building coverage, only contents coverage. Likewise, a Dwelling Form policy for a Residential Unit in a non-residential condominium building can only provide contents coverage.

11. Residential Condominium Building insured under the RCBAP Form. If a residential condominium building is ineligible for the Residential Condominium Building occupancy and RCBAP Form, see the Condominium Rating Information heading in this section (Scenario #1) for information on what building occupancy to select. The building occupancy determines the applicable maximum coverage limits.

Table 25. Maximum Coverage Limits in the Emergency Program¹²

Building Occupancy	Building Coverage	Contents Coverage
Single-Family Dwelling		
Single-Family Home	\$35,000 ¹³	\$10,000
Residential Manufactured/Mobile Home	\$35,000 ¹³	\$10,000
Residential Unit¹⁴		
Residential Condominium Unit (in Residential Building)	\$35,000 ¹³	\$10,000
All Other Building Descriptions	None	\$10,000
Multifamily Building		
Two-to-Four Family Building	\$35,000 ¹³	\$10,000
Other Residential Building	\$100,000 ¹⁵	\$10,000
Non-Residential		
Non-Residential Building	\$100,000 ¹⁵	\$100,000
Non-Residential Manufactured/Mobile Building	\$100,000 ¹⁵	\$100,000
Non-Residential Unit	None	\$100,000

2. Increased Cost of Compliance (ICC) Coverage

ICC coverage is flood insurance for expenses a policyholder incurs, above and beyond physical damage sustained from a flooding event, to repair or rebuild a flood-damaged building in compliance with state or local floodplain management ordinances or laws. ICC coverage pays up to \$30,000, subject to eligibility, toward the cost of acceptable mitigation measures. Compliance activities eligible for payment are elevation, floodproofing, relocation, demolition, or any combination of these activities. Eligible floodproofing activities apply only to non-residential buildings and residential buildings with basements that satisfy FEMA standards (see the [Floodproofing](#) heading in this section).¹⁶

ICC coverage is not available for:

- Dwelling Form policies on individual condominium units including townhouse or rowhouse condominiums (The condominium association is responsible for complying with mitigation requirements);
- Emergency Program policies;
- Contents-only policies;

12. If a residential condominium building is located in an Emergency Program community and thus ineligible for the Residential Condominium Building occupancy and RCBAP Form, see the Condominium Rating Information heading in this section (Scenario #1) for information on what building occupancy to select. The building occupancy determines the applicable maximum coverage limits.

13. In Alaska, Guam, Hawaii, and the U.S. Virgin Islands, the amount available is \$50,000.

14. For a Residential Unit, building coverage is only available if it is a residential condominium unit in a residential building. A Dwelling Form policy on a Residential Unit in a cooperative or apartment building cannot provide building coverage, only contents coverage. Likewise, a Dwelling Form policy for a Residential Unit in a non-residential condominium building can only provide contents coverage.

15. In Alaska, Guam, Hawaii, and the U.S. Virgin Islands, the amount available is \$150,000.

16. 44 C.F.R. § 60.6

3. How to Write

- GFIPs; or
- Detached garages, unless insured by a separate policy.

ICC coverage is in addition to the amount of building coverage purchased, and the two combined totals cannot exceed the statutory maximum limits for building coverage. FEMA's system calculates the ICC premium as 1.9 percent of the policy's building and contents coverage premiums (inclusive of any mitigation discounts or CRS discount), not to exceed a maximum of \$75 (there is no minimum).

Please see [Appendix A: Policy](#) for additional information on ICC coverage.

3. Deductibles

Select building and contents coverage deductibles from the options in the charts below. The minimum deductible for building coverage varies based on the building occupancy, Pre-FIRM or Post-FIRM construction, receipt of statutory discounts, and the amount of building coverage purchased.¹⁷ In most cases, a higher deductible may reduce the premium. Contents-only policies (policies with no building coverage) receive a minimum \$1,000 deductible.

Policyholders can select any combination of building and contents deductibles for Single-Family Home, Residential Manufactured/Mobile Home, Residential Unit, and Two-to-Four Family Building occupancies. For all other building occupancies, the NFIP offers building and contents deductible options in fixed combinations.

Notes:

- If the building's value is less than the minimum deductible available, then the amount of any building loss will be less than the minimum deductible.
- If a building under construction, alteration, or repair does not have at least two rigid exterior walls and a fully secured roof at the time of loss, then the deductible amount will be two times the deductible that would otherwise apply to a completed building.
- Policies in the Emergency Program have the same deductible options as shown under the Exception: Pre-FIRM Receiving Any Statutory Discount columns in **Tables 26–28**.

Table 26. Deductible Options: Single-Family Home, Residential Manufactured/Mobile Home, Residential Unit, Two-to-Four Family Building

Standard Building Options		Exception Building Options: Pre-FIRM Building Receiving Any Statutory Discount		Contents Options
Building Coverage of \$100,000 or less	Building Coverage over \$100,000	Building Coverage of \$100,000 or less	Building Coverage over \$100,000	Contents Coverage of Any Amount
\$1,000	\$1,250	\$1,500	N/A	\$1,000
\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
\$10,000	\$10,000	\$10,000	\$10,000	\$10,000

Note: For more information on statutory discounts see the [Statutory Discounts](#) heading below.

17. 42 U.S.C. 4013(d); 42 U.S.C. 4019(b); 44 C.F.R. § 61.5

Table 27. Deductible Options: Other Residential Building, Non-Residential Building, Non-Residential Manufactured/Mobile Building, Non-Residential Unit

Standard Building Options ¹⁸		Exception Building Options: Pre-FIRM Building Receiving Any Statutory Discount ¹⁸		Contents Options
Building Coverage of \$100,000 or less	Building Coverage over \$100,000	Building Coverage of \$100,000 or less	Building Coverage over \$100,000	Contents-Only Coverage
\$1,000 / \$1,000	\$1,250 / \$1,250	\$1,500 / \$1,500	N/A	\$1,000
\$2,000 / \$2,000	\$2,000 / \$2,000	\$2,000 / \$2,000	\$2,000 / \$2,000	\$2,000
\$5,000 / \$5,000	\$5,000 / \$5,000	\$5,000 / \$5,000	\$5,000 / \$5,000	\$5,000
\$10,000 / \$10,000	\$10,000 / \$10,000	\$10,000 / \$10,000	\$10,000 / \$10,000	\$10,000
\$25,000 / \$25,000	\$25,000 / \$25,000	\$25,000 / \$25,000	\$25,000 / \$25,000	\$25,000
\$50,000 / \$50,000	\$50,000 / \$50,000	\$50,000 / \$50,000	\$50,000 / \$50,000	\$50,000

Table 28. Deductible Options: Residential Condominium Building

Standard Building Options ¹⁸		Exception Building Options: Pre-FIRM Building Receiving Any Statutory Discount ¹⁸	
Building Coverage of \$100,000 or less	Building Coverage over \$100,000	Building Coverage of \$100,000 or less	Building Coverage over \$100,000
\$1,000 / \$1,000	\$1,250 / \$1,250	\$1,500 / \$1,500	N/A
\$2,000 / \$2,000	\$2,000 / \$2,000	\$2,000 / \$2,000	\$2,000 / \$2,000
\$5,000 / \$5,000	\$5,000 / \$5,000	\$5,000 / \$5,000	\$5,000 / \$5,000
\$10,000 / \$10,000	\$10,000 / \$10,000	\$10,000 / \$10,000	\$10,000 / \$10,000
\$25,000 / \$25,000	\$25,000 / \$25,000	\$25,000 / \$25,000	\$25,000 / \$25,000

E. Statutory Discounts

FEMA provides certain properties with statutorily-mandated discounts to encourage community and property owner participation in the NFIP. Such properties include eligible Pre-FIRM buildings and buildings mapped into certain specific flood zones. Properties in the Emergency Program are also eligible for a statutory discount. Except for the Emergency Program discount, statutory discounts gradually phase out through a statutory annual increase cap discount¹⁹ at each renewal date until the policy reaches its full-risk premium.

Notes:

- A lapse in coverage (for example, resulting from paying a renewal premium 30 days or more after the expiration date of the policy) may affect eligibility for statutory discounts.
- If a property is eligible for more than one statutory discount, the discount most beneficial to the policy applies. All policy forms including the RCBAP Form may be eligible for a statutory discount.
- In addition to the eligibility rules below, there is a category of Leased Federal Properties (LFPs) that must pay full-risk premiums and are thus not eligible for any statutory discounts. See [Appendix G: Leased Federal Properties](#) for more information.

18. Shown as: Building Deductible/Contents Deductible options in fixed combinations. Building-only policies have the same deductible options as shown for building coverages in the table above.

19. 42 U.S.C. 4015(e)

1. Pre-FIRM Discount²⁰

a. Eligibility

For insurance rating purposes, a building is Pre-FIRM construction if the start of construction or substantial improvement was on or before December 31, 1974, or before the effective date of the initial FIRM for the community (Initial FIRM Date). The effective date of the community's Initial FIRM Date is located in the [NFIP Community Status Book](#). Insurers must confirm a building's Pre-FIRM construction status.

A Pre-FIRM building is eligible for the Pre-FIRM discount if the property:

- Qualifies as a primary residence;
- Is not a commercial property; *and*
- Is not designated an SRL property.

After the initial policy term when an eligible building receives the Pre-FIRM discount, the discount phases out annually until the policy reaches its full-risk premium, consistent with statutory caps on annual premium increases.

Notes:

- All historic buildings are Pre-FIRM construction if they meet the definition of "historic building" provided in [Appendix L: Definitions and Acronyms](#).
- If a property that previously qualified as Pre-FIRM construction is substantially improved after the application date, the property is no longer considered Pre-FIRM and the policy must be endorsed to reflect the new information. As a result of the substantial improvement, the property is no longer eligible for the Pre-FIRM discount, and the annual increase cap discount increases to reach the full-risk premium more quickly as required by statute.
- Pre-FIRM buildings that do not meet the criteria above (for example, Pre-FIRM non-primary residences, businesses, and SRL properties) are not eligible for a Pre-FIRM discount on a new NFIP policy. However, such a building with an existing NFIP policy may have received a Pre-FIRM discount in a prior policy term and may continue to be rated with a less-than-full-risk premium due to the statutory caps on annual increases. Such Pre-FIRM buildings transition to the full-risk premium more quickly than Pre-FIRM primary residences.

b. Lapse in Coverage²¹

In general, a policyholder loses their Pre-FIRM discount if they allow a lapse (the coverage expired or is no longer in effect) to occur. See **Table 29** for impacts on eligibility for the discount when a policy receiving the Pre-FIRM discount lapses.

Table 29. Impact of a Lapse on Pre-FIRM Discount Eligibility

SCENARIO	GUIDANCE
Policy Lapsed – No longer eligible for the Pre-FIRM discount	Aside from the two exceptions listed below, if a prior NFIP policy for the building in the current applicant's name received a Pre-FIRM discount and lapsed on or after April 1, 2016, then the policyholder is no longer eligible for a Pre-FIRM discount on the previously covered building. This applies if any of the applicants for the new policy was either a policyholder named on the expired or canceled policy or had an ownership interest in the building at the time of cancellation or expiration.

20. 42 U.S.C. 4014(a)(2)

21. 42 U.S.C. § 4014(g)

Table 29. Impact of a Lapse on Pre-FIRM Discount Eligibility *continued*

SCENARIO	GUIDANCE
Policy Lapsed – Retains eligibility for the Pre-FIRM discount	Such a policyholder retains eligibility for a Pre-FIRM discount on the previously covered property if either: - The applicant was required to obtain and maintain flood insurance for the property and allowed their coverage to lapse once no longer subject to the requirement (such as they paid off the mortgage, the property was remapped out of an SFHA, or the lender no longer required the coverage, etc.)²¹; or - The policy lapsed because the property was in a community suspended from the NFIP and the policyholder reinstated the policy within 180 days of the community's reinstatement as a participating NFIP community.²² Note: If a prior NFIP policy on a Pre-FIRM building lapsed when not receiving the Pre-FIRM discount, that lapse does not affect subsequent eligibility for the Pre-FIRM discount.²³ For example, if a prior policy for a Pre-FIRM building receiving a Newly Mapped discount lapsed, that lapse does not make the policyholder ineligible for the Pre-FIRM discount.

c. Application

The Application Form must indicate whether a prior lapse affects the applicant's eligibility for the Pre-FIRM discount through the response to these two questions:

- *Did the applicant have a prior NFIP policy for the building that received a Pre-FIRM discount and lapsed?*
- *If yes, did the lapse occur for a valid reason?*

Table 30 explains how to answer the questions based on the detailed guidance above.

Table 30. Application Response on Lapse and Pre-FIRM Discount Eligibility

RESPONSE	CONDITIONS	OUTCOME
Question: <i>Did the applicant have a prior NFIP policy for the building that received a Pre-FIRM discount and lapsed?</i>		
Answer 'Yes'	If the applicant had a prior NFIP policy for the building that received a Pre-FIRM discount and lapsed.	In this case, the lapse in coverage may impact the applicant's eligibility for the Pre-FIRM discount. Proceed to the next question.
Answer 'No'	If any of the following are true: - There was not a prior NFIP policy for the building that lapsed; - There was not a prior NFIP policy for the building that lapsed while receiving the Pre-FIRM discount; or - None of the applicants for the new policy was a policyholder named on the expired or canceled policy or had an ownership interest in the building at the time of cancellation or expiration (in other words, the current applicant is a different policyholder).	In this case, there is no impact on the applicant's eligibility for the Pre-FIRM discount.

22. 42 U.S.C. § 4014(g); 42 U.S.C. § 4014(a)(2); 42 USC § 4012a; 44 C.F.R. § 59.24

23. The § 4014(g) prohibition on offering Pre-FIRM rates after a policy has lapsed applies only to policies receiving the Pre-FIRM discount. 42 U.S.C. § 4014(g); 42 U.S.C. § 4014(a)(2)(A)-(E)

Table 30. Application Response on Lapse and Pre-FIRM Discount Eligibility *continued*

RESPONSE	CONDITIONS	OUTCOME
Question: <i>If yes, did the lapse occur for a valid reason?</i>		
Answer 'Yes'	If the applicant allowed a prior NFIP policy for the building receiving the Pre-FIRM discount to lapse and did so because either: - The applicant was required to obtain and maintain flood insurance for the property and allowed their coverage to lapse once no longer subject to the requirement; or - The property was in a community suspended from the NFIP and the policyholder reinstated the policy within 180 days of the community's reinstatement as a participating NFIP community.	In this case, the lapse in coverage does not impact the applicant's eligibility for the Pre-FIRM discount.
Answer 'No'	If the applicant allowed a prior NFIP policy for the building receiving the Pre-FIRM discount to lapse and neither of the previous two conditions was met (even if flood insurance was not ever required by the lender).	In this case, the applicant is ineligible for the Pre-FIRM discount.

Note: The insurer system makes an automated determination on whether the applicant is eligible for the Pre-FIRM discount based on the rules under the Eligibility heading above (using other information provided on the Application Form) and the response to the two lapse-related questions.

2. Newly Mapped Discount²⁴

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

The insurer must verify the policy's eligibility for the Newly Mapped discount, including by confirming any prior flood zone designation before the most current FIRM.

a. Eligibility

A property may be eligible for the Newly Mapped discount if it was either:

- Previously designated in a Zone B, C, or X on the previous flood map and newly mapped into an SFHA.
- Previously designated in a Zone D, A99, or AR and newly mapped into a different SFHA zone.

To determine the current flood zone, use the FIRM in effect at the time of application and payment of the total amount due. The Newly Mapped discount does not apply to properties mapped into the SFHA on the community's initial FIRM.

Properties newly mapped into the SFHA after April 1, 2015, are eligible for the Newly Mapped discount if:

- The policy effective date is within 12 months of the effective FIRM revision date; or

24. 42 U.S.C. 4015(i)

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- The policyholder applied for the policy within 45 days of initial lender notification, if the notification occurred within 24 months of the effective FIRM revision date. **Note:** The insurer must retain a copy of the lender notification in the underwriting file.

The following is ineligible for the Newly Mapped discount:

- Buildings and/or contents in Emergency Program communities

b. Documentation

Insurers must obtain one or more of the following to document the previous and current flood zones:

- Special Flood Hazard Determination Form (SFHDF).
- Copy of the most recent effective flood map marked to show the exact location and flood zone of the building. The NFIP may require additional documentation if the building is close to the zone boundary.
- Letter signed by a local community official indicating the property address and flood zone of the building.
- EC signed and dated by a surveyor, an engineer, an architect, or a local community official indicating the exact location and flood zone of the building.
- Letter of Map Amendment (LOMA).
- Letter of Map Revision (LOMR).

c. Lapse in Coverage

In general, a policyholder loses their Newly Mapped discount if they allow a lapse (the coverage expired or is no longer in effect) to occur. See **Table 31** for impacts on eligibility for the discount when a policy receiving the Newly Mapped discount lapses.

Table 31. Impact of a Lapse on Newly Mapped Discount Eligibility

SCENARIO	GUIDANCE
Policy Lapsed – No longer eligible for the Newly Mapped discount	Aside from the one exception listed below, if a prior NFIP policy for the building in the current applicant's name received a Newly Mapped discount and lapsed on or after April 1, 2016, then the policyholder is no longer eligible for a Newly Mapped discount on the previously covered building. This applies if any of the applicants for the new policy was either a policyholder named on the expired or canceled policy or had an ownership interest in the building at the time of cancellation or expiration.²⁵
Policy Lapsed – Retains eligibility for the Newly Mapped discount	Such a policyholder retains eligibility for a Newly Mapped discount on the previously covered property if: • The policy lapsed because the property was in a community suspended from the NFIP and the policyholder reinstated the policy within 180 days of the community's reinstatement as a participating NFIP community.²⁶ Note: If a prior NFIP policy lapsed when not receiving the Newly Mapped discount, that lapse does not affect subsequent eligibility for the Newly Mapped discount. In other words, if a policy lapsed on a property before it was mapped into an SFHA, the property may still receive the Newly Mapped discount if it meets the other eligibility requirements.

25. Under 42 U.S.C. § 4015(i), a policy with a newly mapped discount must renew (in other words, not lapse) to retain the newly mapped discount. 42 U.S.C. § 4015(i)

26. 42 U.S.C. § 4015(i); 44 C.F.R. § 59.24

d. Application Form

The Application Form must indicate whether an applicant is eligible for the Newly Mapped discount through responses to these three questions:

- *Did the applicant have a prior NFIP policy for the building that received a Newly Mapped discount and lapsed?*
- *If yes, did the lapse occur for a valid reason?*
- *Is the property eligible for the Newly Mapped discount*

Table 32 explains how to answer the questions based on the detailed guidance above.

Table 32. Application Response on Newly Mapped Discount Eligibility

RESPONSE	CONDITIONS	OUTCOME
Question: <i>Did the applicant have a prior NFIP policy for the building that received a Newly Mapped discount and lapsed?</i>		
Answer 'Yes'	If the applicant had a prior NFIP policy for the building that received a Newly Mapped discount and lapsed.	In this case, the lapse in coverage may impact the applicant's eligibility for the Newly Mapped discount. Proceed to the next question.
Answer 'No'	If either of the following are true: • There was not a prior NFIP policy on the building that lapsed while receiving the Newly Mapped discount; <i>or</i> • None of the applicants for the new policy was a policyholder named on the expired or canceled policy or had an ownership interest in the building at the time of cancellation or expiration (in other words, the current applicant is a different policyholder).	In this case, there is no impact on the applicant's lapse eligibility for the Newly Mapped discount.
Question: <i>If yes, did the lapse occur for a valid reason?</i>		
Answer 'Yes'	If the applicant allowed a prior NFIP policy for the building receiving the Newly Mapped discount to lapse because: • The property was in a community suspended from the NFIP and the policyholder reinstated the policy within 180 days of the community's reinstatement as a participating NFIP community.	In this case, the lapse in coverage does not impact the applicant's eligibility for the Newly Mapped discount.
Answer 'No'	If the applicant allowed a prior NFIP policy for the building receiving the Newly Mapped discount to lapse and the prior condition was not met.	In this case, the applicant is ineligible for the Newly Mapped discount.
Question: <i>Is the property eligible for the Newly Mapped discount?</i>		
Answer 'Yes'	If the property meets the Newly Mapped discount eligibility rules under the Eligibility heading above and the responses to the previous lapse-related questions show that the applicant is eligible for the Newly Mapped discount.	FEMA's system will evaluate whether applying the Newly Mapped discount is most advantageous for the policyholder.
Answer 'No'	If the property does not meet the Newly Mapped discount eligibility rules under the Eligibility heading above or the responses to the previous lapse-related questions show that the applicant is not eligible for the Newly Mapped discount.	FEMA's system will not apply the Newly Mapped discount

3. Other Statutory Discounts

Using other information provided on the Application Form, FEMA's system automatically determines a policy's eligibility for other statutory discounts that may also apply to properties located in:

- Zone AR until the policy gradually reaches its full-risk premium through an annual increase cap discount;²⁷ or
- Zone A99 until the policy gradually reaches its full-risk premium through an annual increase cap discount;²⁸ or
- A community in the Emergency Program until it joins the Regular Program.

4. New Policy After a Real Estate Transaction

The new owner of an NFIP-insured building can buy a new NFIP policy and receive any statutory discount the prior policyholder received²⁹ if all of the following apply:

- The building is not in condominium ownership before or after the transaction;
- The building was insured by the NFIP with building coverage at the time of transaction;
- The new NFIP policy will be effective on, or within one year after, the transaction date; and
- The insurer must submit the prior NFIP policy number and prior NFIP policy Primary NAIC number to FEMA and have documentation of the title transfer.

Select **New** (at the top of the Application Form) as the policy transaction type and enter the prior policy number in the appropriate field. The standard NFIP effective date rules apply based on the date the applicant submitted the Application Form and full amount due.

The insurer must maintain the closing papers to support that the new NFIP policy is effective on, or within one year after, the real estate transaction date. Real estate transactions also include title transfers through purchases or by other means such as inheritances and gifts. The insurer must validate the primary residence status when writing the new policy for the new owner to be eligible for the primary residence status and associated HFIAA surcharge.

Note: If the previous owner received a discount that the new owner is ineligible for, the new owner may receive the same discounted premium as the previous owner. However, the annual increase cap (which is a component of the discounted premium) is based on the information provided by the new owner. The discounted premium does not include assessments, fees, or surcharges.

F. Assessments, Fees, and Surcharges

This section describes assessments, fees, and surcharges that are not part of the full-risk premium or discounted premium but are, as applicable, required components of the total amount due to purchase an NFIP policy. These apply to both rating engine rated and provisionally rated policies.

1. Reserve Fund Assessment

The Reserve Fund Assessment is a percentage of the Discounted Premium (excluding the Federal Policy Fee, HFIAA surcharge, and probation surcharge) paid on new and

27. 42 U.S.C. 4014(f)

28. 42 U.S.C. 4014(e)

29. 42 U.S.C. 4015(e)

3. How to Write

renewed policies. Revenues from this statutorily-mandated assessment build an NFIP Reserve Fund to pay claims after catastrophic flood events.³⁰

Table 33. Reserve Fund Assessment

Assessed Policies	Reserve Fund Assessment
GFIP ³¹	0%
All Other Policies	18%

2. HFIAA Surcharge

The Homeowner Flood Insurance Affordability Act of 2014 (HFIAA) introduced a mandatory annual surcharge for all new and renewed policies.³² For more information on primary residences see the [Primary Residence Status](#) heading above in this section.

Table 34. HFIAA Surcharge

Property Type	Surcharge
Primary Residences — A primary residence is a Single-Family Home, Residential Manufactured/Mobile Home, Residential Unit, or Two-to-Four Family Building in which the policyholder or the policyholder's spouse lives.	\$25
All Other NFIP policies — Non-primary residences and the following building occupancies: • Other Residential Building • Residential Condominium Building • Non-Residential Building • Non-Residential Manufactured/Mobile Building • Non-Residential Unit Note: A non-primary residence is a residential building that is not the primary residence of the policyholder.	\$250

3. Federal Policy Fee

The Federal Policy Fee (FPF) is a flat charge paid by the policyholder on each new and renewed policy to defray certain administrative expenses incurred in carrying out the NFIP.³³

Table 35 lists the FPF applicable for each building occupancy. For building occupancies under the Dwelling Form and General Property Form, a flat FPF applies. For Residential Condominium Buildings the calculation involves the total number of units in the building. For the first 20 units, the FPF is \$47 per unit, reaching \$940 at 20 units. After 20 units, the formula adds \$20 for each additional unit up until there are 40 total units, with a total FPF of \$1,340 at that point. Above 40 units, there is an additional \$10 per unit up until the total number of units reaches 100, at which point the total FPF would be \$1,940. Beyond 100 units, the per-unit increase is \$2 regardless of the number of additional units.

30. 42 U.S.C. 4017A

31. The GFIP is only available to recipients of federal disaster assistance and is serviced by the NFIP Direct Servicing Agent.

32. Pub. L. No. 113-89

33. 42 U.S.C. 4014(a)(1)(B)(iii); 4015(d); 4017(b)(5)

Table 35. Federal Policy Fee

Building Occupancy	Federal Policy Fee Amount	
• Single-Family Home • Residential Manufactured/Mobile Home • Residential Unit • Two-to-Four Family Building	\$47	
• Other Residential Building • Non-Residential Building • Non-Residential Manufactured/Mobile Building • Non-Residential Unit	\$47	
Residential Condominium Building	Units 1–20	\$47 per unit
	Units 21–40	\$20 per unit
	Units 41–100	\$10 per unit
	Units 101+	\$2 per unit

4. Probation Surcharge

The Probation Surcharge is a flat surcharge paid by the policyholder on each new or renewed policy issued covering a property in a community that FEMA has placed on probation because the community failed to meet NFIP floodplain management requirements.³⁴

Table 36. Probation Surcharge

Fee Type	Amount
Probation Surcharge	\$50

G. Premium Considerations

Each policy premium is subject to a loss constant and expense constant. All rating variables are factored into the full-risk premium before adding in the loss constant and expense constant.

Policies also may be subject to minimum or maximum rates by peril and coverage and statutory discounts. These minimum and maximum rates may affect how rating variables (such as the deductible, CRS discount or mitigation discount) impact the premium. In some rare cases, there may be no change in premium when there is a change in a rating variable.

III. Condominium Rating Information

A. Condominium Rating Scenarios

1. Overview

Table 37 provides an overview of five principal scenarios for insuring condominiums. The following sub-sections provide detailed guidance on each scenario and – where rated the same as other NFIP policies – references to the General Rating Information earlier in this section. Both condominium associations and individual condominium unit owners can purchase NFIP coverage. The NFIP defines a condominium association

34. 44 CFR 59.24

3. How to Write

as an entity made up of condominium unit owners, where membership in the entity is a required condition of unit ownership, that is responsible for the maintenance and operation of:

- Common elements owned in undivided shares by unit owners; *and*
- Other real property in which the unit owners have use rights.

Table 37. Methods for Insuring Condominiums

SCENARIO	POLICY FORM
#1 – Condominium Association Coverage for Residential Condominium Building	Use the RCBAP Form to insure a residential condominium building and contents owned by the condominium association. The condominium association must be named as the policyholder. • Building Occupancy: Residential Condominium Building • Building Description: Entire Residential Condominium Building • See Table 42 for optional insuring methods for a Townhouse or Rowhouse.
#2 – Residential Unit Owner Coverage in Residential Condominium Building	Use the Dwelling Form to insure an individual residential condominium unit and its contents in a residential condominium building. The unit owner must be named as the policyholder. • Building Occupancy: Residential Unit • Building Description: Residential Condominium Unit (in Residential Building)
#3 – Residential Unit Owner Coverage in Non-Residential Condominium Building	Use the Dwelling Form to insure an individual residential condominium unit owner's contents in a non-residential condominium building. The unit owner must be named as the policyholder. • Building Occupancy: Residential Unit • Building Description: Residential Condominium Unit (in Non-Residential Building)
#4 – Condominium Association Coverage for Non-Residential Condominium Building	Use the General Property Form to insure a non-residential condominium building and contents owned by the condominium association. The condominium association must be named as the policyholder. • Building Occupancy: Non-Residential Building • Building Description: Commercial, Detached Garage, Government-Owned, House of Worship, Recreation Building, Storage/Tool Shed, or Other Non-Residential Type
#5 – Non-Residential Unit Owner Coverage in Residential or Non-Residential Condominium Building	Use the General Property Form to insure a non-residential condominium unit owner's contents in a residential or non-residential condominium building. The unit owner must be named as the policyholder. • Building Occupancy: Non-Residential Unit • Building Description: Commercial, Government-Owned, House of Worship, Recreation Building, Storage/Tool Shed, or Other Non-Residential Type

2. Condominium Association Coverage for Residential Condominium Building (Scenario #1)

Use the Residential Condominium Building Association Policy (RCBAP) Form to insure a residential condominium building and contents that are owned by a condominium association. The condominium association must be named as the policyholder.

Table 38 describes the specific eligibility, rating, and claims handling requirements applicable to the RCBAP Form.

Table 38. Condominium Association Coverage for Residential Condominium Association Building (Scenario #1)

TOPIC	GUIDANCE
Eligibility Rules	
Policy Form	RCBAP (Building and Contents)
Program Eligibility	Regular Program only (RCBAPs in Emergency Program communities are only eligible for coverage under the Dwelling Form or General Property Form, as appropriate based on the building's total number of units.)
Building Eligibility	A residential condominium building (or mixed-use condominium building with non-residential uses limited to less than 25 percent of the building's total floor area) with one or more units. Notes: • When determining non-residential uses, exclude the common areas of the building from the building's total floor area. Exclude areas such as garages, lobbies, recreation rooms, storage/utility rooms, and hallways when determining residential use of a condominium building. • A townhouse or rowhouse in the condominium form of ownership may be insured as either an entire building (exterior, walls, and interior) or unit (interior). If insuring as an entire building and owned by a condominium association, it is eligible for the Residential Condominium Building occupancy and RCBAP Form. • Timeshare buildings in condominium ownership are eligible for the RCBAP. • Residential condominium buildings used as hotels or motels or rented either short or long-term are eligible for the RCBAP.
Policyholder Eligibility	Eligible Policyholders • The policyholder must be a condominium association. • If the policyholder named is not clearly a condominium association, the insurer must have legal documentation confirming the entity is a condominium association. Acceptable examples of condominium association documentation include: – A copy of the condominium association bylaws; or – A statement signed by an officer or representative of the condominium association confirming the building is in the condominium form of ownership. • If a Homeowners Association (HOA) is in the condominium form of ownership, and its by-laws require purchase of flood insurance building coverage for its members, then the HOA may purchase an RCBAP. Ineligible Policyholders • Buildings in the cooperative form of ownership. • HOAs not in the condominium form of ownership.
Is the Policyholder a Condominium Association?	• Select "Yes" • If the policyholder is not a condominium association then the building is not eligible for the RCBAP Form; in that case, select "No" and use the Dwelling Form or General Property Form as appropriate based on the total number of units in the building.

Table 38. Condominium Association Coverage for Residential Condominium Association Building (Scenario #1) *continued*

TOPIC	GUIDANCE
Property Insured	• Condominium building. • Individually-owned units within the building. • Improvements within units. • Additions and extensions attached or connected to the insured building. • Fixtures, machinery, and equipment within the building. • Contents owned by the association. Note: The NFIP requires a separate policy for each building owned by a condominium association. Coverage applies to the single building described under Building Location on the Flood Insurance Application Form and Insured Property Location on the Declarations Page.
Other Eligibility Rules	See guidance in Section 2: Before You Start
Geographic Location Variables	
See the Geographic Location Variables heading under General Rating Information above	
• Building Location • Community Map Information and Flood Zone • Community Rating System Discount	
Structural Variables	
Building Occupancy	Eligible for the RCBAP Form • Select “Residential Condominium Building” • The building must meet the criteria for the Residential Condominium Building occupancy to be eligible for the RCBAP Form (and vice versa since the criteria are identical). See the Building Occupancy heading under General Rating Information above. Not Eligible for the RCBAP Form • If a mixed-use single-family condominium building has non-residential uses between 25 percent and 49 percent of the building’s total floor area, select the “Single-Family Home” occupancy. • If a mixed-use single-family condominium building has non-residential uses greater than or equal to 50 percent of the building’s total floor area, select the “Non-Residential Building” occupancy. • If a mixed-use condominium building with two or more units has non-residential uses greater than or equal to 25 percent of the building’s total floor area, select the “Non-Residential Building” occupancy. • If the policyholder is not a condominium association, select either the Single-Family Home, Two-to-Four Family Building, or Other Residential Building occupancy depending on the building’s total number of units. • If the building is located in an Emergency Program community, select either the Single-Family Home, Two-to-Four Family Building, or Other Residential Building occupancy depending on the building’s total number of units. • If insuring a townhouse or rowhouse in condominium ownership as a unit (as opposed to an entire building), select the Residential Unit occupancy. Note: The guidance in this Scenario #1 table is specific to the Residential Condominium Building occupancy and RCBAP Form and does not cover residential condominiums that are ineligible and thus insured under a different Building Occupancy and policy form.

Table 38. Condominium Association Coverage for Residential Condominium Association Building (Scenario #1) *continued*

TOPIC	GUIDANCE
Building Description	Select “Entire Residential Condominium Building”
Construction Type	Not applicable to the Residential Condominium Building occupancy.
Number of Elevators	If there are elevators within the building, enter the total number elevators, including those located inside an enclosure.
Number of Floors in Building	Determine the building’s number of floors based on the number of floors above the ground, including hanging floors, but excluding mid-level entries, enclosures or basements (finished or unfinished), crawlspaces (on grade or subgrade) and attics (if not used for living space).
Total Number of Units in the Building	Determine the number of units in the building. If the building contains multiple units, count the total number of units including both residential and non-residential units.
Building Replacement Cost Value (BRCV)	FEMA will not determine the BRCV for this building occupancy. • The insurer must obtain BRCV of the building (including the cost of the building’s foundation) based on appraisals commonly used in the industry. The documentation used to determine the BRCV must be maintained in the policy underwriting file by the insurer. • The insurer must maintain supporting documentation of the BRCV. Supporting documentation must include a recent appraisal stating the value of the building and its foundation on a Replacement Cost Value basis to meet this requirement. • The insurer must validate the BRCV information at least every 3 years. See notice requirements and a sample version in Appendix I: Policyholder Communications.
Other Structural Variables	For guidance on other structural variables, see the Structural Variables heading under General Rating Information above. • Foundation Type • First Floor Height • Machinery & Equipment Above First Floor • Proper Openings • Floodproofing • Prior NFIP Claims • Severe Repetitive Loss Property • Date of Construction • Number of Detached Structures on Property • Rental Property • Building Over Water • Primary Residence Status
Coverage and Deductibles	
Maximum Coverage Limits	Building: Not to exceed the lesser of: • The building’s replacement cost value; or • Total number of units × \$250,000 Contents: Actual cash value (ACV) of commonly owned contents to a maximum of \$100,000 per building.

Table 38. Condominium Association Coverage for Residential Condominium Association Building (Scenario #1) *continued*

TOPIC	GUIDANCE	
Maximum Coverage Limits <i>continued</i>	Notes: - A unit owner may purchase a Dwelling Form policy with building coverage for a residential condominium unit in a residential condominium building insured by an RCBAP. However, the NFIP will not pay more than \$250,000 for combined coverage for a single unit under the Dwelling Form policy and the RCBAP. Insureds may not claim the same damaged items on more than one NFIP policy. - If insuring a residential condominium building in an Emergency Program community, determine the appropriate Building Occupancy and apply the associated maximum coverage limits. For the Single-Family Home and Two-to-Four Family Building occupancies under the Dwelling Form, maximum limits of \$35,000 building and \$10,000 contents apply. For the Other Residential Building occupancy under the General Property Form, maximum limits of \$100,000 building and \$10,000 contents apply.	
ICC Coverage	Yes	
Assessment Coverage	No	
Deductibles	See the Deductibles heading under General Rating Information above	
Statutory Discounts		
See the Statutory Discounts heading under General Rating Information above		
- Newly Mapped Discount - Pre-FIRM Discount - Other Statutory Discounts		
Assessments, Fees, and Surcharges		
Federal Policy Fee	Number of Units	Federal Policy Fee
	Units 1–20	\$47 per unit
	Units 21–40	\$20 per unit
	Units 41–100	\$10 per unit
	Units 101+	\$2 per unit
	Example for a building with 130 units: Units 1–20, add \$47 per unit = \$940 Units 21–40, add \$20 per unit = \$400 Units 41–100, add \$10 per unit = \$600 Units 101–130, add \$2 per unit = \$60 Federal Policy Fee Total = \$2,000 (\$940+\$400+\$600+\$60)	
Other Assessments and Surcharges	For guidance see the Assessments, Fees, and Surcharges heading under General Rating Information above. - Reserve Fund Assessment - HFIAA Surcharge - Probation Surcharge	

Table 38. Condominium Association Coverage for Residential Condominium Association Building (Scenario #1) *continued*

TOPIC	GUIDANCE
Claim Settlement	
Replacement Cost Coverage	• Yes, for the building only, subject to policy provisions. • RCV is the cost to replace property with the same type of material and construction without deduction for depreciation.
Coinsurance Penalty	• The RCBAP coinsurance penalty applies to building coverage only. To receive full replacement cost, the insured must have purchased insurance in an amount equal to 80 percent of the full replacement cost of the building at the time of loss or the maximum amount of insurance available for that building under the NFIP, whichever is less. • For instructions and examples on the coinsurance penalty see the RCBAP Form, VII. Coinsurance.
Incorrect SFIP Form	
Building Becomes Ineligible	• If an insurer discovers that a building is not eligible for the RCBAP, the insurer must cancel and rewrite the coverage under the correct form with the original effective date. See additional guidance under Reason Code 22 “Cancel and rewrite due to administrative error” in Section 6: How to Cancel. • The provisions of the correct SFIP form apply. • The insurer must set the amount of building or contents coverage according to the provisions of the correct SFIP form. The coverage amount on the correct SFIP form must equal (and may not exceed) the coverage amount on the canceled SFIP form and may not exceed the maximum coverage limits available on the correct SFIP form. If the policyholder requests to increase coverage above the coverage amount on the canceled SFIP form, the insurer must follow the standard endorsement procedures for adding or increasing coverage described in Section 4: How to Endorse.
Owner Becomes Ineligible	• If, during a policy term, the policy fails to meet the eligibility requirements due to a change in the form of ownership, it becomes ineligible for coverage under the RCBAP. • The insurer must cancel and rewrite the policy using the correct SFIP form. • The effective date of the cancellation is the date that the form of ownership changed.

3. Residential Unit Owner Coverage in Residential Condominium Building (Scenario #2)

a. General Information

Use the Dwelling Form to insure an individual residential condominium unit and its contents in a residential condominium building. The unit owner must be named as the policyholder. **Table 39** describes the applicable eligibility and rating requirements.

Table 39. Residential Unit Owner Coverage in Residential Condominium Building (Scenario #2)

TOPIC		GUIDANCE
Eligibility Rules		
Policy Form		Dwelling Form (Building and Contents)
Program Eligibility		Regular Program or Emergency Program
Building Eligibility		A residential condominium unit (or mixed-use unit with non-residential uses limited to less than 50 percent of the unit's total floor area) in a residential condominium building with one or more units, including a townhouse or rowhouse Note: See Scenario #3 for information on insuring a residential condominium unit in a non-residential condominium building.
Policyholder Eligibility		Eligible Policyholders - Unit owner or tenant (with contents only policy); - Condominium association in the name of the unit owner and the association as their interests may appear; or - Condominium association for an individual unit owned by the association. Note: When the applicant is the condominium association, the lender for the individual unit owner should not appear on the declarations page.
Is the Policyholder a Condominium Association?		- Generally select “No”, including if the condominium association purchases the policy on behalf of a different unit owner. - Only select “Yes” if the condominium association owns the individual unit.
Property Insured		- Building elements. - Individually-owned contents. - Interior walls, floor, and ceiling (not otherwise insured under a flood insurance policy purchased by the condominium association) for not more than 10 percent of the stated contents coverage amount.
Duplicate Coverage		- In an exception to the general rule that multiple policies with building coverage may not insure a single building, the insurer may issue a Dwelling Form policy with building coverage to a residential condominium unit owner in a condominium building also covered by an RCBAP. - However, no more than \$250,000 may be paid in combined benefits for a single unit under the Dwelling Form and the RCBAP. Insureds may not claim damaged items under more than one policy. The NFIP will only pay for damaged items under one policy.
Other Eligibility Rules		See guidance in Section 2: Before You Start
Geographic Location Variables		
See the Geographic Location Variables heading under General Rating Information above		
- Building Location - Community Map Information and Flood Zone - Community Rating System Discount		
Structural Variables		
Building Occupancy		- Select “Residential Unit” - See the Building Occupancy heading under General Rating Information above
Building Description		- Select “Residential Condominium Unit (in Residential Building)” - See the Building Description heading under General Rating Information above

Table 39. Residential Unit Owner Coverage in Residential Condominium Building (Scenario #2) *continued*

TOPIC	GUIDANCE
Construction Type	Not applicable
Foundation Type and First Floor Height	The general guidance applies even if the unit is not on the first floor; the NFIP is still interested in the entire building's foundation and height above ground elevation. See the Foundation Type and First Floor Height headings under General Rating Information above.
Building Replacement Cost Value (BRCV)	FEMA will determine BRCV for the unit by using Application Form data and industry data connected with the property address. If FEMA is unable to determine the BRCV, the insurer must obtain the BRCV for the unit based on appraisals commonly used in the industry, and report it on the Application Form. FEMA reassesses its determination of BRCV at every renewal.
Number of Elevators	Not applicable
Number of Floors in Building	Indicate the total number of floors in the building even though the policy covers only an individual unit. Determine the building's number of floors based on the number of floors above the ground, including hanging floors, but excluding mid-level entries, enclosures or basements (finished or unfinished), crawlspaces (on grade or subgrade) and attics (if not used for living space).
Floor of Unit	If coverage is for a unit inside a multi-floor building with units located on different floors, indicate the floor where the unit to be insured is located. For example, if the unit is on the ninth floor of a twenty-story building, enter nine.
Total Number of Units in the Building	Determine the number of units in the building. If the building contains multiple units, enter the total number of units in the building, even though the policy covers only a single unit. For example, if coverage is for a unit within a four-unit building, enter four. Count both residential and non-residential units.
Other Structural Variables	For guidance on other structural variables, see the Structural Variables heading under General Rating Information above. • Machinery & Equipment Above First Floor • Proper Openings • Floodproofing • Square Footage • Building Replacement Cost Value • Prior NFIP Claims • Severe Repetitive Loss Property • Date of Construction • Number of Detached Structures on Property • Rental Property • Building Over Water • Primary Residence Status

Table 39. Residential Unit Owner Coverage in Residential Condominium Building (Scenario #2) *continued*

TOPIC	GUIDANCE
Coverage and Deductibles	
Maximum Coverage Limits	Regular Program • Building: Not to exceed the lesser of: – The building's replacement cost value; or – \$250,000 • Contents: \$100,000 Emergency Program • Building: Not to exceed the lesser of: – The building's replacement cost value; or – \$35,000 • Contents: \$10,000
ICC Coverage	No
Assessment Coverage	Yes. See information in Table 38 below.
Deductibles	See the Deductibles heading under General Rating Information above
Statutory Discounts	
See the Statutory Discounts heading under General Rating Information above • Newly Mapped Discount • Pre-FIRM Discount • Other Statutory Discounts	
Assessments, Fees, and Surcharges	
Federal Policy Fee	\$47
Other Assessments and Surcharges	For guidance see the Assessments, Fees, and Surcharges heading under General Rating Information above. • Reserve Fund Assessment • HFIAA Surcharge • Probation Surcharge
Claim Settlement	
Replacement Cost Coverage	Yes, subject to policy provisions

b. Assessment Coverage

Table 40 shows how assessment coverage applies after a loss. Assessment coverage is only available under the Dwelling Form, for residential condominium unit owners in residential condominium buildings. Two limitations apply:

- The insured cannot use the assessment coverage under the Dwelling Form to meet the 80 percent coinsurance provision of the RCBAP.
- The assessment coverage under the Dwelling Form does not apply to ICC coverage or buildings subject to continuous flooding from closed basin lakes.

Note: The RCBAP and General Property Forms do not provide assessment coverage.

Table 40. Assessment Coverage After a Loss

Condition At Time of Loss	Assessment Coverage Under the Dwelling Form
No RCBAP On the Entire Building	If the unit owner has purchased building coverage: • Responds to a loss assessment against the unit owner for damages to common areas, up to the building limit under the Dwelling Form. • If there is also damage to the building elements of the unit: – Coverage combination cannot exceed the maximum coverage limits available for a single-family dwelling. – Settlement of the unit building damages applies first and then the loss assessment.
If RCBAP Insured to at Least 80 Percent of the Building Replacement Cost	If the unit owner has purchased building coverage: • The loss assessment coverage under the Dwelling Form will pay that part of a loss that exceeds 80 percent of the association's building replacement cost. • The loss assessment coverage under the Dwelling Form will not cover the association's policy deductible purchased by the condominium association. • The RCBAP is primary and the Dwelling Form is considered excess. • Coverage combination cannot exceed the maximum coverage limits available for a single-family dwelling.
If RCBAP Insured to Less Than 80 Percent of the Building Replacement Cost	If the unit owner has purchased building coverage: • The RCBAP is primary and the Dwelling Form is considered excess. • The Dwelling Form will respond to a loss assessment resulting from the coinsurance penalty under the RCBAP, even if the loss did not meet the RCBAP limits.

4. Residential Unit Owner Coverage in Non-Residential Condominium Building (Scenario #3)

Use the Dwelling Form to insure an individual residential condominium unit owner's contents in a non-residential condominium building. The unit owner must be named as the policyholder. **Table 41** describes the applicable eligibility and rating requirements.

Table 41. Residential Unit Owner Coverage in Non-Residential Condominium Building (Scenario #3)

TOPIC	GUIDANCE
Eligibility Rules	
Policy Form	Dwelling Form (Contents Only)
Program Eligibility	Regular Program or Emergency Program
Building Eligibility	A residential condominium unit (or mixed-use unit with non-residential uses limited to less than 50 percent of the unit's total floor area) in a non-residential condominium building with one or more units, including a townhouse or rowhouse
Policyholder Eligibility	Eligible Policyholders • Unit owner; • Condominium association in the name of the unit owner and the association as their interests may appear; or • Condominium association for an individual unit owned by the association. Note: When the applicant is the condominium association, the lender for the individual unit owner should not appear on the declarations page.

Table 41. Residential Unit Owner Coverage in Non-Residential Condominium Building (Scenario #3) *continued*

TOPIC	GUIDANCE
Is the Policyholder a Condominium Association?	- Generally select “No”, including if the condominium association purchases the policy on behalf of a different unit owner. - Only select “Yes” if the condominium association owns the individual unit.
Property Insured	- Individually-owned contents. - Interior walls, floor, and ceiling (not otherwise insured under a flood insurance policy purchased by the condominium association) for not more than 10 percent of the stated contents coverage amount.
Other Eligibility Rules	See guidance in Section 2: Before You Start
Geographic Location Variables	
See the Geographic Location Variables heading under General Rating Information above	
- Building Location - Community Map Information and Flood Zone - Community Rating System Discount	
Structural Variables	
Building Occupancy	- Select “Residential Unit” - See the Building Occupancy heading under General Rating Information above
Building Description	- Select “Residential Condominium Unit (in Non-Residential Building)” - See the Building Description heading under General Rating Information above
Construction Type	Not applicable
Foundation Type and First Floor Height	The general guidance applies even if the unit is not on the first floor the NFIP is still interested in the whole building’s foundation and height above ground elevation. See the Foundation Type and First Floor Height headings under General Rating Information above.
Building Replacement Cost Value (BRCV)	FEMA will determine BRCV for the unit by using Application Form data and industry data connected with the property address. If FEMA is unable to determine the BRCV, the insurer must obtain the BRCV for the unit based on appraisals commonly used in the industry, and report it on the Application Form. FEMA reassesses its determination of BRCV at every renewal.
Number of Elevators	Not applicable
Number of Floors in Building	Indicate the total number of floors in the building even though the policy covers only an individual unit. Determine the building’s number of floors based on the number of floors above the ground, including hanging floors, but excluding mid-level entries, enclosures or basements (finished or unfinished), crawlspaces (on grade or subgrade) and attics (if not used for living space).
Floor of Unit	If coverage is for a unit inside a multi-floor building with units located on different floors, indicate the floor where the unit to be insured is located. For example, if the unit is on the ninth floor of a twenty-story building, enter nine.
Total Number of Units in the Building	Determine the number of units in the building. If the building contains multiple units, enter the total number of units in the building, even though the policy covers only a single unit. For example, if coverage is for a unit within a four-unit building, enter four. Count both residential and non-residential units.

Table 41. Residential Unit Owner Coverage in Non-Residential Condominium Building (Scenario #3) *continued*

TOPIC	GUIDANCE
Other Structural Variables	For guidance on other structural variables, see the Structural Variables heading under General Rating Information above. • Machinery & Equipment Above First Floor • Proper Openings • Floodproofing • Square Footage • Building Replacement Cost Value • Prior NFIP Claims • Severe Repetitive Loss Property • Date of Construction • Number of Detached Structures on Property • Rental Property • Building Over Water • Primary Residence Status
Coverage and Deductibles	
Maximum Coverage Limits	Regular Program • Contents: \$100,000 Emergency Program • Contents: \$10,000
ICC Coverage	No
Assessment Coverage	No
Deductibles	See the Deductibles heading under General Rating Information above
Statutory Discounts	
See the Statutory Discounts heading under General Rating Information above • Newly Mapped Discount • Pre-FIRM Discount • Other Statutory Discounts	
Assessments, Fees, and Surcharges	
Federal Policy Fee	\$47
Other Assessments and Surcharges	For guidance see the Assessments, Fees, and Surcharges heading under General Rating Information above. • Reserve Fund Assessment • HFIAA Surcharge • Probation Surcharge
Claim Settlement	
Replacement Cost Coverage	No

5. Condominium Association Coverage for Non-Residential Condominium Building (Scenario #4)

Use the General Property Form to insure a non-residential condominium building and the commonly owned contents. The condominium association must be named as the policyholder. **Table 42** describes the applicable eligibility and rating requirements.

Table 42. Condominium Association Coverage for Non-Residential Condominium Building (Scenario #4)

TOPIC	GUIDANCE
Eligibility Rules	
Policy Form	General Property Form (Building and Contents)
Program Eligibility	Regular Program or Emergency Program
TOPIC	GUIDANCE
Building Eligibility	• Non-residential condominium building with one or more units • Mixed-use condominium building if non-residential uses are 25 percent or more of the building's total floor area.
Policyholder Eligibility	Non-residential condominium association
Is the Policyholder a Condominium Association?	Select "Yes"
Property Insured	The property insured includes: • Condominium building. • Individually owned units within the building. • Improvements within units. • Additions and extensions attached or connected to the insured building. • Fixtures, machinery, and equipment within building. • Contents owned by the association. • Non-residential common building elements and the contents.. Note: The NFIP requires a separate policy for each building owned by a condominium association. Coverage applies to the single building described under Building Location on the Application Form and Insured Property Location on the Declarations Page.
Other Eligibility Rules	See guidance in Section 2: Before You Start
Geographic Location Variables	
See the Geographic Location Variables heading under General Rating Information above	
• Building Location • Community Map Information and Flood Zone • Community Rating System Discount	
Structural Variables	
Building Occupancy	• Select "Non-Residential Building" • See the Building Occupancy heading under General Rating Information above.

Table 42. Condominium Association Coverage for Non-Residential Condominium Building (Scenario #4) *continued*

TOPIC	GUIDANCE
Building Description	Select one of the following that best describes the building: • Commercial • Detached Garage • Government-Owned • House of Worship • Recreation Building • Storage/Tool Shed • Other Non-Residential Type See the Building Description heading under General Rating Information above
Construction Type	Not applicable to the Non-Residential Building occupancy.
Number of Elevators	If there are elevators within the building, enter the total number elevators, including those located inside an enclosure.
Number of Floors in Building	Determine the building's number of floors based on the number of floors above the ground, including hanging floors, but excluding mid-level entries, enclosures or basements (finished or unfinished), crawlspaces (on grade or subgrade) and attics (if not used for living space).
Total Number of Units in the Building	Determine the number of units in the building. If the building contains multiple units, count the total number of units in the building including both residential and non-residential units.
Building Replacement Cost Value (BRCV)	• The Insurer must obtain the BRCV (including the cost of the buildings foundation) based on commonly used industry practices. • Supporting BRCV documentation is not required if: – The building description is either Storage/Tool Shed or Detached Garage; or – The building's square footage is less than 1,000 square feet. • The insurer must validate the BRCV information at least every 3 years. See notice requirements and a sample version in Appendix I: Policyholder Communications.
Other Structural Variables	For guidance on other structural variables, see the Structural Variables heading under General Rating Information above. • Foundation Type • First Floor Height • Machinery & Equipment Above First Floor • Proper Openings • Floodproofing • Prior NFIP Claims • Severe Repetitive Loss Property • Date of Construction • Number of Detached Structures on Property • Rental Property • Building Over Water • Primary Residence Status

Table 42. Condominium Association Coverage for Non-Residential Condominium Building (Scenario #4) *continued*

TOPIC	GUIDANCE
Coverage and Deductibles	
Maximum Coverage Limits	Regular Program • Building: Not to exceed the lesser of: – The building's replacement cost value; or – \$500,000 • Contents: \$500,000 Emergency Program • Building: Not to exceed the lesser of: – The building's replacement cost value; or – \$100,000 • Contents: \$100,000
ICC Coverage	Yes
Assessment Coverage	No
Deductibles	See the Deductibles heading under General Rating Information above
Statutory Discounts	
See the Statutory Discounts heading under General Rating Information above	
• Newly Mapped Discount • Pre-FIRM Discount • Other Statutory Discounts	
Assessments, Fees, and Surcharges	
Federal Policy Fee	\$47
Other Assessments and Surcharges	For guidance see the Assessments, Fees, and Surcharges heading under General Rating Information above. • Reserve Fund Assessment • HFIAA Surcharge • Probation Surcharge
Claim Settlement	
Replacement Cost Coverage	No

6. Non-Residential Unit Owner Coverage in Residential or Non-Residential Condominium Building (Scenario #5)

Use the General Property Form to insure a non-residential condominium unit owner's contents in a residential or non-residential building. The unit owner must be named as the policyholder. **Table 43** describes the applicable eligibility and rating requirements.

Table 43. Non-Residential Unit Owner Coverage in Residential or Non-Residential Condominium (Scenario #5)

TOPIC	GUIDANCE
Eligibility Rules	
Policy Form	General Property Form (Contents Only)
Program Eligibility	Regular Program and Emergency Program
Building Eligibility	A non-residential condominium unit in a residential or non-residential condominium building with one or more units, including a townhouse or rowhouse.
Property Insured	• Contents of non-residential condominium unit. • A condominium unit owner may apply up to 10 percent of the contents coverage limit, chosen by the policyholder, to cover loss to interior walls, floor, and ceiling that are not insured under a policy issued to the condominium association insuring the condominium building. • A tenant may apply up to 10 percent of the contents coverage limit to improvements: – Made a part of the building the tenant occupies; <i>and</i> – The tenant acquired, or made at the tenant's expense, even though the tenant cannot legally remove. • This coverage does not increase the amount of insurance that applies to insured personal property
Policyholder Eligibility	Eligible Policyholders • Unit owner; or • Tenant.
Is the Policyholder a Condominium Association?	• Generally select “No”, including if the condominium association purchases the policy on behalf of a different unit owner. • Only select “Yes” if the condominium association owns the individual unit.
Other Eligibility Rules	See guidance in Section 2: Before You Start
Geographic Location Variables	
See the Geographic Location Variables heading under General Rating Information above • Building Location • Community Map Information and Flood Zone • Community Rating System Discount	
Structural Variables	
Building Occupancy	• Select “Non-Residential Building” • See the Building Occupancy heading under General Rating Information above.
Building Description	Select one of the following that best describes the building: • Commercial • Government-Owned • House of Worship • Recreation Building • Storage/Tool Shed • Other Non-Residential Type See the Building Description heading under General Rating Information above
Construction Type	Not applicable

Table 43. Non-Residential Unit Owner Coverage in Residential or Non-Residential Condominium (Scenario #5) *continued*

TOPIC	GUIDANCE
Foundation Type & First Floor Height	The general guidance applies even if the unit is not on the first floor the NFIP is still interested in the entire building's foundation and height above ground elevation. See the Foundation Type and First Floor Height headings under General Rating Information above.
Building Replacement Cost Value (BRCV)	- The Insurer must obtain the BRCV for the unit based on commonly used industry practices. - Supporting BRCV documentation is not required if: - The building description is either Storage/Tool Shed or Detached Garage; or - The building's square footage is less than 1,000 square feet. - The insurer must update the BRCV information at least every 3 years. See notice requirements and a sample version in Appendix I: Policyholder Communications.
Number of Elevators	Not applicable
Number of Floors in Building	Indicate the total number of floors in the building even though the policy covers only an individual unit. Determine the building's number of floors based on the number of floors above the ground, including hanging floors, but excluding mid-level entries, enclosures or basements (finished or unfinished), crawlspaces (on grade or subgrade), and attics (if not used for living space).
Floor of Unit	If coverage is for a unit inside a multi-floor building with units located on different floors, indicate the floor where the unit to be insured is located. For example, if the unit is on the ninth floor of a twenty-story building, enter nine.
Total Number of Units in the Building	Determine the number of units in the building. If the building contains multiple units, enter the total number of units in the building, even though the policy covers only a single unit. For example, if coverage is for a unit within a four-unit building, enter four. Count both residential and non-residential units.
Other Structural Variables	For guidance on other structural variables, see the Structural Variables heading under General Rating Information above. - Machinery & Equipment Above First Floor - Proper Openings - Floodproofing - Prior NFIP Claims - Severe Repetitive Loss Property - Date of Construction - Number of Detached Structures on Property - Rental Property - Building Over Water - Primary Residence Status
Coverage and Deductibles	
Maximum Coverage Limits	Regular Program - Contents: \$500,000 Emergency Program - Contents: \$100,000
ICC Coverage	No
Assessment Coverage	No

Table 43. Non-Residential Unit Owner Coverage in Residential or Non-Residential Condominium (Scenario #5) *continued*

TOPIC	GUIDANCE
Deductibles	See the Deductibles heading under General Rating Information above
Statutory Discounts	
See the Statutory Discounts heading under General Rating Information above	
• Newly Mapped Discount • Pre-FIRM Discount • Other Statutory Discounts	
Assessments, Fees, and Surcharges	
Federal Policy Fee	\$47
Other Assessments and Surcharges	For guidance see the Assessments, Fees, and Surcharges heading under General Rating Information above. • Reserve Fund Assessment • HFIAA Surcharge • Probation Surcharge
Claim Settlement	
Replacement Cost Coverage	No

B. Applying the Condominium Rating Scenarios

Tables 44–46 apply the five scenarios above to various specific situations that can arise when writing policies for condominium buildings and units. The tables clarify what Building Occupancy and Building Description to select and what condominium rating scenario and policy form applies.

Table 44: Single-Family Residential Building or Individual Residential Townhouse or Rowhouse in a Condominium Complex

Situation	Is the Policyholder a Condominium Association?	Building Occupancy	Building Description	Rating Scenario & Policy Form	Type of Coverage Available
Residential Condominium Building or Unit in Such a Building					
Single-Family Residential Condominium Building (a one-unit building in a condominium complex)	YES (Purchased by the condominium association to insure the entire building)	Residential Condominium Building	Entire Residential Condominium Building	Scenario #1: RCBAP	Building and Contents

Table 44: Single-Family Residential Building or Individual Residential Townhouse or Rowhouse in a Condominium Complex *continued*

Situation	Is the Policyholder a Condominium Association?	Building Occupancy	Building Description	Rating Scenario & Policy Form	Type of Coverage Available
Single-Family Residential Condominium Building <i>continued</i> (a one-unit building in a condominium complex)	YES or NO (Purchased by or on behalf of the unit owner – which may be the association – to insure the building’s single unit, whether or not the condominium association has an RCBAP on the building)	Residential Unit	Residential Condominium Unit (in Residential Building)	Scenario #2: Dwelling	Building and Contents
Townhouse or Rowhouse Condominium					
Individual Residential Townhouse or Rowhouse (in a row of townhouse or rowhouse condominiums but insured as a single building)	YES (Purchased by the condominium association to insure the entire building)	Residential Condominium Building	Entire Residential Condominium Building	Scenario #1: RCBAP	Building and Contents
	YES or NO (Purchased by or on behalf of the unit owner – which may be the association – to insure the townhouse or rowhouse’s single unit, whether or not the condominium association has an RCBAP on the building)	Residential Unit	Residential Condominium Unit (in Residential Building)	Scenario #2: Dwelling	Building and Contents

Table 45: Residential Condominium Building with 2-4 Units, or a Unit in Such a Building (Non-Townhouse/Rowhouse)

Situation	Is the Policyholder a Condominium Association?	Building Occupancy	Building Description	Rating Scenario & Policy Form	Type of Coverage Available
Residential Condominium Building or Unit in Such a Building					
Residential Condominium Building with 2-4 Units	YES (Purchased by the condominium association to insure the entire building)	Residential Condominium Building	Entire Residential Condominium Building	Scenario #1: RCBAP	Building and Contents

Table 45: Residential Condominium Building with 2-4 Units, or a Unit in Such a Building (Non-Townhouse/Rowhouse) *continued*

Situation	Is the Policyholder a Condominium Association?	Building Occupancy	Building Description	Rating Scenario & Policy Form	Type of Coverage Available
Residential Unit in 2-4 Family Residential Condominium Building	YES or NO (Purchased by or on behalf of a unit owner – which may be the association – to insure an individual unit, whether or not the condominium association has an RCBAP on the building)	Residential Unit	Residential Condominium Unit (in Residential Building)	Scenario #2: Dwelling	Building and Contents
Non-Residential Unit in 2-4 Family Residential Condominium Building	YES or NO (Purchased by or on behalf of a unit owner – which may be the association – to insure an individual unit, whether or not the condominium association has an RCBAP on the building)	Non-Residential Unit	Pick one: • Commercial • Government-Owned • House of Worship • Recreation Building • Storage/Tool Shed • Other Non-Residential Type	Scenario #5: General Property	Contents

Table 46: Residential Condominium Building with Five or More Units, or a Unit in Such a Building (Non-Townhouse/Rowhouse)

Situation	Is the Policyholder a Condominium Association?	Building Occupancy	Building Description	Rating Scenario & Policy Form	Type of Coverage Available
Residential Condominium Building or Unit in Such a Building					
Residential Condominium Building with Five or More Units	YES (Purchased by the condominium association to insure the entire building)	Residential Condominium Building	Entire Residential Condominium Building	Scenario #1: RCBAP	Building and Contents
Residential Unit in Residential Condominium Building with Five or More Units	YES or NO (Purchased by or on behalf of a unit owner – which may be the association – to insure an individual unit, whether or not the condominium association has an RCBAP on the building)	Residential Unit	Residential Condominium Unit (in Residential Building)	Scenario #2: Dwelling	Building and Contents

Table 46: Residential Condominium Building with Five or More Units, or a Unit in Such a Building (Non-Townhouse/Rowhouse) *continued*

Situation	Is the Policyholder a Condominium Association?	Building Occupancy	Building Description	Rating Scenario & Policy Form	Type of Coverage Available
Non-Residential Unit in Residential Condominium Building with Five or More Units	YES or NO (Purchased by or on behalf of a unit owner – which may be the association – to insure an individual unit, whether or not the condominium association has an RCBAP on the building)	Non-Residential Unit	Pick one: - Commercial - Government-Owned - House of Worship - Recreation Building - Storage/Tool Shed - Other Non-Residential Type	Scenario #5: General Property	Contents

Table 47. Non-Residential Condominium Building, or Unit in Such a Building

Situation	Is the Policyholder a Condominium Association?	Building Occupancy	Building Description	Rating Scenario & Policy Form	Type of Coverage Available
Single-Unit Non-Residential Condominium Building, or Unit in Such a Building					
Non-Residential Single-Unit Condominium Building (in a condominium complex)	YES (Purchased by the condominium association to insure the entire building)	Non-Residential Building	Pick one: - Commercial - Detached Garage - Government-Owned - House of Worship - Recreation Building - Storage/Tool Shed - Other Non-Residential Type	Scenario #4: General Property	Building and Contents
	YES or NO (Purchased by or on behalf of the unit owner – which may be the association – to insure the building's single unit, whether or not the condominium association has a General Property Form policy on the building)	Non-Residential Unit	Pick one: - Commercial - Government-Owned - House of Worship - Recreation Building - Storage/Tool Shed - Other Non-Residential Type	Scenario #5: General Property	Contents
Non-Residential Condominium Building with Multiple Units, or Unit in Such a Building					
Non-Residential Condominium Building with Multiple Units	YES (Purchased by the condominium association to insure the entire building)	Non-Residential Building	Pick one: - Commercial - Government-Owned - House of Worship - Recreation Building - Storage/Tool Shed - Other Non-Residential Type	Scenario #4: General Property	Building and Contents

Table 47. Non-Residential Condominium Building, or Unit in Such a Building *continued*

Situation	Is the Policyholder a Condominium Association?	Building Occupancy	Building Description	Rating Scenario & Policy Form	Type of Coverage Available
Non-Residential Unit in a Non-Residential Condominium Building with Multiple Units	YES or NO (Purchased by or on behalf of a unit owner – which may be the association – to insure an individual unit, whether or not the condominium association has a General Property Form policy on the building)	Non-Residential Unit	Pick one: - Commercial - Government-Owned - House of Worship - Recreation Building - Storage/Tool Shed - Other Non-Residential Type	Scenario #5: General Property	Contents
Residential Unit in a Non-Residential Condominium Building with Multiple Units	YES or NO (Purchased by or on behalf of a unit owner – which may be the association – to insure an individual unit, whether or not the condominium association has a General Property Form policy on the building)	Residential Unit	Residential Condominium Unit (in Non-Residential Building)	Scenario #3: Dwelling	Contents

IV. Provisional Rating Information

A. General Information

Insurers should use provisional rates to enable coverage when the FEMA system is unavailable, or when FEMA has provided guidance to use provisional rating.

When the system is once again available to provide a rating engine rate, the insurer will finish processing the policy or, if the policy was already submitted to FEMA's system with the provisional rate, endorse the policy to a rating engine rate. FEMA highly recommends that the insurer endorse the policy to a rating engine rate within 60 days of the Application Form submission. The following rules govern use of provisional rating:

- Provisionally rated policies are valid for 1 year.
- Provisionally rated policies cannot be renewed.
- Provisionally rated policies may be endorsed during the policy term or by new application at renewal to obtain a rating engine rate.
- The insurer must submit the endorsement to FEMA for a premium before any claim payment in the event of a loss.
- When writing a provisionally rated policy, use the effective date rules in [Section 2: Before You Start](#). No waiting period applies when endorsing to a rating engine rate unless the policyholder requests increased or additional coverage, in which case that coverage is subject to a waiting period consistent with the guidance in [Section 4: How to Endorse](#).
- A provisionally rated policy cannot be canceled and rewritten as another provisionally rated policy.
- The insurer may not endorse a provisionally rated policy to increase coverage until the policy is endorsed to a rating engine rate.

B. Eligibility

FEMA authorizes NFIP insurers to use provisional rates (at their discretion) in the following scenarios:

- Planned FEMA maintenance windows.
- Geolocation variable issues – When FEMA’s system does not return one or more geolocation variables required for rating (for example, distance to flooding source) based on the submitted geolocation. This does not include scenarios where FEMA’s geocoder cannot successfully produce a latitude and longitude for a submitted address. **Note:** See the [Geolocation](#) heading under General Rating Information above for guidance on submitting the building’s latitude and longitude to enable geolocation.
- Unplanned outages:
 - Unplanned FEMA system outage; or
 - Issue between FEMA and insurer system where the responsible party is unclear. The insurer must document the quote/policy file.

FEMA does not authorize NFIP insurers to use provisional rates in the following situations:

- Planned NFIP insurer or vendor maintenance windows
- Known NFIP insurer or vendor system issues
- Issues with FEMA third-party tools: Geocoder, First Floor Height Tool, Replacement Cost Value

The following are eligible for provisional rating:

- All building occupancies
- All policy forms
- All foundation types
- Regular Program and Emergency Program communities

C. Rates

Table 48 shows the provisional rates used to determine premium for all policy types.

Table 48: Provisional Rates for All Policy Types

Policy Type	Premium
Building Coverage	\$5.30 / \$1,000 of Building Limit
Contents Coverage	\$9.80 / \$1,000 of Contents Limit

For provisionally rated policies, calculate the building and contents premiums by applying the rate per thousand to the amount of coverage requested. Provisionally rated policies are subject to the ICC premium, calculated as 1.9 percent of the building and contents coverage premiums. The building, contents, and ICC premiums combine to an adjusted premium. The Reserve Fund Assessment, Federal Policy Fee, HFIAA Surcharge, and Probation Surcharge (if applicable), and Federal Policy Fee are applied to that adjusted premium to calculate the total amount due. For additional information, see the [Assessments, Fees, and Surcharges](#) heading under General Rating Information above. Provisionally rated policies are not eligible for CRS discounts. Follow the steps in **Table 49** to determine the total amount due.

Table 49. Calculate Premium for a Provisional-Rated Policy

Step	Action	Reference/Guidance
1	Apply the rate	\$5.30 per \$1,000 of Building Limits and \$9.80 per \$1,000 of Contents Limits.
2	Apply standard deductible	Apply deductible of \$2,000 building / \$2,000 contents (only option).
3	Add ICC premium (if eligible)	If eligible for ICC coverage, apply 1.9 percent of the building and contents coverage premiums. For more information about ICC eligibility, see the ICC Coverage heading above.
4	Apply Reserve Fund Assessment	Apply 18 percent of the adjusted premium (building, contents, and ICC premiums).
5	Add HFIAA Surcharge	See Table 34. HFIAA Surcharge under the Assessments, Fees, and Surcharges heading above to determine the applicable surcharge.
6	Add Federal Policy Fee	See Table 35. Federal Policy Fee under the Assessments, Fees, and Surcharges heading above for the applicable fee.
7	Add Probation Surcharge	Insurer must determine if the community is on NFIP probation. Add a \$50 Probation Surcharge if the community is on probation.

D. Premium Adjustments

When the system is available to obtain a rating engine rate, the insurer must submit all required rating information by endorsement to FEMA. Follow the guidance in [Section 4: How to Endorse](#) on premium-bearing endorsements, in particular the [Refund](#) heading if the rating engine rate is lower than the provisional rate the policyholder initially paid. If the rating engine rate is higher, follow the guidance under the [Reformation Due to Insufficient Premium or Rating Information](#) heading in Section 2 Before You Start.

E. Notification

The insurer must provide notice to the policyholder, agent and lender (if applicable) that provisional rating was used and explaining the provisional rating process, the non-renewability of a provisionally rated policy, the inability to file a claim on a provisionally rated policy before endorsement to a rating engine rate, and FEMA's recommendation that the policy should be re-rated promptly using the endorsement process. See the [sample notification letter](#) in Appendix I: Policyholder Communications.