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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.
- If any elevations (Lowest Floor Elevation (LFE), LAG, etc.) are shown in hundredths or greater (e.g., 10.572), apply the truncation rule to the elevation (i.e., drop all measurements beyond tenths of a foot). If the Lowest Floor is 10.572, truncate the elevation to 10.5, or if the elevation is 2.0185, truncate to 2.0.

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

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

STEP	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	C2.a = LFE
Scenario: Non-elevated building on slab or elevated without an enclosure.	<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).
EC Diagram Number: 2, 2B, or 4	C2.b = LFE
Scenario: Non-elevated building with basement.	<i>If C2.b is not provided 8 feet can be added to C2.a:</i> Add 8 feet to C2.a $C2.a + 8 = \text{LFE}$
EC Diagram Number: 6 or 7	C2.a = LFE
Scenario: Elevated building with an enclosure and <ul style="list-style-type: none"> • 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. 	<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).
EC Diagram Number: 6 or 7	C2.b = LFE
Scenario: Elevated building with an enclosure and <ul style="list-style-type: none"> • Is Post-FIRM; and • In Zone A1–A30, AE, AH, AR, AR/A, AR/AE, AR/AH, AR/A1–A30, V1–V30, or VE. 	<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).
EC Diagram Number: 8 or 9	C2.c + 1 = LFE
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.

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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> <ul style="list-style-type: none"> • Is Pre-FIRM (in any zone); • In a Non-Special Flood Hazard Area; or • 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> <ul style="list-style-type: none"> • Is Post-FIRM; and • 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

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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.

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- 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 **within a foot of the required floor elevation**.

Alternatively, the M&E may be elevated to the BFE. An EC or other documentation that demonstrates the M&E is at or above the BFE is required. If the building is under construction, the M&E must be permanently installed in its proper location to receive the discount.

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
- Solar battery elements when used as the primary power source for a solar-powered building during periods when the sun is unavailable (e.g., overnight, overcast, etc.).

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

- Clothes washers and dryers
- Food freezers

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 **No** on the Application Form under the question "*Is the Building Eligible for the Machinery and Equipment Mitigation Discount?*" if the building has no M&E.

Select **Yes** on the Application Form 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
	<p>Slab on Grade (Non-Elevated)</p> <ul style="list-style-type: none">• One floor: Elevated at least to the height of the attic. Note: Documentation, such as a photograph, must be in the policy file to support the M&E discount.• More than one floor: Elevated to at least within a foot of the height of the second floor or higher.
	<p>Basement (Non-Elevated)</p> <ul style="list-style-type: none">• Elevated to at least within a foot of the height of the floor above the basement or higher.
	<p>Elevated Without Enclosure on Posts, Piles or Piers</p> <ul style="list-style-type: none">• Elevated to at least within a foot of the height of the lowest elevated floor or higher.
	<p>Elevated With Enclosure on Posts, Piles or Piers</p> <ul style="list-style-type: none">• Elevated to at least within a foot of the height of the lowest elevated floor or higher.

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

Diagram Showing Location	Guidance on Location
	<p>Elevated With Enclosure Not Posts, Piles or Piers</p> <ul style="list-style-type: none">• Elevated to at least within a foot of the height of the lowest elevated floor or higher.
	<p>Crawlspace (Elevated or Non-Elevated Subgrade Crawlspace)</p> <ul style="list-style-type: none">• Elevated to at least within a foot of the height of the floor above the crawlspace or higher.

***Note:** Alternatively, the M&E may be elevated to the BFE. An EC or other documentation that demonstrates the M&E is at or above the BFE is required.

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

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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

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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
Residential ⁷	<p>Floodproofing a residential building may qualify the policy for a floodproofing discount if all the following apply:</p> <ul style="list-style-type: none">• 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; and• Refer to fema.gov/floodplain-management/manage-risk/residential-buildings-basements for additional eligibility criteria. <p>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.</p>	<ul style="list-style-type: none">• The NFIP insurer is responsible for determining eligibility for the residential floodproofing discount.• Refer to 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)

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Table 18. Eligibility for a Floodproofing Discount *continued*

Type	Eligibility Criteria	Notes
Non-Residential	<p>Floodproofing a Non-Residential Building may qualify the policy for a floodproofing discount if all the following apply:</p> <ul style="list-style-type: none"> • 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; and • 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). 	<ul style="list-style-type: none"> • 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 FEMA-NFIPCustomerServiceCenter@fema.dhs.gov. • If FEMA determines the building is eligible for the discount, it will provide an approved FEMA Adjusted Floor Height for the insurer to report. • 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 floodproofing indicator, the FEMA Adjusted Floor Height, and any applicable premium change. • Use the Floodproofing Certificate date in place of the EC date on the Application. • The insurer must validate floodproofing documentation annually. <p>See Renewal Requirements for Non-Residential Floodproofing Discount in Section 5, III.E for additional information.</p>

c. Documentation Requirements for Non-Residential Floodproofing

The insurer must email the following floodproofing documentation to FEMA-NFIPCustomerServiceCenter@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;

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- Location of floodproofing components, install procedures, repair procedures;
- 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.

For all Building Occupancies, 99999 is not a valid value. For Single-Family Homes with square footage greater than 15,000 square feet, the insurer must have documentation in the policy file that supports the building square footage.

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	<p>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.</p> <p>Do not include the following areas in the square footage calculation:</p> <ul style="list-style-type: none">• Any garage area solely used for parking, storage or access;• Finished or unfinished basement;• Finished or unfinished enclosure area; or• Porches or decks.
Other Residential Building, Residential Condominium Building, Non-Residential Building, Non-Residential Manufactured/Mobile Building, and Non-Residential Unit	<p>Provide the square footage of the building:</p> <ul style="list-style-type: none">• 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.

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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, 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, **prior to sending the Renewal Notice**, 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, **prior to sending the Renewal Notice**, at least every 3 years. See [notice requirements](#) and [sample versions](#) in Appendix I: Policyholder Communications.

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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.

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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	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.

3. How to Write

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.

3. How to Write

Table 22. Mitigation Actions, Requirements, and Documentation

Mitigation Action	Requirements	Documentation
Elevating a Building	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> NFIP Elevation Certificate Proper flood openings information Clear photos of the building's exterior
Floodproofing (Non-Residential)	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> NFIP Floodproofing Certificate for Non-residential Structures Clear photos of the building's exterior
Flood Control/ Stormwater Management Project	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> A description of the project and how the mitigation performs A letter from the community official and supporting documentation
Building Removed and Relocated	<ul style="list-style-type: none"> The building was removed and relocated from the property to another location. 	<ul style="list-style-type: none"> 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

3. How to Write

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

Mitigation Action	Requirements	Documentation
Building Demolition	<ul style="list-style-type: none">The building was demolished or removed.	<ul style="list-style-type: none">Demolition permitIf the building was acquired and demolished/removed by the community, a letter from the community official is requiredClear photos of the property where the building was demolished
Elevation of Machinery and Equipment	<ul style="list-style-type: none">A prior claim was due to damage to machinery and equipment only; andThe 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).	<ul style="list-style-type: none">A description of the prior damage to machinery and equipmentA description of the mitigation (elevation) of the machinery and equipmentA letter from the community official certifying the elevation of machinery and equipmentClear 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.

3. How to Write

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 K: 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.

3. How to Write

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

Location	Determine Construction Date
Manufactured Home Park or Subdivision	<ul style="list-style-type: none">• The date facilities were constructed for servicing the manufactured home site; or• The date of the building permit, provided that construction began within 180 days of the permit date.
Individually Owned Lots or Tracts of Land	<ul style="list-style-type: none">• The date the manufactured home was permanently affixed to the site; or• 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 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.

c. 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

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

3. How to Write

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.

For the following Building Occupancies, the insurer must have documentation in the policy file that supports the number of floors if greater than listed below.

- Single-Family Home and Two-to-Four Family Building, more than 5 floors.
- Residential Manufactured/Mobile Home and Non-Residential Manufactured/Mobile Building, more than 3 floors.
- Other Residential Building, Residential Condo Association, Residential Unit, Non-Residential Building and Non-Residential Unit, more than 100 floors.

Note: 99999 is not a valid value for number of floors.

d. 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.

e. 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.

f. Rental Property

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

g. Building Over Water

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

h. 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: