Section 1  Introduction to the NFIP
  • Biggert-Waters Flood Insurance Affordability Act of 2012
  • Homeowners Flood Insurance Affordability Act of 2014

Section 2  Subsidized Rates
  • Pre-FIRM SFHA
  • Newly Mapped into the SFHA

Section 3  Full Risk Rating
  • Grandfathering
  • Preferred Risk Policy
  • Elevation Certificates
Agenda

- **Section 4**  Clear Communication of Risk
  - Phase I
  - Phase II

- **Section 5**  Understanding the Lowest Floor Elevation
  - Basement
  - Slab on Grade
  - Subgrade Crawlspace
  - Elevated without Enclosure
  - Elevated with Enclosure (including Crawlspace)

- **BREAK**
Agenda

- **Section 6**  Rating Examples
  - Slab on Grade
  - Basement

- **Section 7**  Common Building Modifications (A zone types)
  - Slab on Grade
  - Subgrade Crawlspace
  - Elevated with Enclosure (including Crawlspace)
  - Elevators
  - Hanging Floors
  - A zone Summary
Agenda

- **Section 8**  Common Building Modifications (V zone types)
  - Elevated without Enclosure
  - Elevated with Enclosure
  - Elevators
  - Hanging Floors
  - V zone Summary

- **Section 9**  Special Rating Consideration

- **Section 10**  Wrap-up & Questions
Introduction to the NFIP
Introduction to the NFIP

- **Established 1968**

- **Biggert-Waters Flood Insurance Reform Act of 2012**
  - The new law encourages Program financial stability by eliminating artificially low rates & discounts. Most flood insurance rates will move to reflect full risk rates, and flood insurance rates will rise on some properties…**but WAIT!**

- **Homeowners Flood Insurance Reform Act (HFIAA) of 2014**
  - Repeals and modifies certain provisions of Biggert-Waters
  - Makes additional program changes
  - Leaves some parts of BW12 intact
HFSC – Flood Legislation (7 Bills Through Mark-up)

  The bill would protect NFIP policyholders from unreasonable premium rates and require FEMA to conduct a study to analyze the unique characteristics of flood insurance coverage of urban properties. The bill passed the Committee by a vote of 53-0.

- **HR2874 – 21st Century Flood Reform Act** – Sponsor: Rep. Sean Duffy (R-WI)
  The bill would improve the financial stability of the National Flood Insurance Program; enhance the development of more accurate estimates of flood risk through new technology and better maps; increase the role of private markets in the management of flood insurance risks; and provide for alternative methods to insure against flood peril. The bill passed the Committee by a vote of 30-26.

- **HR2875 – NFIP Administrative Reform Act** – Sponsor: Rep. Nydia Velazquez (D-NY)
  The bill would make administrative reforms to the NFIP to increase fairness and accuracy and protect the taxpayer from program fraud and abuse. The bill passed the Committee by a vote of 58-0.
HFSC – Flood Legislation (cont.)

- **HR1558** – Repeatedly Flooded Communities Preparation Act – Sponsor: Rep. Ed Royce (R-CA) The bill would amend the National Flood Insurance Act of 1968 to ensure community accountability for areas repetitively damaged by floods. The bill passed the Committee by a voice vote.

- **HR1422** – Flood Insurance Market Parity and Modernization Act – Sponsor: Rep. Dennis Ross (R-FL) The bill would clarify that flood insurance policies written by private carriers satisfy the mandatory purchase requirement. The bill passed the Committee by a vote of 58-0.

- **HR2246** – Taxpayer Exposure Mitigation Act – Sponsor: Rep. Blaine Luetkemeyer (R-MO) The bill would repeal the mandatory flood insurance coverage requirement for commercial and multifamily properties located in flood hazard areas and to provide for greater transfer of risk under the NFIP to private capital and reinsurance markets. The bill passed the Committee by a vote of 36-24.

- **HR2565** – Sponsor: Rep. Blaine Luetkemeyer (R-MO) The Bill would require the use of replacement cost value in determining the premium rates for flood insurance coverage under the National Flood Insurance Act, and other purposes. The bill passed the Committee by a vote of 34-25.
SBC – Flood Legislation (3 Bills Introduced)

- **S1571 – NFIP Reauthorization Act**
  - Introduced by Crapo (R-ID), SBC Chairman and Brown (D-OH) SBC Ranking Member
  - July 17, 2017
  - Mark-up not yet scheduled

- **S1368 – Sustainable Affordable Fair & Efficient (SAFE) NFIP Reauthorization Act**
  - Introduced by Menendez (D-NJ), Kennedy (R-LA), Warren (D-MA), Rubio (R-FL), Van Hollen (D-MD), Cochran (RMS), Booker (D-NJ) and Nelson (D-FL)
  - June 15, 2017

- **S1313 – Flood Insurance Affordability & Sustainability Act**
  - Introduced by Cassidy (R-LA), Gillibrand (D-NY) and Capito (D-WV)
  - June 7, 2017
  - Indications are that Cassidy, Gillibrand and Capito have signed on to the Menendez bill (S1368)
NFIP Definition of “Flood”

- A general and temporary condition of partial or complete inundation of 2 or more acres of normally dry land area or of 2 or more properties (at least 1 of which is the policyholder’s property) from:
  - Overflow of inland or tidal waters;
  - Unusual and rapid accumulation or runoff of surface waters from any source; or
  - Mudflow; or

- Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above.
Subsidized Rates
Subsidized Rates

What are they?

- Defined as: “A rate charged to a group of policies that results in aggregate premiums insufficient to pay anticipated losses and expenses for that group.”

- Examples include:
  - Pre-FIRM (built or substantially improved prior to December 31, 1974, or before the effective date of the community’s initial FIRM)
  - Pre ’81 V zones
  - Group Flood Insurance Policies
  - Newly Mapped Policies (formerly known as PRP Eligibility Extension)
  - Pre-FIRM substantially improved on or after April 1, 2015
Subsidized Rates

What are they?

- Annual premium is primarily based on:
  - Occupancy Type
    - Single family, 2-4 family, Other Residential, Non-Residential Business, and Other Non-Residential
  - Building type
    - No Basement/Enclosure, With Basement, With Enclosure, Elevated on a Crawlspace, or Non-Elevated With a Subgrade Crawlspace

- Pre-FIRM buildings can be rated using full-risk rates if more favorable to the insured. Subsidized rates will continue to be used until the full-risk rating is more favorable.
Subsidized Rates

Single Family residence built in 1920. Flood zone VE

- Slab on grade residence.
- Requested coverage limit of:
  - $125,000 Building
  - $10,000 Contents

- The subsidized annual premium would be:
  - $2,920 Primary.
  - $5,952 Non-Primary.

- The annual premium with full-risk rates would vary between $1,864 and $36,287 per year, depending on the measurements from an elevation certificate.
Mobile Home residence built in 1970. Flood zone A30

- No Basement or Enclosure
- Requested coverage limit of:
  - $125,000 Building
  - $10,000 Contents

- The subsidized annual premium would be:
  - $1,654 Primary.
  - $2,455 Non-Primary.

- The annual premium with full-risk rates would vary between $648 and $36,466 per year, depending on the measurements from an elevation certificate.
Other Residential building built in 1962. Flood zone A (no BFE)

- Elevated building on a crawlspace.
- Requested coverage limit of:
  - $500,000 Building
  - $100,000 Contents
- The subsidized annual premium would be $10,789.
- The annual premium with full-risk rates would vary between $2,047 and $15,033 per year, depending on the measurements from an elevation certificate.
Other Non-Residential building built in 1960. Flood zone AE.

- Non-elevated building with a basement.
- Requested coverage limit of:
  - $500,000 Building
  - $500,000 Contents
- The subsidized annual premium would be $19,681.
- The annual premium with Full-Risk Rates would vary between $1,807 and $276,368 per year, depending on the measurements from an elevation certificate.
Non-Residential Business building built in 1972. Flood zone AO

- Slab on Grade
- Requested coverage limit of:
  - $500,000 Building
  - $500,000 Contents

- The subsidized annual premium would be $6,857. (Uses Post-FIRM without EC rates)

- The annual premium with Full-Risk Rates would vary between $1,919 and $6,857 per year, depending on the measurements from an elevation certificate.
Newly Mapped Rating

• Newly mapped rating is used for properties newly mapped into a special flood hazard area from a non-special flood hazard area where NFIP coverage is **effective within one year of the map change.**

• These properties will receive the favorable Preferred Risk rate for the first year and then each year will receive an increase to that Preferred Risk rate easing them into the full risk rating.

• Beginning January 1, 2017, the increase, known as a multiplier, will vary based on the year that mapped the structure into the Special Flood Hazard Area

• FEMA is expected to provide what the percentage of increase will be in January of each year.
## Newly Mapped Multiplier

(For policies effective 1/1/2017 – 12/31/2017)

<table>
<thead>
<tr>
<th>MAP EFFECTIVE DATE</th>
<th>MULTIPLIER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct 2008 – Dec 2014</td>
<td>1.150</td>
</tr>
<tr>
<td>Jan 2015 – Dec 2015</td>
<td>1.150</td>
</tr>
<tr>
<td>Jan 2016 – Dec 2016</td>
<td>1.000</td>
</tr>
<tr>
<td>Jan 2017 – Dec 2017</td>
<td>1.000</td>
</tr>
</tbody>
</table>
Newly Mapped Multiplier
(For policies effective 1/1/2018 – 12/31/2018)

<table>
<thead>
<tr>
<th>MAP EFFECTIVE DATE</th>
<th>MULTIPLIER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct 2008 – Dec 2014</td>
<td>1.325</td>
</tr>
<tr>
<td>Jan 2015 – Dec 2015</td>
<td>1.325</td>
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<tr>
<td>Jan 2016 – Dec 2016</td>
<td>1.150</td>
</tr>
<tr>
<td>Jan 2017 – Dec 2017</td>
<td>1.000</td>
</tr>
<tr>
<td>Jan 2018 – Dec 2018</td>
<td>1.000</td>
</tr>
</tbody>
</table>
Sample Rating – Newly Mapped Policy Effective 4/1/2017

NEWLY MAPPED INTO SFHA 6/1/2015
BUILDING COVERAGE $200,000 CONTENTS COVERAGE $80,000

PREMIUM CALCULATION
BASE PREMIUM $321
MULTIPLIER 1.150
ADJUSTED PREMIUM $369
ICC PREMIUM $5
15% RESERVE FUND ASSESSMENT AMOUNT $56
TOTAL PREMIUM LESS FEES AND SURCHARGES: $430

FEES AND SURCHARGES:
HFIAA SURCHARGE $25  ($250 if a Non-Primary Residence)
FEDERAL POLICY FEE $50
TOTAL ANNUAL PREMIUM = $505 ($730 if a Non-Primary Residence)
Sample Rating – Newly Mapped Policy Effective 4/1/2018*

*Presumes the only change is the multiplier

NEWLY MAPPED INTO SFHA 6/1/2015
BUILDING COVERAGE $200,000 CONTENTS COVERAGE $80,000

PREMIUM CALCULATION
BASE PREMIUM $321
MULTIPLIER 1.325
ADJUSTED PREMIUM $425
ICC PREMIUM $5
15% RESERVE FUND ASSESSMENT AMOUNT $65
TOTAL PREMIUM LESS FEES AND SURCHARGES: $495

FEES AND SURCHARGES:
HFIAA SURCHARGE $25  ($250 if a Non-Primary Residence)
FEDERAL POLICY FEE $50
TOTAL ANNUAL PREMIUM = $570 ($795 if a Non-Primary Residence)
Subsidized Rates

Newly Mapped – Don’t wait too long

In the previous slides we showed the premium for Newly Mapped rates for the 2017 and 2018 terms with the upcoming multiplier. In our example, the insured would have paid $505 in the first year and $570 in the second year if this was their primary residence.

If the insured did not obtain coverage within 1 year of being remapped to a SFHA, then they would not qualify for Newly Mapped rates.

• As a Pre-FIRM property remapped into the AE zone, the current premium is $3,676*
• As a Pre-FIRM property remapped into the VE zone, the current premium is $7,608.*
• Post-FIRM property’s would either need an elevation certificate, or could possibly grandfather the FIRM in effect at the time of construction if built-in-compliance. If the property was in an X zone at the time of construction, the current premium is $1,928.

*Pre-FIRM properties may use Optional Post-FIRM elevation rating if an elevation certificate is provided and it results in a lower premium.
Subsidized Rates

What’s happening to them?

Biggert-Waters Flood Insurance Reform Act of 2012 (BW12)

• Subsidized rates are being phased out over time through annual rate increases until they reach full-risk rates.

• Most categories are required to increase between 5-15% per year.

• Businesses, non-primary residential properties, Severe Repetitive Loss properties and substantially damaged/improved properties must be increased by 25% per year.
What’s happening to them?

Homeowners Flood Insurance Affordability Act of 2014 (HFIAA)

- Eliminates subsidized premiums for policies that have had multiple lapses in coverage or are expired for more than 90 days.

- If the premium is received beyond the grace period but within 90 days of expiration, this is considered a lapse. The NFIP will allow a policy to retain the subsidized rates if there is only one lapse. However, if this happens again, the policy will be ineligible for subsidized rates.

The new lapse policy rule also applies to the Newly Mapped rating procedure as well as Grandfathering for Continuous Coverage!!
Regardless of whether the subsidized premium is phased out over time or immediate, all policies issued through the NFIP will eventually be full-risk rated.
Full-Risk Rating
Grandfathering

- There are Two Types of Grandfathering:
  - Continuous Coverage
  - Built-in-Compliance

- Continuous Coverage
  - Allows the usage of the zone and BFE in effect at the time the insured obtained coverage, provided they maintain continuous coverage.
    • Example: A policyholder obtains coverage effective 6/1/2017 for a single family residence located in flood zone AE (based on the then current FIRM effective 12/2/2000). The property is remapped to flood zone VE on 3/1/2018. The policy may continue to be rated with AE zone rates using the Continuous Coverage grandfathering rule.
Grandfathering

- **Built-in-Compliance**
  - Allows the usage of the zone and BFE in effect at the time the property was built, provided the building was built in compliance.
    - If in a non-SFHA, a property is automatically considered built in compliance.
    - If the property is in an SFHA, then the lowest finished floor must be at or above the BFE.
      - For properties in A zones, any enclosures must be unfinished, properly vented, and used only for parking/storage/access.
      - For properties in V zones, any enclosures must be unfinished, constructed with breakaway walls, and used only for parking/storage/access.
Full-Risk Rating

Grandfathering

- Built-in-Compliance (cont.)
  - Pre-FIRM buildings that did not have a FIRM in effect at the time the structure was built cannot grandfather for built-in-compliance.

- Example of built-in-compliance grandfathering: A property is built in 1980 as an elevated building with an enclosure (walkout basement). The home is located in flood zone AE. The lower level is unfinished, properly vented, and used for storage. The finished floor is 2 feet above the BFE based on the FIRM in effect at the time of construction (2/1/1976). The property owner decides to purchase a flood policy today. Based on the current flood map, the property is in an AE zone, but the finished floor is 3 feet below the BFE. The policy may be rated using the FIRM in effect at the time of construction, provided the enclosure remains unfinished, properly vented, and used for storage/parking/access.
Grandfathering - Built-in-Compliance Illustration

- New BFE
- Lowest Finished Floor
- Original BFE
Grandfathering

A policy loses built-in-compliance and/or continuous coverage grandfathering eligibility if:

- The building is altered, and the lowest floor for rating is below the BFE. The policy is rerated using the FIRM in effect as of the date of alteration. OR
- The building is substantially improved. The policy is rerated using the FIRM in effect as of the substantial improvement date.

A policy loses continuous coverage grandfathering eligibility if:

- The policy has multiple lapses where the renewal premium is received beyond the 30 day grace period and before the 90th day from the date of expiration.
- The renewal premium is received on or after 90 days from the date of expiration.
Preferred Risk Policy

Preferred Risk rating is a lower-cost Standard Flood Insurance Policy (SFIP) that offers fixed combinations of building/contents coverage, or contents-only coverage, at flat premium amounts.

Available to properties currently located in flood zones B, C, X, AR or A99 zones. (Note that PRP eligibility for AR and A99 zones was implemented October 1, 2016).

The property must meet the following loss history requirements:

- No more than two flood insurance claims or disaster relief payments as a result of flood damage that exceeds $1,000 (in any 10 year period)
- No more than three flood claims or flood disaster relief payments -regardless of amount (in any 10 year period)

A property will remain eligible for the PRP provided it continues to meet the loss eligibility requirements and remains located in flood zones B, C, X, AR, or A99. **NFIP Grandfathering rules do not apply to PRP rating.**
Sample Rating – Preferred Risk Policy Effective 4/1/2017

SINGLE FAMILY - SLAB ON GRADE RESIDENCE - ZONE A99
BUILDING COVERAGE $200,000 CONTENTS COVERAGE $80,000

PREMIUM CALCULATION
BASE PREMIUM $321
ICC PREMIUM $5
15% RESERVE FUND ASSESSMENT AMOUNT $49
TOTAL PREMIUM LESS FEES AND SURCHARGES: $375

FEES AND SURCHARGES:
HFIAA SURCHARGE $25 ($250 if a Non-Primary Residence)
FEDERAL POLICY FEE $25
TOTAL ANNUAL PREMIUM = $425 ($650 if a Non-Primary Residence)
Sample Rating – Preferred Risk Policy Effective 4/1/2017

NON-RESIDENTIAL BUSINESS WITH BASEMENT - ZONE X
BUILDING COVERAGE $500,000 CONTENTS COVERAGE $50,000

PREMIUM CALCULATION
BASE PREMIUM $2,419
ICC PREMIUM $4
15% RESERVE FUND ASSESSMENT AMOUNT $363
TOTAL PREMIUM LESS FEES AND SURCHARGES: $2786

FEES AND SURCHARGES:
HFIAA SURCHARGE $250
FEDERAL POLICY FEE $25
TOTAL ANNUAL PREMIUM = $3061
# Elevation Certificates

## SECTION A – PROPERTY INFORMATION

<table>
<thead>
<tr>
<th>A1. Building Owner’s Name</th>
<th>FOR INSURANCE COMPANY USE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Policy Number:</td>
</tr>
<tr>
<td>A2. Building Street Address (including Apt., Unit, Suite, and/or Bldg. No.) or P.O. Route and Box No.</td>
<td>Company NAIC Number:</td>
</tr>
</tbody>
</table>

## SECTION B – FLOOD INSURANCE RATE MAP (FIRM) INFORMATION

<table>
<thead>
<tr>
<th>B1. NFIP Community Name &amp; Community Number</th>
<th>B2. County Name</th>
<th>B3. State</th>
</tr>
</thead>
<tbody>
<tr>
<td>B4. Map/Panel Number</td>
<td>B5. Suffix</td>
<td>B6. FIRM Index Date</td>
</tr>
</tbody>
</table>

### B10. Indicate the source of the Base Flood Elevation (BFE) data or base flood depth entered in Item B9:

- [ ] FIS Profile
- [ ] FIRM
- [ ] Community Determined
- [ ] Other/Source: ____________________________

### B11. Indicate elevation datum used for BFE in Item B9:

- [ ] NGVD 1929
- [ ] NAVD 1988
- [ ] Other/Source: ____________________________

### B12. Is the building located in a Coastal Barrier Resources System (CBRS) area or Otherwise Protected Area (OPA)?  
- [ ] Yes
- [ ] No

Designation Date: ____________________________  
- [ ] CBRS
- [ ] OPA
Elevation Certificates

- For flood zones A1-A30, AE, AH, AR, A with BFE, V1-V30, VE and V:
  - Completed by a licensed surveyor, engineer or architect.
  - Optional for AR zones.

- Rate is contingent on not only building type and occupancy, but also the building’s lowest floor elevation in relationship to the BFE.
## Elevation Certificates

### SECTION C – BUILDING ELEVATION INFORMATION (SURVEY REQUIRED)

**C1.** Building elevations are based on:  
- [ ] Construction Drawings*  
- [ ] Building Under Construction*  
- [ ] Finished Construction

*A new Elevation Certificate will be required when construction of the building is complete.


- **Benchmark Utilized:** __________________________
- **Vertical Datum:** __________________________

Indicate elevation datum used for the elevations in items a) through h) below.

- [ ] NGVD 1929  
- [ ] NAVD 1988  
- [ ] Other/Source: __________________________

Datum used for building elevations must be the same as that used for the BFE.

<table>
<thead>
<tr>
<th>Item</th>
<th>Measurement</th>
<th>Feet</th>
<th>Meters</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Top of bottom floor (including basement, crawlspace, or enclosure floor)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Top of the next higher floor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Bottom of the lowest horizontal structural member (V Zones only)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Attached garage (top of slab)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Lowest elevation of machinery or equipment servicing the building (Describe type of equipment and location in Comments)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Lowest adjacent (finished) grade next to building (LAG)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g) Highest adjacent (finished) grade next to building (HAG)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h) Lowest adjacent grade at lowest elevation of deck or stairs, including structural support</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Check the measurement used.

- [ ] feet  
- [ ] meters
Single Family Residence Built 1990. Flood Zone AE. Slab on Grade

Elevation Certificate shows:
- Base Flood Elevation = 20
- Top of Bottom Floor = 24
- Garage = 23

- No Machinery & Equipment (M&E) in the garage.
- The Lowest Floor Elevation (LFE) is the top of habitable floor.
- LFE is 4 feet above the Base Flood Elevation (BFE)
Elevation Certificates

- For flood zone AO and A without BFE:
  - May instead be completed by community or building official, or property owner or an owner’s representative.

- Rate is contingent on not only building type and occupancy, but also the building’s lowest floor elevation in relationship to the HAG.
### Elevation Certificates

**SECTION E – BUILDING ELEVATION INFORMATION (SURVEY NOT REQUIRED)**

FOR ZONE AO AND ZONE A (WITHOUT BFE)

For Zones AO and A (without BFE), complete Items E1–E5. If the Certificate is intended to support a LOMA or LOMR-F request, complete Sections A, B, and C. For Items E1–E4, use natural grade, if available. Check the measurement used. In Puerto Rico only, enter meters.

**E1.** Provide elevation information for the following and check the appropriate boxes to show whether the elevation is above or below the highest adjacent grade (HAG) and the lowest adjacent grade (LAG).

<table>
<thead>
<tr>
<th>Description</th>
<th>Elevation</th>
<th>ft</th>
<th>m</th>
<th>Above/LAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top of bottom floor (including basement, crawlspace, or enclosure)</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Top of bottom floor (including basement, crawlspace, or enclosure)</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

**E2.** For Building Diagrams 6–9 with permanent flood openings provided in Section A Items 8 and/or 9 (see pages 1–2 of Instructions), the next higher floor (elevation C2.b in the diagrams) of the building is

<table>
<thead>
<tr>
<th>Elevation</th>
<th>ft</th>
<th>m</th>
<th>Above/LAG</th>
</tr>
</thead>
</table>

**E3.** Attached garage (top of slab) is

<table>
<thead>
<tr>
<th>Elevation</th>
<th>ft</th>
<th>m</th>
<th>Above/LAG</th>
</tr>
</thead>
</table>

**E4.** Top of platform of machinery and/or equipment servicing the building is

<table>
<thead>
<tr>
<th>Elevation</th>
<th>ft</th>
<th>m</th>
<th>Above/LAG</th>
</tr>
</thead>
</table>

**E5.** Zone AO only: If no flood depth number is available, is the top of the bottom floor elevated in accordance with the community’s floodplain management ordinance? □ Yes □ No □ Unknown. The local official must certify this information in Section G.
Slab on Grade Residence Built 1990. Flood Zone A. Slab on Grade.

Elevation Certificate shows:
- BFE = n/a
- Top of Bottom Floor is 1 Foot Above the HAG
- Attached Garage is 0 Feet Above the HAG

- No Machinery & Equipment (M&E) in the garage.
- The Lowest Floor Elevation (LFE) is the top of habitable floor.
- LFE is 1 foot above the Highest Adjacent Grade (HAG)
Clear Communication of Risk
What is it?

Section 28, Clear Communication of Risk, of the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA) requires FEMA to clearly communicate full flood risk determinations to individual property owners regardless of whether their premium rates are full-risk rates.

The WYO Carrier and the NFIP Direct Servicing Agent will report the current FIRM as well as the rated historic FIRM to FEMA, if applicable.

FEMA will mail a letter providing current policy rating and whether or not additional information, such as an Elevation Certificate, could result in a different rate or a clearer understanding of the property's flood risk.
Renewal Timeline (Phase 1)

NFIP insurers must ensure the current FIRM is captured for the following policy types with renewals effective on or after October 1, 2016:

- All policies receiving pre-FIRM subsidized premium rates;
- All standard X-zone-rated policies;
- All Preferred Risk Policies; and
- All policies rated under the Newly Mapped rating procedure.

Once renewed, FEMA will mail an insured one of six letters to the policyholder:

A. Newly Mapped Rated Policies
B. Standard Rated Policies In A Low-Moderate Flood Area
C. Grandfather Rated Policies And Currently In A High-Risk Flood Area
D. Primary Residential Policies In A High-Risk Flood Area, Paying A Pre-FIRM Rate
E. Non-Primary Policies In A High-Risk Flood Area, Paying A Pre-FIRM Rate
F. Preferred Risk Rated Policies
Renewal Timeline (Phase 2)

Renewals Effective on or after October 1, 2017

NFIP insurers must re-underwrite all other policies - (except: Mortgage Portfolio Protection Program (MPPP) policies, provisionally rated policies, tentatively rated policies, and Group Flood Insurance)

Once renewed, FEMA will mail an insured one of seven letters to the policyholder:

A. Newly Mapped Rated Policies
B. Standard Rated Policies In A Low-Moderate Flood Area
C. Grandfather Rated Policies And Currently In A High-Risk Flood Area
D. Primary Residential Policies In A High-Risk Flood Area, Paying A Pre-FIRM Rate
E. Non-Primary Policies In A High-Risk Flood Area, Paying A Pre-FIRM Rate
F. Preferred Risk Rated Policies
G. Buildings That Are Post-FIRM, In A High-Risk Flood Area, And Paying A Rate Based On The True Flood Risk.
Clear Communication of Risk Letters

Letter A: Newly Mapped Rated Policies

Things to know:

• The policy is currently receiving a discounted premium that will be increasing each year by 15 percent.

• For some, having an Elevation Certificate may eventually be financially beneficial, but it will probably take at least a few years before a rate based on it will be less expensive than the discounted rate, even with the yearly increases.
Clear Communication of Risk Letters

Letter B: Standard Rated Policies In A Low-Moderate Flood Area

Things to know:

• Nearly 20% of all NFIP flood insurance claims come from areas outside of high-risk zones.

• A property may be eligible for the Preferred Risk Policy, depending on whether the property has limited loss history.

• A property may be eligible for refunds of up to 5 years when correcting the policy to Preferred Rates.
Clear Communication of Risk Letters

Letter C: Grandfather Rated Policies And Currently In A High-Risk Flood Area

Things to know:

• Rating the policy using an Elevation Certificate (which includes building information like the elevation) and basing it on the current flood map may reduce the annual premium.

• If the client gets an Elevation Certificate and a rate based on it is higher than the discounted (based on grandfathering) rate they have been receiving, they can still pay the discounted rate if it’s lower, for as long as it’s lower, as long as the policy does not meet the lapsed policy criteria.
Clear Communication of Risk Letters

Letter D: Primary Residential Policies In A High-Risk Flood Area, Paying A Pre-FIRM Rate

Things to know:

- Rates are being phased out with annual rate increases between 5-18%.
- There will come a time (either immediately or in the future), when switching to a rate based on an elevation certificate will be beneficial.
- Once provided with an EC, the insurer will charge the more favorable premium for the current term, as well as evaluate the more favorable premium at the time of renewal.
- Prior term refunds are not allowed.
Clear Communication of Risk Letters

Letter E: Non-Primary Policies In A High-Risk Flood Area, Paying A Pre-FIRM Rate

Things to know:

• Rates are being phased out with annual rate increases of **25%**.
• There will come a time (either immediately or in the future), when switching to a rate based on an elevation certificate will be beneficial.
• Once provided with an EC, the insurer will charge the more favorable premium for the current term, as well as evaluate the more favorable premium at the time of renewal.
• Prior term refunds are not allowed.
Clear Communication of Risk Letters

Letter F: Preferred Risk Rated Policies

Things to know:

- Nearly 20% of all NFIP flood insurance claims come from areas outside of high-risk zones.

- A policy can continue to receive PRP rating so long as they remain in a qualified zone, and continue to meet the loss eligibility criteria.

- A policy that loses its eligibility due to losses, may continue to be rated using Standard rates, while a policy that loses its PRP due to a zone change to a SFHA would be eligible for Newly Mapped rates.
Clear Communication of Risk Letters

Letter G: Buildings That Are Post-FIRM, In A High-Risk Flood Area, And Paying A Rate Based On The True Flood Risk.

Things to know:

• FEMA has not yet published this letter.
Understanding the Lowest Floor Elevation (LFE)
Understanding the LFE

Basement – Any type of A or V zone

- Defined as: Any area of a building, including any sunken room or sunken portion of a room, having its floor below ground level on all sides.
- The Lowest Floor Elevation (LFE) is the basement floor.
- There are significant limitations to basement areas.

Limitations apply to all basements regardless of the zone or the date of construction.
Slab on Grade (No Garage) – Any A or V zone

- The Lowest Floor Elevation (LFE) is:
  - the top of the slab if in any A zone, OR
  - the bottom of slab if in any V zone
Understanding the LFE

Slab on Grade (With attached Garage) – Any A zone

- Single Family
  - The LFE is the lower garage floor if there is Machinery / Equipment (M&E) below the BFE, and the garage does not have proper venting.
  - Otherwise, the LFE is the top of the finished floor.
Understanding the LFE

Slab on Grade (With attached Garage) – Any A zone

- 2-4 Family, Other-Residential, Non-Residential Business, Other Non-Residential
  - The LFE is the garage if it’s lower than the finished floor. The garage cannot
    be excluded.
Understanding the LFE

Slab on Grade (With attached Garage) – Any V zone

- For all occupancies
  - The LFE is the bottom of the slab at its lowest point.
  - The garage cannot be excluded.
Understanding the LFE

Subgrade Crawlspace – Any A or V zone (All Occupancies)

- Defined as: A crawlspace foundation where the subgrade under-floor area is no more than 5 feet below the top of the next higher flood and no more than 2 feet below the lowest grade adjacent on all sides.

- The LFE is the subgrade crawlspace
  - For A zones, the Next Higher Floor can also be used as a rating factor.
Elevated without Enclosure – Any A or V zone (All Occupancies)

- A building elevated on piles, piers, posts, columns, or parallel shear walls without any enclosure.
- Compliant lattice, slats or insect screening are acceptable.
- The LFE is the:
  - top of bottom floor (for any A zone), OR
  - the lowest horizontal structure member (for any V zone)
Elevated with Enclosure (including crawlspace) – Any A zone (All Occupancies)

- A building elevated on piles, piers, posts, columns, parallel shear walls, or foundation walls.
- The LFE is either the enclosure floor, or under certain circumstances, the top of the Lowest Elevated Floor.
- Enclosure excluded as LFE if:
  - Unfinished
  - Used only for parking, storage, and access
  - Is properly vented
  - Has no elevator below the BFE.

Limitations apply to the enclosure when the building is Post-FIRM.
Elevated with Enclosure (including crawlspace) – Any V zone (All Occupancies)

- If elevated on piles, piers, posts, columns, or parallel shear walls, then the LFE is the bottom of the enclosure if any of the following conditions exists:
  - Enclosed space is 300 square feet or more.
  - Enclosed space is finished.
  - Enclosed space is used for other than parking, storage, and access.
  - Enclosed space has non-breakaway walls.
  - There is M&E below the BFE.
  - There is elevator equipment below the BFE.
- Otherwise, the LFE is the lowest horizontal structure member.

Limitations apply to the enclosure when the building is Post-FIRM.
Elevated with Enclosure (including crawlspace) – Any V zone (All Occupancies)

- If elevated on solid (perimeter) foundation walls, the lowest floor elevation is the bottom of the enclosure floor.

- Buildings elevated on solid (perimeter) foundation walls are rated using non-elevated (slab) rates.

Limitations apply to the enclosure when the building is Post-FIRM.
Rating Examples
Rating Examples

- Slab on grade residence. Flood Zone AE. Primary Residence
- No Machinery & Equipment (M&E) in the garage.
- The Lowest Floor Elevation (LFE) is the top of habitable floor.
- Requested coverage limit of:
  - $250,000 Building
  - $100,000 Contents

Annual Premium if the LFE is:
- 4 feet above BFE: $617
- 3 feet above BFE: $642
- 2 feet above BFE: $758
- 1 foot above BFE: $1,124
- Same as the BFE: $2,124
Rating Examples

- Slab on grade residence. Flood Zone AE. Primary Residence
- No M&E in the garage
- The LFE is top of habitable floor.
- Requested coverage limit of:
  - $250,000 Building
  - $100,000 Contents

Annual Premium if the LFE is:
- Same as the BFE: $2,124
- 1 foot below BFE: $4,666
- 2 feet below BFE: $4,942
- 3 feet below BFE: $6,420
- 4 feet below BFE: $8,043
- 5 feet below BFE: $9,565
- 6 feet below BFE: $10,722
- 7 feet below BFE: $11,810

There’s no stop!!!!
Rating Examples

- Slab on grade – Primary Residence
- Requested coverage limit of:
  - $250,000 Building ($2,000 Deductible)
  - $100,000 Contents ($2,000 Deductible)

Annual Premium if AE zone:

- Pre FIRM rates: $4,551*
  *If there is an EC, then the EC rates will be used if it results in a lower premium.
- 2 feet above BFE: $758
- 1 foot above BFE: $1,124
- Same as the BFE: $2,124
- 1’ below BFE: $4,666
- 2’ below BFE: $4,942

Other scenarios:

- X zone (GF or Current – No PRP): $2,191
- Current X zone (PRP): $425
- Newly Mapped into SFHA 1st year: $450
- Newly Mapped into SFHA 2nd year: $505
Rating Examples

- Non-Residential building on a raised slab.
- Flood Zone AE
- Requested coverage limit of:
  - $500,000 Building
  - $500,000 Contents

Annual Premium if the LFE is:
- 4 feet above BFE: $1,807
- 3 feet above BFE: $1,864
- 2 feet above BFE: $2,057
- 1 foot above BFE: $2,746
- Same as the BFE: $4,724
- 1 foot below BFE: $9,829
- 2 feet below BFE: $15,986
- 3 feet below BFE: $21,396
- 4 feet below BFE: $26,852
- 5 feet below BFE: $32,215

There’s no stop!!!!
Rating Examples

- Single Family Residence with a basement. Flood zone AE.
- Machinery & Equipment (M&E) in the basement.
- The Lowest Floor Elevation (LFE) is the top of the basement floor.
- Requested coverage limit of:
  - $250,000 Building ($2,000 Deductible)
  - $100,000 Contents ($2,000 Deductible)

Annual Premium if the LFE is:
- 2 feet below BFE: $1,921
- 3 feet below BFE: $2,484
- 4 feet below BFE: $3,234
- 5 feet below BFE: $3,945
- 6 feet below BFE: $4,338
- 7 feet below BFE: $4,963
- 8 feet below BFE: $5,992

There’s no stop!!!!
Rating Examples

- Same home as before, but this time as a VE zone.
- Insured to at least 75% of the building’s replacement cost.
- The Lowest Floor Elevation (LFE) is the top of the basement floor.
- Requested coverage limit of:
  - $250,000 Building ($2,000 Deductible)
  - $100,000 Contents ($2,000 Deductible)

Annual Premium if the LFE is:
- 2 feet below BFE: $10,754
- 3 feet below BFE: $13,792
- 4 feet below BFE: $16,542
- 5 feet below BFE: $18,786
- 6 feet below BFE: $21,774
- 7 feet below BFE: $24,707
- 8 feet below BFE: $27,492

There’s no stop!!!!
Substantially Improved Building

Defined as:
A building that has undergone reconstruction, rehabilitation, addition, or other improvement, the cost of which equals or exceeds 50% of the market value of the building before the “start of construction” of the improvement. This term does not include a building that has undergone reconstruction, rehabilitation, addition, or other improvement related to:

1. 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

2. Any alteration of a “historic building”, provided that the alteration will not preclude the structure’s continued designation as a “historic building”.
Pre-FIRM Substantially Improved on or after 4/1/2015

Buildings with substantial improvement dates prior to 4/1/2015 were required to be rerated to the FIRM in effect as of the substantial improvement date. Pre-FIRM buildings that were substantially improved were immediately rerated to full-risk rates.

Pre-FIRM buildings that are substantially improved on or after 4/1/2015 may still qualify for subsidized rates - using the FIRM in effect as of the substantial improvement date.

These subsidized rates are higher than the normal subsidized rates, and are also being phased out through annual rate increases.
Rating Examples

- Pre-FIRM building in flood zone AE. Substantially improved the home on 1/1/2017. The current FIRM remains zone AE.
- Requested coverage limit of:
  - $100,000 Building ($2,000 Deductible)
  - $20,000 Contents ($2,000 Deductible)

Subsidized Premium:
- Before substantial improvement: $1,538
- After substantial improvement: $2,274

Full Risk Premium:
- 2 feet above BFE: $499
- Same as BFE: $1,660
- 2 feet below BFE: $4,942*

*The Pre-FIRM subsidized substantial improvement rate would be used when less than the full risk rate.
Common Building Modifications (A zones)
Building Modifications

Slab on Grade – M&E in the Garage (Single Family)

- This Single Family residence in flood zone AE has a garage with M&E below the BFE.
- The LFE is the garage, since it is lower than the habitable floor.
- If the garage is the LFE, then modifications are possible:
  - Raise the M&E in the garage above the BFE, OR
  - Add compliant venting to the garage

- Compliant venting means there are at least 2 vents, positioned on 2 different walls, whose total square inches exceeds the square footage of the garage. So a 600 square foot garage would need a total of 600 square inches of vents. The vents must be within one foot of the adjacent grade.
Building Modifications

Slab on Grade – M&E in the Garage (Single Family)

- Added compliant venting or raised M&E in garage.
- Presume a 4 foot difference between garage floor and habitable floor.
- $250,000 Building and $100,000 Contents (AE Zone)

**Important!!**
Raising the M&E or adding Vents is only allowed for Single Family Residences

---

**FULL RISK RATES**

<table>
<thead>
<tr>
<th>If Original LFE is:</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 feet below BFE</td>
<td>$10,722</td>
<td>$4,942</td>
</tr>
<tr>
<td>5 feet below BFE</td>
<td>$9,565</td>
<td>$3,273</td>
</tr>
<tr>
<td>4 feet below BFE</td>
<td>$8,043</td>
<td>$1,506</td>
</tr>
<tr>
<td>3 feet below BFE</td>
<td>$6,420</td>
<td>$879</td>
</tr>
<tr>
<td>2 feet below BFE</td>
<td>$4,942</td>
<td>$681</td>
</tr>
<tr>
<td>1 foot below BFE</td>
<td>$3,273</td>
<td>$610</td>
</tr>
</tbody>
</table>

When applicable, the Pre-FIRM subsidized rate would be used if less than the full risk rate.
Slab on Grade – M&E in the Garage (Single Family)

- This single family residence had a garage without M&E. The LFE is the habitable floor.
- The garage is then converted into a living space, a game room, or an office.
- The LFE is now the converted garage, as it is lower than the original habitable floor.
- Cannot add flood vents or raise M&E to mitigate.
- $250,000 Building and $100,000 Contents (AE Zone)

### FULL RISK RATES

<table>
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<tr>
<th>If Original LFE is:</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 feet above BFE</td>
<td>$591</td>
<td>$1,506</td>
</tr>
<tr>
<td>3 feet above BFE</td>
<td>$610</td>
<td>$3,273</td>
</tr>
<tr>
<td>2 feet above BFE</td>
<td>$681</td>
<td>$4,942</td>
</tr>
<tr>
<td>1 foot above BFE</td>
<td>$879</td>
<td>$6,420</td>
</tr>
<tr>
<td>Same as the BFE</td>
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<td>$8,043</td>
</tr>
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<td>$9,565</td>
</tr>
<tr>
<td>2 feet below BFE</td>
<td>$4,942</td>
<td>$10,722</td>
</tr>
</tbody>
</table>

When applicable, the Pre-FIRM subsidized rate would be used if less than the full risk rate.
Slab on Grade – Building Additions (All occupancies)

- The LFE is the original habitable floor, or the addition, whichever elevation is lower.
- Cannot add flood vents or raise M&E to mitigate, unless the addition is an attached garage for a single family residence.
Building Modifications

Slab on Grade – Building Additions – Rating Example

- This building is a Licensed Bed and Breakfast (Non-Residential Business)
- Additional bedrooms were added, with the lowest one being 4 feet below the original slab.
- $500,000 Building and $150,000 Contents

**FULL RISK RATES**

<table>
<thead>
<tr>
<th>If Original LFE is:</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 feet above BFE</td>
<td>$1,343</td>
<td>$2,281</td>
</tr>
<tr>
<td>4 feet above BFE</td>
<td>$1,343</td>
<td>$4,261</td>
</tr>
<tr>
<td>3 feet above BFE</td>
<td>$1,401</td>
<td>$8,825</td>
</tr>
<tr>
<td>2 feet above BFE</td>
<td>$1,594</td>
<td>$14,009</td>
</tr>
<tr>
<td>1 foot above BFE</td>
<td>$2,281</td>
<td>$19,312</td>
</tr>
<tr>
<td>Same as the BFE</td>
<td>$4,261</td>
<td>$24,152</td>
</tr>
<tr>
<td>1 foot below BFE</td>
<td>$8,825</td>
<td>$29,390</td>
</tr>
<tr>
<td>2 feet below BFE</td>
<td>$14,009</td>
<td>$33,626</td>
</tr>
</tbody>
</table>

When applicable, the Pre-FIRM subsidized rate would be used if less than the full risk rate.
Subgrade Crawlspace – Building Additions (All occupancies)

- A slab addition is added to the building.
- The LFE remains the elevation of the subgrade crawlspace.
- The Next Higher Floor is the original habitable floor, or the addition, whichever elevation is lower. This elevation can also influence the rate.
- **Cannot** add flood vents or raise M&E to mitigate, **unless** the addition is an attached garage for a single family residence.
Subgrade Crawlspace – Building Additions – Rating Example

- There is a 5 foot difference between the crawlspace and the original habitable floor.
- The home office addition is 2 feet lower than the next higher floor.
- $250,000 Building and $100,000 Contents (Single Family - AE zone)

### FULL RISK RATES

<table>
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<tr>
<th>LFE is:</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 foot below BFE</td>
<td>$774</td>
<td>$832</td>
</tr>
<tr>
<td>2 feet below BFE</td>
<td>$793</td>
<td>$1,061</td>
</tr>
<tr>
<td>3 feet below BFE</td>
<td>$832</td>
<td>$1,688</td>
</tr>
<tr>
<td>4 feet below BFE</td>
<td>$1,061</td>
<td>$3,455</td>
</tr>
<tr>
<td>5 feet below BFE</td>
<td>$1,688</td>
<td>$5,101</td>
</tr>
<tr>
<td>6 feet below BFE</td>
<td>$3,455</td>
<td>$6,579</td>
</tr>
</tbody>
</table>

When applicable, the Pre-FIRM subsidized rate would be used if less than the full risk rate.
Elevated Building With Enclosure (All occupancies)

- The unvented enclosure is unfinished and used for parking and storage only.
- There is no elevator.
- The LFE is the top of the enclosure.
- Modifications are possible – Compliant Vents

IMPORTANT!!
To exclude the enclosure in A zones, the enclosure(s) must be:

- Unfinished
- Properly Vented
- Used only for parking, storage, or building access
- Have no elevators below the BFE

LFE – After Proper Venting
Original LFE – Before Venting
**Elevated Building With Enclosure – Rating Example (Post-FIRM)**

- Added required vents to 1000 square foot unfinished garage enclosure.
- Water heater in garage
- The LFE is the now the Next Higher Floor (8 feet higher)
- $250,000 Building / $100,000 Contents (2-4 Family)

**FULL RISK RATES**

<table>
<thead>
<tr>
<th>Original LFE is:</th>
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</thead>
<tbody>
<tr>
<td>8 feet below BFE</td>
<td>$2,321</td>
<td>$1,731</td>
</tr>
<tr>
<td>7 feet below BFE</td>
<td>$1,655</td>
<td>$1,104</td>
</tr>
<tr>
<td>6 feet below BFE</td>
<td>$1,380</td>
<td>$906</td>
</tr>
<tr>
<td>5 feet below BFE</td>
<td>$1,304</td>
<td>$835</td>
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<tr>
<td>4 feet below BFE</td>
<td>$1,252</td>
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<tr>
<td>3 feet below BFE</td>
<td>$1,169</td>
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<tr>
<td>2 feet below BFE</td>
<td>$1,087</td>
<td>$816</td>
</tr>
<tr>
<td>1 foot below BFE</td>
<td>$1,049</td>
<td>$816</td>
</tr>
<tr>
<td>Same as BFE</td>
<td>$1,182</td>
<td>$816</td>
</tr>
<tr>
<td>1 foot above BFE</td>
<td>$957</td>
<td>$816</td>
</tr>
</tbody>
</table>
Elevated Building With Enclosure – Rating Example (Pre-FIRM)

- Same scenario as before, but this time the building is Pre-FIRM.
- Enclosure limitations do not apply to Pre-FIRM buildings.

<table>
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<tr>
<td>8 feet below BFE</td>
<td>$13,166</td>
<td>$1,731</td>
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<tr>
<td>7 feet below BFE</td>
<td>$12,035</td>
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<td>$10,947</td>
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<tr>
<td>3 feet below BFE</td>
<td>$6,645</td>
<td>$816</td>
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<tr>
<td>2 feet below BFE</td>
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<tr>
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<td>$3,498</td>
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</table>

When applicable, the Pre-FIRM subsidized rate would be used if less than the full risk rate.
Elevators - Elevated Building

- An elevator is not often seen from the outside.
- An elevator shaft would require its own vents.
- Each elevator requires a separate surcharge.
- A chair lift is considered an elevator.
- A cage lift is not considered an elevator.
Building Modifications

Elevators – Rating Example (Post-FIRM)

- Building is elevated on pilings. (AE Zone)
- An elevator (chairlift) is added that extends below the BFE.
- An elevator surcharge must apply. If enclosed, an additional surcharge is also added.
- $500,000 Building / $50,000 Contents (Non-Residential Building)

FULL RISK RATES

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<tr>
<td>2 feet above BFE</td>
<td>$1,861</td>
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<td>1 foot above BFE</td>
<td>$2,980</td>
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<tr>
<td>Same as BFE</td>
<td>$5,588</td>
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<tr>
<td>1 foot below BFE</td>
<td>$12,680</td>
<td>$13,166</td>
</tr>
<tr>
<td>2 feet below BFE</td>
<td>$18,456</td>
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</tr>
<tr>
<td>3 feet below BFE</td>
<td>$25,663</td>
<td>$26,146</td>
</tr>
</tbody>
</table>

When applicable, the Pre-FIRM subsidized rate would be used if less than the full risk rate.
Building Modifications

Enclosure and Elevator – Rating Example (Post-FIRM)

- Originally built without enclosure or elevator.
- Added 1000 square foot finished enclosure.
- Added 1 elevator.
- There is 9 feet between the Original LFE and enclosure.
- $250,000 Building and $100,000 Contents (Single Family)

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<td>$879</td>
<td>$1,417</td>
</tr>
<tr>
<td>Same as BFE</td>
<td>$1,506</td>
<td>$2,070</td>
</tr>
<tr>
<td>1 foot below BFE</td>
<td>$3,273</td>
<td>$3,837</td>
</tr>
<tr>
<td>2 feet below BFE</td>
<td>$4,921</td>
<td>$5,482</td>
</tr>
</tbody>
</table>

Enclosure limitations apply to Post-FIRM buildings.
Enclosure and Elevator – Rating Example (Pre-FIRM)

- Same example as before, but this time the building is Pre-FIRM.
  - Added 1000 square foot finished enclosure.
  - Added 1 elevator.

<table>
<thead>
<tr>
<th>Original LFE is:</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 feet above BFE</td>
<td>$591</td>
<td>$9,565</td>
</tr>
<tr>
<td>3 feet above BFE</td>
<td>$610</td>
<td>$10,722</td>
</tr>
<tr>
<td>2 feet above BFE</td>
<td>$681</td>
<td>$11,810</td>
</tr>
<tr>
<td>1 foot above BFE</td>
<td>$879</td>
<td>$12,941</td>
</tr>
<tr>
<td>Same as BFE</td>
<td>$1,506</td>
<td>$13,678</td>
</tr>
<tr>
<td>1 foot below BFE</td>
<td>$3,273</td>
<td>$14,476</td>
</tr>
<tr>
<td>2 feet below BFE</td>
<td>$4,921</td>
<td>$15,676</td>
</tr>
</tbody>
</table>

When applicable, the Pre-FIRM subsidized rate would be used if less than the full risk rate.
Hanging Floors (All Occupancies)

- The building is elevated on piles, piers, posts, columns, or parallel shear walls.
- An addition is built below the elevated floor, but there is space between the floor of the addition and the ground.
- This addition is known as a “Hanging Floor” and represents the Lowest Elevated Floor.
- The enclosure limitations do not apply to Hanging Floors.
Building Modifications

Hanging Floors – Rating Example

- Building is elevated on pilings 10 feet off the ground.
- A hanging floor is added 8 feet lower than the Original LFE.
- Without enclosure rates are still being charged, but the hanging floor is the lowest elevated floor.
- $250,000 Building / $50,000 Contents (Single Family)

<table>
<thead>
<tr>
<th>Original LFE was:</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 feet above BFE</td>
<td>$553</td>
<td>$7,953</td>
</tr>
<tr>
<td>3 feet above BFE</td>
<td>$579</td>
<td>$9,437</td>
</tr>
<tr>
<td>2 feet above BFE</td>
<td>$695</td>
<td>$10,525</td>
</tr>
<tr>
<td>1 foot above BFE</td>
<td>$1,061</td>
<td>$11,534</td>
</tr>
<tr>
<td>Same as BFE</td>
<td>$2,061</td>
<td>$12,559</td>
</tr>
<tr>
<td>1 foot below BFE</td>
<td>$4,475</td>
<td>$13,234</td>
</tr>
<tr>
<td>2 feet below BFE</td>
<td>$6,921</td>
<td>$13,913</td>
</tr>
</tbody>
</table>

When applicable, the Pre-FIRM subsidized rate would be used if less than the full risk rate.
Building Modifications

Summary for any type of A zone

- Encourage construction well above the BFE.
- Consider adopting Freeboard elevation.
- For non-elevated buildings, attached garages may only be excluded for single family residences. To exclude, any M&E in the garage must be at or above the BFE, or the garage must be properly vented.
- For elevated buildings:
  - Enclosures below the elevated floor may be excluded if:
    - unfinished, and
    - is used only for parking, storage, or building access, and
    - is properly vented.
  - An elevator that is below the BFE receives a surcharge regardless of venting.
- Discourage building modifications below the BFE.
  - This is especially true if finished or habitable.
  - Avoid hanging floors at all costs.
Common Building Modifications (V zones)
Building Modifications

Elevated Without Enclosure (All Occupancies)

- Building is elevated without enclosure
- M&E is below the BFE.
- “With Obstruction” rates are used when there is M&E below the BFE (including elevators) or there is an enclosure below the BFE (regardless of size).
- Since there is no enclosure below the BFE, the M&E may be elevated above the BFE to qualify for the “Free of Obstruction” rates.

LFE – Lowest Horizontal Structure Member
Base Flood Elevation (BFE)
M&E Elevation

AON
Empower Results®
National Flood Services®
Elevated Without Enclosure – Rating Example

- Building is elevated without enclosure
- M&E was below BFE and is raised above the BFE.
- $250,000 Building and $50,000 Contents (Single Family)
- Insured to at least 75% Replacement Cost

**FULL RISK RATES**

<table>
<thead>
<tr>
<th>LFE is:</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 feet below BFE</td>
<td>$15,057</td>
<td>$12,670</td>
</tr>
<tr>
<td>1 foot below BFE</td>
<td>$12,717</td>
<td>$10,441</td>
</tr>
<tr>
<td>Same as BFE</td>
<td>$10,968</td>
<td>$8,580</td>
</tr>
<tr>
<td>1 foot above BFE</td>
<td>$9,186</td>
<td>$7,138</td>
</tr>
<tr>
<td>2 feet above BFE</td>
<td>$7,995</td>
<td>$5,463</td>
</tr>
<tr>
<td>3 feet above BFE</td>
<td>$6,911</td>
<td>$4,021</td>
</tr>
<tr>
<td>4 feet above BFE</td>
<td>$5,973</td>
<td>$3,574</td>
</tr>
</tbody>
</table>

When applicable, the Pre-FIRM subsidized rate would be used if less than the full risk rate.
Building Modifications

Elevated With Enclosure (All Occupancies)

- Building is elevated on piles, piers, posts, or columns.
- There is an enclosure below the elevated floor that is below the BFE.
- Even if the enclosure is constructed with breakaway walls, the “With Obstruction” rates will be used.
- If there is no M&E below the BFE, then the enclosure may be modified to qualify for the “Free of Obstruction” rates.
- Modifications may include:
  - removing enclosure altogether
  - leaving one side as-is, and enclosing the remaining sides with compliant lattice, slats or insect screening.
  - These modifications would change the building description to elevated without enclosure.

IMPORTANT!!!!

If there is M&E below the BFE (including elevators), then the M&E would also need to be raised.
Compliant Slats and Lattice (All Occupancies)

- Must be 40% open.
- Slats may be no thicker than 1 inch.
- Slats may be louvered.
- Lattice can be no thicker than ½ inch.
Building Modifications

Elevated With Enclosure – Rating Example (Post-FIRM)

- Building is elevated on pilings and has a 1200 square foot enclosure below the elevated floor.
- There is a 10 foot difference between the enclosure and the elevated floor.
- Enclosure is modified so that all but one wall is compliant slats.
- There is no M&E (or elevators) below the BFE.
- $250,000 Building / $50,000 Contents (Single Family) - Insured to at least 75% Replacement Cost

FULL RISK RATES

<table>
<thead>
<tr>
<th>Original LFE is:</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 feet below BFE</td>
<td>$11,343</td>
<td>$8,580</td>
</tr>
<tr>
<td>9 feet below BFE</td>
<td>$9,542</td>
<td>$7,138</td>
</tr>
<tr>
<td>8 feet below BFE</td>
<td>$8,338</td>
<td>$5,463</td>
</tr>
<tr>
<td>7 feet below BFE</td>
<td>$7,234</td>
<td>$4,021</td>
</tr>
<tr>
<td>6 feet below BFE</td>
<td>$6,285</td>
<td>$3,574</td>
</tr>
<tr>
<td>5 feet below BFE</td>
<td>$6,272</td>
<td>$3,574</td>
</tr>
<tr>
<td>4 feet below BFE</td>
<td>$6,253</td>
<td>$3,574</td>
</tr>
</tbody>
</table>

Enclosure limitations apply to Post-FIRM buildings.
Elevated With Enclosure – Rating Example (Pre-FIRM)

- Same scenario as before, but this time the building is Pre-FIRM.
- There is a 10 foot difference between the enclosure and the elevated floor.
- Enclosure is modified so that all but one wall is compliant slats.
- There is no M&E (or elevators) below the BFE.
- $250,000 Building / $50,000 Contents (Single Family) - Insured to at least 75% Replacement Cost

**FULL RISK RATES**

<table>
<thead>
<tr>
<th>Original LFE is:</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 feet below BFE</td>
<td>$27,508</td>
<td>$8,580</td>
</tr>
<tr>
<td>9 feet below BFE</td>
<td>$26,093</td>
<td>$7,138</td>
</tr>
<tr>
<td>8 feet below BFE</td>
<td>$24,056</td>
<td>$5,463</td>
</tr>
<tr>
<td>7 feet below BFE</td>
<td>$21,627</td>
<td>$4,021</td>
</tr>
<tr>
<td>6 feet below BFE</td>
<td>$19,082</td>
<td>$3,574</td>
</tr>
<tr>
<td>5 feet below BFE</td>
<td>$16,498</td>
<td>$3,574</td>
</tr>
<tr>
<td>4 feet below BFE</td>
<td>$14,580</td>
<td>$3,574</td>
</tr>
</tbody>
</table>

When applicable, the Pre-FIRM subsidized rate would be used if less than the full risk rate.
Building Modifications

Elevators – Rating Example (Post-FIRM)

- Building is elevated pilings. There is no enclosure or M&E below the elevated floor.
- An elevator (chairlift) is added that extends below the BFE.
- The “With Obstruction” rates and elevator surcharge now apply.
- $500,000 Building / $200,000 Contents (Non-Residential Business)
- Insured to at least 75% of its replacement value.

**FULL RISK RATES**

<table>
<thead>
<tr>
<th>LFE is:</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 feet above BFE</td>
<td>$8,320</td>
<td>$14,521</td>
</tr>
<tr>
<td>3 feet above BFE</td>
<td>$9,292</td>
<td>$16,530</td>
</tr>
<tr>
<td>2 feet above BFE</td>
<td>$12,879</td>
<td>$20,952</td>
</tr>
<tr>
<td>1 foot above BFE</td>
<td>$16,786</td>
<td>$22,139</td>
</tr>
<tr>
<td>Same as BFE</td>
<td>$20,420</td>
<td>$26,410</td>
</tr>
<tr>
<td>1 foot below BFE</td>
<td>$24,969</td>
<td>$30,927</td>
</tr>
<tr>
<td>2 feet below BFE</td>
<td>$30,532</td>
<td>$37,118</td>
</tr>
<tr>
<td>3 feet below BFE</td>
<td>$37,554</td>
<td>$43,755</td>
</tr>
</tbody>
</table>

If applicable, the Pre-FIRM subsidized rate would be used if less than the full risk rate.

LFE Before and After Changes
Building Modifications

Hanging Floors (All Occupancies)

- The building is elevated on piles, piers, posts, columns, or parallel shear walls.
- An addition is added below the elevated floor, but there is space between the floor of the addition and the ground.
- This addition is known as a “Hanging Floor” and represents the Lowest Elevated Floor.
- The enclosure limitations do not apply to Hanging Floors.

LFE (And Lowest Elevated Floor) - Before Addition

Clear Space

LFE (And Lowest Elevated Floor) – After Addition
Building Modifications

Hanging Floors – Rating Example

- Building is elevated on pilings 10 feet off the ground.
- A hanging floor is added 8 feet lower than the Original LFE.
- “Free of Obstruction” rates are still being charged, but the hanging floor is the lowest elevated floor.
- $250,000 Building / $100,000 Contents (Single Family)
- Insured to at least 75% of its replacement value.

**FULL RISK RATES**

<table>
<thead>
<tr>
<th>Original LFE was:</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 feet above BFE</td>
<td>$3,947</td>
<td>$17,807</td>
</tr>
<tr>
<td>4 feet above BFE</td>
<td>$3,947</td>
<td>$22,618</td>
</tr>
<tr>
<td>3 feet above BFE</td>
<td>$4,415</td>
<td>$25,650</td>
</tr>
<tr>
<td>2 feet above BFE</td>
<td>$6,048</td>
<td>$29,225</td>
</tr>
<tr>
<td>1 foot above BFE</td>
<td>$7,963</td>
<td>$32,622</td>
</tr>
<tr>
<td>Same as BFE</td>
<td>$9,649</td>
<td>$35,586</td>
</tr>
<tr>
<td>1 foot below BFE</td>
<td>$11,883</td>
<td>$37,841</td>
</tr>
</tbody>
</table>

If applicable, the Pre-FIRM subsidized rate would be used if less than the full risk rate.
Building Modifications

Small Enclosures (< 300 Square Feet) – Rating Example

- A small 100 square foot breakaway enclosure is added.
- LFE remains the same as there is no M&E below BFE.
- No longer eligible for “Free of Obstruction” rates. The “With Obstruction” rates must now be used.
- $250,000 Building / $100,000 Contents (Single Family)
- Insured between 50-74% of its replacement value.

FULL RISK RATES

<table>
<thead>
<tr>
<th>Original LFE was:</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 feet above BFE</td>
<td>$4,957</td>
<td>$7,894</td>
</tr>
<tr>
<td>4 feet above BFE</td>
<td>$4,957</td>
<td>$7,894</td>
</tr>
<tr>
<td>3 feet above BFE</td>
<td>$5,638</td>
<td>$9,154</td>
</tr>
<tr>
<td>2 feet above BFE</td>
<td>$7,325</td>
<td>$10,580</td>
</tr>
<tr>
<td>1 foot above BFE</td>
<td>$9,293</td>
<td>$12,191</td>
</tr>
<tr>
<td>Same as BFE</td>
<td>$11,059</td>
<td>$14,266</td>
</tr>
<tr>
<td>1 foot below BFE</td>
<td>$13,425</td>
<td>$16,487</td>
</tr>
</tbody>
</table>

If applicable, the Pre-FIRM subsidized rate would be used if less than the full risk rate.
Building Modifications

Summary for any type of V zone

- Encourage construction well above the BFE.
- Consider adopting Freeboard elevation.
- For non-elevated buildings:
  - The lowest floor is always at the building’s lowest point (bottom of slab, basement or subgrade crawlspace).
- For elevated buildings:
  - The venting rules do not apply to V zones.
  - Even small breakaway enclosures under 300 square feet result in higher premiums.
  - Enclosures should be compliant lattice/slats or insect screening.
  - An elevator that is below the BFE receives a surcharge regardless of venting.
  - A building elevated on solid perimeter foundation walls is rated as a non-elevated building.
- Discourage building modifications below the BFE.
  - Avoid hanging floors at all costs.
Special Rating Consideration
Certain risks may be eligible for FEMA Special Rates consideration. This process provides a mechanism for the policyholder to submit additional information to FEMA that may result in a reduction to the rate based on specific characteristics that are not common to similarly classified buildings.

Special Rates consideration risks include the following:

- Pre-FIRM buildings with unfinished partial enclosures below the BFE (where a partial enclosure does not enclose the entire area under the elevated floor);

- Buildings elevated on posts, piers, pilings, or columns with hanging floors below the BFE enclosing finished or unfinished space. Also includes mid-level entries beneath an elevated building.

- 2–4 family dwellings with an attached garage, where the floor level of the garage is below the level of the building.
Special Rating Consideration

- Subgrade crawlspaces when the distance between the subgrade crawlspace floor and the top of the next higher floor is greater than 5 feet or the top of the bottom floor elevation is more than 2 feet below the lowest adjacent grade.

- High-rise residential condominium buildings with basements, eligible under the Residential Condominium Building Association Policy, where the lowest floor elevation is below the BFE, unfinished, and used for building access, parking, or storage only

- Buildings with an oil pit (e.g., oil and lube service centers).
Questions?
Resources

FEMA: [https://www.fema.gov/](https://www.fema.gov/)


Map Changes - What Property Owners Need to Know: [https://www.fema.gov/media-library-data/1428946481046-dac9e1fc4a07f4e0ca70fcc610f74775/FEMA-HFIAA_MapChangeFS_040715.pdf](https://www.fema.gov/media-library-data/1428946481046-dac9e1fc4a07f4e0ca70fcc610f74775/FEMA-HFIAA_MapChangeFS_040715.pdf)

Newly Mapped Into An SFHA: [https://www.fema.gov/media-library-data/1428947341380-23a056704409206c86cc89ac72f9f070/FEMA-HFIAA_NewlyMappedFS_041015.pdf](https://www.fema.gov/media-library-data/1428947341380-23a056704409206c86cc89ac72f9f070/FEMA-HFIAA_NewlyMappedFS_041015.pdf)


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