2. Before You Start

This section provides important information about writing a flood insurance policy. An individual property's eligibility for a NFIP flood insurance policy depends on:

1. the location of a building;
2. the type of building; *and*
3. the type of contents.

I. Property Location

A. Where the NFIP Provides Insurance

The NFIP insures buildings and contents located within participating NFIP communities or located on federal land. **Table 1** shows where the NFIP provides insurance.

Table 1. Where the NFIP Provides Insurance

LOCATION	DESCRIPTION
NFIP Participating Communities	The NFIP may only write flood insurance policies in communities designated as participating in the NFIP by FEMA. A community must adopt a floodplain management ordinance that meets or exceeds the minimum NFIP criteria and have a Flood Insurance Rate Map (FIRM) or a Flood Hazard Boundary Map (FHBM) for the community to participate in the NFIP.
Emergency Program	The Emergency Program represents the initial phase of a community's participation in the NFIP in which limited amounts of coverage are available. **Note:** Participating communities in the Emergency Program remain in the Emergency Program if an FHBM is rescinded.
Regular Program	The Regular Program is the final phase of a community's participation in the NFIP. In this phase, the completed FIRM is in effect and full coverage limits are available.
Federal Land	NFIP flood insurance is available on land owned by the Federal Government when the local community meets the floodplain management requirements. The NFIP records all federal land under a local community number even if that local community does not have jurisdiction.
Community on Probation	FEMA may place a participating NFIP community on probation when it does not comply with the NFIP's floodplain management requirements. Probation ends when the community remedies all deficiencies. Insurance is available while the community is on probation. FEMA applies a $50 Probation Surcharge to all policies in the community, issued on or after the probation effective date. The NFIP exempts the Group Flood Insurance Policy (GFIP) from the surcharge. Check with the insurer to determine if a community is on probation or refer to the Community Status Book at https://www.fema.gov/national-flood-insurance-program-community-status-book. FEMA may suspend the community if it does not remedy the violations during the probationary period.

B. Where the NFIP Does Not Provide Insurance

Table 2 shows the locations where the NFIP does not provide insurance.

Table 2. Where the NFIP Does Not Provide Insurance

LOCATION	DESCRIPTION
Non Participating Community	The NFIP may not sell or renew flood insurance in a community that does not participate in the NFIP. This prohibition becomes effective one year from the date FEMA provided the community with an FHBM or a FIRM delineating its flood-prone areas.
Suspended NFIP Community	The NFIP may not sell or renew flood insurance in a community suspended from the NFIP. Current policies in the suspended community remain in effect until policy expiration. • The NFIP may not renew a policy while the community is suspended. • Insurers must cancel any policies issued in error or any policy renewed after the date of a community suspension. • To obtain coverage after the NFIP reinstates a community, property owners should contact their agent or insurer to submit a new application. • Insurers must use the applicable waiting period required to obtain coverage.
Areas Covered by the Coastal Barrier Resources Act	Flood insurance may not be available in the Coastal Barrier Resources System (CBRS) and Otherwise Protected Areas (OPAs). Examples of OPAs and areas in the CBRS are undeveloped coastal areas established under federal, state, or local law, or coastal areas held by a qualified organization, primarily for wildlife refuge, sanctuary, recreation, or for the purpose of natural resource conservation. Refer to the CBRS Appendix of this manual for additional information.

II. Insurable Buildings

The NFIP will insure a building affixed to a permanent site that:

- Has two or more outside rigid walls with a fully secured roof;
- Resists flotation, collapse, and lateral movement; *and*
- Has at least 51 percent of the Actual Cash Value (ACV) of the building, including machinery and equipment that are a part of the building, above ground level unless the lowest level of the affixed structure is at or above the Base Flood Elevation (BFE) and is below ground using earth as insulation material in conjunction with energy-efficient building techniques.

A. Types of Eligible Buildings the NFIP Insures

Table 3 describes the types of buildings the NFIP insures.

Table 3. Buildings the NFIP Insures

BUILDING TYPE	DESCRIPTION
Detached Garage	In general, a Standard Flood Insurance Policy (SFIP) can only cover one building. However, a policy for a residential building includes limited coverage for a detached garage servicing a 1–4 family dwelling. Coverage is limited to no more than 10 percent of the limit of liability on the residential building. This coverage does not apply to garages used for residential, business, or farming purposes.
Manufactured Home/Travel Trailer Without Wheels	A manufactured home (also known as a mobile home) is a structure built on a permanent chassis, transported to a site in one or more sections, and affixed to a permanent foundation. A travel trailer without wheels, built on a chassis and affixed to a permanent foundation, is eligible for flood coverage where regulated under the community's floodplain management and building ordinances or laws. **Note:** *All references in this manual to manufactured (mobile) homes are specific to manufactured (mobile) homes and travel trailers without wheels when affixed to a permanent foundation.*
Condominium Building	A condominium is a building or a complex of buildings containing a number of individually owned apartments or houses where each unit owner has an undivided interest in common elements of the building. Residential condominium buildings must be insured under the Residential Condominium Building Association Policy (RCBAP).
Cooperative Building	Corporations own and manage cooperative buildings, and their ownership differs from the condominium form of ownership. Residents within cooperative buildings buy shares of the corporation, rather than the real estate (building, land, or both building and land). To qualify as a residential occupancy, a cooperative building must have at least 75 percent of the building area used for residential purposes. Cooperative buildings are not eligible for the Residential Condominium Building Association Policy (RCBAP).
Homeowners' Association (Non-Condominium)	A Homeowners' Association owns the common areas and individual owners have a right to use and enjoy the common areas. A building owner can write a policy in the building owner's name when a Homeowners' Association's by-laws require the Association to purchase flood insurance building coverage for its members. A Homeowners' Association not in the condominium form of ownership is not eligible for the Residential Condominium Building Association Policy (RCBAP).
Timeshare Building	A timeshare is an arrangement where several joint owners have the right to use a property under a time-sharing agreement and where the corporation owns the building. The NFIP insures individual units in a timeshare building in the condominium form of ownership under the Dwelling Form. These buildings are eligible for coverage under the Residential Condominium Building Association Policy (RCBAP), if 75 percent of the area of the building is for residential purposes. If the 75% criteria is not met, refer to IV. Condominiums in the How To Write section.
Building Partially Underground	The NFIP insures buildings with 50 percent or less of the ACV, including machinery, below ground when an energy efficient building technique uses earth as an insulator. The lowest floor must be at or above the BFE.
Silo and Grain Storage Building	

Table 3. Buildings the NFIP Insures *continued*

BUILDING TYPE	DESCRIPTION
Building Entirely Over Water before October 1, 1982	The NFIP will insure a building located entirely in, on, or over water, or seaward of mean high tide, that was not constructed or substantially improved after September 30, 1982. Refer to the How to Write section of this manual for rating information.
Building Partially Over Water	The NFIP may insure a building not "entirely" over water, i.e., when part of the exterior perimeter walls and foundation of the building are on land or on the landward side of mean high tide (mean high water). Refer to the How to Write section of this manual for rating information. **Note:** When the exterior perimeter walls of the building are completely over water, but the support system or foundation underneath the building extends onto land, or the extension of any mechanism for access into the building (including, but not limited to, stairs, decks, walkways, piers, posts, pilings, docks, or driveways) is fully or partially on land, the building and the access are ineligible for coverage.
Building Becomes Entirely Over Water	A building originally constructed on land or partially over water that later becomes entirely over water because of erosion is eligible for coverage if the building has had continuous coverage. Coverage must have been in place for at least one year prior to the building being located entirely over water or from the date of construction if less than one year. Refer to the How to Write section of this manual for rating information.
Boathouse Located Partially Over Water	The NFIP insures the non-boathouse part of a building into which boats float, if the building is partly over land and also used for residential, commercial, or municipal purposes and is eligible for flood coverage. The NFIP does not insure boat repair docks or boat storage over water. The NFIP will insure the area above the boathouse unrelated to boathouse use (e.g., residential use) from the floor joists to the roof, including walls, and a common wall between the boathouse area and other parts of the building. Refer to the SFIP for the limitations on coverage.
Building in the Course of Construction	The NFIP will insure a building in the course of construction before it is walled and roofed using the NFIP-issued rates based on the construction designs and the intended use of the building. Buildings in the course of construction that are not walled and roofed are not eligible for coverage when construction stops for more than 90 days and/or if the lowest floor for rating purposes is below the BFE. The NFIP will not insure materials or supplies intended for use in such construction, alteration, or repair unless they are contained within an enclosed building on the premises or adjacent to the premises.

Table 3. Buildings the NFIP Insures *continued*

BUILDING TYPE	DESCRIPTION
Additions and Extensions	Additions and extensions attached to and in contact with the building by the following methods may be insured under a separate policy: • Rigid exterior wall • Solid load-bearing interior wall • Stairway • Elevated walkway • Roof When insuring a building with multiple additions the applicant must choose between purchasing one policy or separate policies for the building and each addition and extension. The NFIP requires an application for each addition and extension insured separately. The application must: • Clearly describe the separately insured addition and extension; • Contain the rating information specific to the addition and extension; *and* • Request building and/or contents coverage for the addition and extension. The application for the main building should reference the policy number or quote number for the policy covering the addition or extension separately. **Note:** Additions and extensions cannot be excluded from building coverage under the main building's policy unless the additions and extensions are insured separately.

B. Buildings the NFIP Does Not Insure

NFIP does not insure the buildings shown in **Table 4**.

Table 4. Buildings the NFIP Does Not Insure

BUILDING TYPE	DESCRIPTION
Building Declared in Violation of Floodplain Management Requirements	The NFIP does not insure buildings (or their contents) declared to be constructed or altered in violation of state or local floodplain management laws, regulations, or ordinances. Section 1316 of the National Flood Insurance Act of 1968 allows state or local governments to make this declaration. Insurance becomes available when the owner corrects the violation and the state rescinds the Section 1316 declaration.
Container-Type Building	The NFIP does not insure containers used to store gas and liquids, chemical or reactor container tanks or enclosures, brick kilns, and similar units, and their contents.
Building Entirely Over Water On or After October 1, 1982	The NFIP does not insure buildings constructed or substantially improved on or after October 1, 1982, located entirely in, on, or over water, or seaward of mean high tide.
Water Treatment Plant	The NFIP does not insure a water treatment plant unless 51% or more of its ACV is above ground.

C. NFIP Coverage Exclusions and Limitations

Table 5 shows NFIP coverage exclusions and limitations. See the Standard Flood Insurance Policy (SFIP) for other exclusions.

Table 5. NFIP Coverage Exclusions and Limitations

BUILDING TYPE	COMMENT
Basement	The SFIP limits coverage for basement improvements, such as finished walls, floors, ceilings, or personal belongings kept in a basement.
Elevated Building with Enclosure	The SFIP limits coverage for enclosed, walled-in areas below the lowest floor of a Post-FIRM elevated building located in an SFHA.
Swimming Pool	The SFIP excludes coverage for indoor or outdoor swimming pools.
Deck	The SFIP limits coverage for decks except for steps and landing to a maximum landing area of 16 square feet.
Fuel Pump	The SFIP excludes coverage for fuel pumps.
Hot Tub or Spa	The SFIP excludes coverage for hot tubs or spas except where used as bathroom fixtures.
Building Coverage for a Unit in a Cooperative Building	The NFIP does not provide building coverage for shareholder units in a cooperative building. Residents or tenants of a cooperative building may purchase contents coverage under the Dwelling Form.
Non-Residential Condominium Unit	The NFIP does not provide building coverage for owners of non-residential units in residential or non-residential buildings.
Timeshare Unit in a Multi-Unit Building	The NFIP does not provide coverage for these units unless they are in a condominium form of ownership.

III. Type of Contents

The NFIP only insures contents located in a building that is eligible for building coverage. Contents must be located in a fully enclosed building or secured to prevent flotation out of a building that is not fully enclosed.

A. Eligible Contents

NFIP contents coverage covers the following types of contents:

- Personal property inside a building at the described location, if:
  - The property is owned by the insured or the insured's household family members; *and*
  - At the insured's option, the property is owned by guests or servants;
- Equipment;
- Self-propelled vehicles or machines, not licensed for use on public roads, *and*

   - Used mainly to service the described location; *or*
   - Designed and used to assist handicapped persons while the vehicles or machines are inside a building at the described location;
- Parts and equipment as open stock, not part of a specific vehicle or motorized equipment;
- Contents located in silos, grain storage buildings, and cisterns;
- Commercial contents;
- Contents in units in a cooperative building:
   - Residents of a unit within a cooperative building may purchase contents coverage under the Dwelling Form;
   - Shareholders may apply 10 percent of the contents coverage for betterments and improvements at the time of loss; *and*
- Contents in a non-residential condominium unit.

B. Ineligible Contents

Examples of ineligible contents are below. See the SFIP for a definitive listing of property not covered.

- Automobiles including assembled and unassembled dealer's stock;
- Motorcycles including assembled and unassembled dealer's stock;
- Motorized Equipment including assembled and unassembled dealer's stock; *and*
- Bailee customer's goods including contractors, cleaners, repair shops, processors of goods belonging to others, and similar risks.

IV. Policy Forms

The Standard Flood Insurance Policy (SFIP) outlines flood insurance coverage for a 1-year policy term under three different forms. The SFIP provides coverage under the Dwelling Form, the General Property Form, and the Residential Condominium Building Association Policy (RCBAP) Form.

Table 6 shows when to use the three SFIP forms to insure a variety of residential and non-residential building and contents risks.

Table 6. Standard Flood Insurance Policy Forms

SFIP FORM	WHEN AND WHERE TO USE
Dwelling Form **Available to a homeowner, residential renter, or owner of a residential building containing 1 to 4 units**	In the NFIP Regular Program community or Emergency Program community, the NFIP provides building and/or contents coverage for: • Single-family, non-condominium residence with incidental occupancy limited to less than 50 percent of the total floor area; • 2–4 family, non-condominium building with incidental occupancy limited to less than 25 percent of the total floor area; • Unit in residential condominium building; • Residential townhouse/rowhouse; *and* • Personal contents in a non-residential building.

Table 6. Standard Flood Insurance Policy Forms *continued*

SFIP FORM	WHEN AND WHERE TO USE
General Property Form **Available to an owner of residential building with 5 or more units**	In the Regular Program community or Emergency Program community, the NFIP provides building and/or contents coverage for these residential risks with 5 or more units: • Apartment buildings; • Residential cooperative buildings; • Dormitories; • Assisted-living facilities; *and* • Hotels, motels, tourist homes, and rooming houses that have 5 or more units where the normal guest occupancy/stay is 6 months or more.
General Property Form **Available to an owner or lessee of non-residential business or other non-residential buildings or units**	In the Regular Program community or Emergency Program community, the NFIP provides building coverage and/or contents coverage for these and similar non-residential risks: • Hotel or motel; • Licensed bed-and-breakfast inn; • Retail shop, restaurant, or other business; • Mercantile building; • Grain bin, silo, or other farm building; • Agricultural or industrial processing facility; • Factory; • Warehouse; • Pool house, clubhouse, or other recreational building; • House of worship; • School; • Nursing home; • Non-residential condominium; • Condominium building with less than 75 percent of its total floor area in residential use; • Detached garage; • Shed; *and* • Stock, inventory, or other commercial contents.
Residential Condominium Building Association Policy (RCBAP) **Issued to a residential condominium association on behalf of association and unit owners**	In the Regular Program community only, the NFIP provides building coverage and, if desired, coverage of commonly owned contents for a residential condominium building with 75 percent or more of its total floor area in residential use.

V. Insurance Products

Table 7 shows the NFIP insurance products that are currently available.

Table 7. NFIP Insurance Products Available

POLICY TYPE	DESCRIPTION
Preferred Risk Policy (PRP)	The PRP is a lower cost policy available for properties located in B, C, X, AR, or A99 zones on the current maps that have limited loss history. See the PRP section for more information.
Newly Mapped Rated Policy	The Newly Mapped rating procedure applies to properties previously located in Zones B, C, X, D, AR, or A99 and newly mapped into a Special Flood Hazard Area (SFHA) on the current map.
Mortgage Portfolio Protection Program (MPPP) Policy	The MPPP is a force-placed policy available only through a Write Your Own (WYO) Company. See the MPPP section of this manual for more information.
Scheduled Building Policy	The Scheduled Building Policy provides a group of policies for buildings that have the same ownership and the same location; the properties where the buildings are located must be contiguous. The policy is available to cover 2 to 10 buildings and requires the insured to designate a specific amount of insurance for each building. NFIP requires a separate application for each building and/or contents policy; • The Federal Policy Fee is $50 per building; *and* • The HFIAA Surcharge is charged for each building.
Group Flood Insurance Policy	NFIP Direct issues a Group Flood Insurance Policy for a 3-year period in response to a presidential disaster declaration for individuals identified by a state as recipients of an Individuals and Household Program award under section 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act).[1] Disaster assistance applicants, in exchange for a modest premium, receive a minimum amount of building and/or contents coverage beginning on the 30th day after the NFIP receives the required data and premium for the individual applicant. The insured may not cancel a Group Flood Insurance Policy. However, an applicant may purchase a regular SFIP through the NFIP. When this occurs, the group flood certificate for the property owner is void and the NFIP does not refund the premium. The SFIP duplicate policy provisions apply.

1. Pub. L. No. 93-288, 88 Stat. 143; 42 U.S.C. 5121 et seq.

VI. Policy Effective Dates

A. Waiting Periods

In general, new policies for flood insurance become effective following a 30-day waiting period. However, there are three exceptions listed below and detailed later in this section:

1. **Map Revision Exception (Sec. VI.A.2):** Coverage becomes effective after a one-day waiting period during the first 13 months following the revision of a flood map in the property's community.
2. **Mortgage Loan Exception (Sec. VI.A.3):** Coverage becomes effective the day of the closing when the initial purchase of flood insurance is in connection with a mortgage loan transaction.
3. **Post-Wildfire Exception (Sec. VI.B):** Coverage becomes effective immediately if:
   a. The covered property experiences damage caused by flood that originated on federal land;
   b. Post-wildfire conditions on federal lands caused or worsened the flooding; *and*
   c. The insured purchased the policy either:
      i. Before the fire containment date; *or*
      ii. During the 60-calendar day period following the fire containment date.

Insurers must follow the applicable waiting period and effective date rules for all policies, including submit-for-rate submissions and policies issued in conjunction with a community's initial entry into the Regular Program or conversion from the Emergency Program to the Regular Program.

Contents-only policies are subject to a 30-day waiting period unless the contents are part of the security for a loan.

1. 30-Day Waiting Period

A 30-day waiting period applies to new policies not otherwise eligible for the exceptions provided above. The date the waiting period begins varies based on:

- The date the insurer receives the application and payment;
- The date of the application; *and*
- The method of sending the application and payment.

For the purposes of determining a waiting period start date, "certified mail" includes certified mail sent through the U.S. Postal Service or reputable third-party delivery services that provides proof of the actual mailing and delivery date to the insurer.

Table 8 shows how to determine the effective date of a new policy with a 30-day waiting period.

Table 8. Policy Effective Date with a 30-day Waiting Period

RECEIPT DATE	EFFECTIVE DATE
If the insurer receives the application and payment ***within*** 10 calendar days from the application date (application date plus 9 days)	The effective date will be 12:01 a.m. (local time) on the 30th calendar day after the application date.
If the insurer receives the application and payment ***after*** 10 or more calendar days from the application date (application date plus 9 days)	The effective date will be 12:01 a.m. (local time) on the 30th calendar day after the insurer's receipt date.
If the insurer receives the application and payment via certified mail ***within*** 4 days from the application date (application date plus 3 days)	The effective date will be 12:01 a.m. (local time) on the 30th calendar day after the application date.
If the insurer receives the application and payment via certified mail after 4 or more days from the application date (application date plus 3 days) but ***within*** 10 calendar days from the application date (application date plus 9 days)	The effective date will be 12:01 a.m. (local time) on the 30th calendar day after the application date.
If the insurer receives the application and payment via certified mail ***after*** 10 or more calendar days from the application date (application date plus 9 days)	The effective date will be 12:01 a.m. (local time) on the 30th calendar day after the insurer's receipt date.

The insurer may not use the receipt date of an invalid payment to determine the effective date of a policy transaction (application, endorsement, or renewal).

A payment is invalid if there are non-sufficient funds (NSF) in the account, a reversal (dispute) is successfully completed on an electronic payment, or the payment is non-negotiable for any other reason.

Upon notification that the payment is invalid, the insurer must:

- Cancel/nullify the transaction associated with that payment; and
- Send notification of the cancellation/nullification to the insured, agent, and lender(s), if applicable.
- If the insurer receives a new payment, the insurer must process the transaction based on the new premium receipt date. The insurer must determine the effective date of the transaction based on the new payment receipt date, subject to the effective date rules.
- Note: A new application or endorsement request is not required for this transaction as long as the insurer still has the original request.

2. Map Revision Exception (1-Day Waiting Period)

A 1-day waiting period applies when the NFIP revises a Flood Hazard Boundary Map or a Flood Insurance Rate Map (FIRM) to show that the building is now in an SFHA when it was not previously. The 1-day waiting period may only apply if the insurer receives the application and payment within 13 months from the effective date of the map revision. If the insurer receives the application and payment after 13 months from the effective date of the map revision, the 30-day waiting period applies. The 1-day waiting period rule applies for all buildings, including those owned by condominium associations.

Table 9 shows how to determine the effective date of a new policy with a 1-day waiting period.

Table 9. Policy Effective Date with a 1-day Waiting Period

RECEIPT DATE	EFFECTIVE DATE
If the insurer receives the application and payment ***within*** 10 calendar days from the application date (application date plus 9 days)	The effective date will be 12:01 a.m. (local time) on the next calendar day after the application date.
If the insurer receives the application and payment ***after*** 10 or more calendar days from the application date (application date plus 9 days)	The effective date will be 12:01 a.m. (local time) on the next calendar day after the insurer's receipt date.
If the insurer receives the application and payment via certified mail ***within*** 4 days from the application date (application date plus 3 days)	The effective date will be 12:01 a.m. (local time) on the next calendar day after the application date
If the insurer receives the application and payment via certified mail after 4 or more days from the application date (application date plus 3 days) but ***within*** 10 calendar days from the application date (application date plus 9 days)	The effective date will be 12:01 a.m. (local time) on the next calendar day after the application date.
If the insurer receives the application and payment via certified mail ***after*** 10 or more calendar days from the application date (application date plus 9 days)	The effective date will be 12:01 a.m. (local time) on the next calendar day after the insurer's receipt date.

3. Mortgage Loan Exception (No Waiting Period)

New policies purchased when making, extending, increasing, or renewing a loan are not subject to the 30-day waiting period. This includes condominium association policies purchased in conjunction with loan transactions in the name of the condominium associations. See **Table 10**.

The insured must apply for flood insurance on or before the closing date of the loan transaction. If the insured requests the policy after the closing date, the 30-day waiting period applies. A valid application includes all the information necessary to calculate the NFIP policy premium.

The insurer may rely on an agent's representation on the application that there is no waiting period. The insurer must obtain documentation of the loan transaction (such as settlement papers) to validate that a loan transaction occurred before paying the loss if a loss occurs during the first 30 days of the policy.

Table 10. Policy Effective Date with No Waiting Period

RECEIPT DATE	EFFECTIVE DATE
If the lender, title company, or settlement attorney pays the premium	
If the insured requests the policy on or before the loan transaction closing and the insurer receives the application and payment ***within*** 30 calendar days from the closing (closing date plus 29 days) then	The effective date will be the loan closing date.
If the insured requests the policy on or before the loan transaction closing, and the insurer receives the application and payment ***after*** 30 calendar days from the closing (closing date plus 29 days or more) then	The effective date will be the insurer's receipt date.
If the insured or other party not listed above pays the premium	
If the insured requests the policy on or before the loan transaction closing, and the insurer receives the application and payment ***within*** 10 calendar days from the loan transaction closing (closing date plus 9 days) then	The effective date will be the loan closing date.
If the insured requests the policy on or before the loan transaction closing, and the insurer receives the application and payment ***after*** 10 calendar days from the closing (closing date plus 9 days or more) then	The effective date will be the insurer's receipt date.

NOTE: When an agent submits an agency check, it must be accompanied by settlement paperwork or a photocopy of the original check from the lender, title company, or settlement attorney to be eligible for the waiting period exception.

B. Post-Wildfire Exception

The 30-day waiting period may not apply to property (building and contents) affected by flooding from federal land caused by post-wildfire conditions under the following circumstances:

1. The covered property experiences damage caused by flood that originated on federal land;
2. Post-wildfire conditions on federal lands caused or worsened the flooding; *and*
3. The policyholder purchased the policy either:
   a. Before the fire containment date; or
   b. During the 60-calendar-day period following the fire containment date.

The federal agency responsible for the land on which the post-wildfire conditions existed determines the fire containment date.

1. Application of the Post-Wildfire Exception

FEMA supports the application of the Post-Wildfire Exception by tracking containment dates for wildfires occurring on federal lands and consulting when necessary with appropriate federal agencies to determine whether post-wildfire conditions caused or exacerbated a flood. WYO companies and NFIP Direct may request assistance with the proper application of the Post-Wildfire Exception by contacting FEMA-FIDClaimsMailbox@fema.dhs.gov.

VII. Delivery of the Policy

The insurer must send:

- The policy form (i.e., contract) to the insured at the time of policy issuance or after any change made to the policy contract; *and*
- The policy declarations page to the insured, agent, and, if applicable, lender(s).

VIII. Evidence of Insurance

A copy of the Flood Insurance Application and premium payment or a copy of the declarations page is sufficient evidence of proof of purchase for new policies.

IX. Duplicate Policies

The NFIP does not allow multiple building policies on a single building. The only exception is for residential condominium buildings. The insurer may issue a Dwelling Form policy to a residential condominium unit owner in a building covered by an RCBAP. The combined coverage between the Dwelling Form policy and the RCBAP cannot exceed $250,000 for the unit.

X. Assignment

A building owner may assign a flood insurance building policy to the purchaser of an insured building with written consent from the seller. The seller must sign the assignment endorsement on or before the closing date. If the building is a primary residence, the insurer must validate the primary residence status at the time of assignment in order for the assignee to be eligible for the primary residence surcharge.

Owners may not assign policies on buildings in the course of construction or on contents only.

XI. Transfer of Business

A transfer of business occurs when an agent moves any or all of his or her business from one insurer to another. The insurer must collect all underwriting information to verify the correct rating and issuance of the policies, including:

- Documentation of primary residence status;
- Documentation of PRP eligibility including verification of the current flood zone;
- Documentation of current and prior flood zone documentation for newly mapped-rated policies;
- Documentation of all information needed to issue and rate an RCBAP including photos and replacement cost value;
- Photographs of all elevation-rated policies (NFIP will accept photographs from the previous insurer if there is no evidence of structural changes that affect rating); *and*
- All elevation information.

IMPORTANT

A transfer of business does not include conversions of an entire book of business from one insurer or third-party administrator to another. When an insurer acquires another insurer's book of business, all underwriting files must transfer in their entirety to the new insurer.

The insurer may use the elevation information on the previous insurer's declaration page if it displays the Base Flood Elevation (BFE) and the Lowest Floor Elevation (LFE).

The insurer must validate the information when there is a discrepancy between the building descriptions in the application and the prior insurer's declarations page. For example:

- If the application indicates a basement or enclosure and it is not shown on the declarations page; or
- If the application describes a non-elevated building and the declarations page describes an elevated building.

XII. Coverage D – Increased Cost of Compliance (ICC) Coverage

The SFIP pays up to $30,000 toward the cost to repair or rebuild a flood-damaged structure in compliance with state or local floodplain management ordinances or laws. ICC coverage is not available for:

- Emergency Program policies;
- Contents-only policies;
- Dwelling Form policies on individual condominium units including townhouse/rowhouse condominiums (The condominium association is responsible for complying with mitigation requirements.);
- Group Flood Insurance policies; *or*
- Detached garages, unless covered by a separate policy.

The ICC Premium is not eligible for the deductible discount. Calculate the deductible discount, then add the ICC Premium for each policy year.

ICC coverage is supplemental to the Building coverage and cannot exceed the maximum program limits.

Compliance activities eligible for payment are elevation, floodproofing, relocation, demolition, or any combination of these activities. Eligible floodproofing activities apply only to non-residential structures and residential structures with basements that satisfy FEMA's standards published at 44 CFR 60.6.

XIII. Reforming the Policy

If the premium the insurer receives will not purchase the amounts of insurance requested, then the insurer must issue the policy for the insurance coverage amounts the premium will purchase for a one-year policy term.

The SFIP provisions for reduction of coverage limits or reformation are available at:

- Dwelling Form, section VII, paragraph G;
- General Property Form, section VII, paragraph G; *and*
- Residential Condominium Building Association Policy (RCBAP), section VIII, paragraph G.

A. Increasing Coverage after Reforming a Policy

Table 11 describes how an insurer can increase coverage after a policy reformation.

Table 11. Reformation

BEFORE A LOSS	
Complete Rating Information	If the insurer has all of the information to rerate the policy, the insurer will send a bill for the required additional premium. If the insurer receives the full amount due within 30 days from the date of the bill, the policy limits will increase to the original amount requested effective as of the beginning of the current policy term. If the insurer does not receive the additional premium within 30 days of the date of the bill, the insurer may only increase coverage by endorsement with a 30-day waiting period.
Incomplete Rating Information	When the insurer has incomplete rating information and cannot calculate the correct policy premium, the insurer will send a request for additional information. The insurer must receive the additional information within 60 days of the request. If the insurer receives the additional information within 60 days, the insurer will bill the insured for the additional premium. If the insurer does not receive the additional premium within 30 days of the date of the bill, or the additional information within 60 days of the request, the insurer may only increase coverage by endorsement with a 30-day waiting period.
AFTER A LOSS	
Complete Rating Information	The insurer will send a bill for the required additional premium for the current policy term only. This is an exception to the SFIP provisions requiring additional premium for the current and the prior policy terms. If the insurer receives the premium within 30 days from the date of the bill, the insurer should increase the policy limits to the originally requested amount effective to the beginning of the current policy term. If the insurer does not receive the additional premium by the due date, the insurer must settle the claim based on the previously submitted premium and reduced policy limits.

B. Exceptions for Incorrect Flood Zone or BFE after a Loss

When the insurer discovers that an incorrect flood zone or BFE resulted in insufficient premium, the following applies:

- The insurer must calculate any additional premium due prospectively from the date of discovery; and
- The insurer must apply the automatic reduction in policy limits effective on the date of discovery.

The insurer must pay the claim based on the limits in place before the date of discovery of the incorrect flood zone or BFE. The insured need not pay any additional premium at this time when the flood zone or BFE is incorrect. However, the insurer must bill the insured for the additional premium to restore the originally requested limits effective the date of discovery for the remainder of the policy term. The insurer must receive the additional premium within 30 days to increase the coverage without a waiting period. Otherwise, the insurer will reduce the policy limits to the amount the previously received premium will purchase.

If the insurer must obtain additional rating information, it must receive that information within 60 days. Upon receipt of the information, if it is determined additional premium is due, the insurer will then bill the insured for the additional premium required to maintain the original policy limits for the remainder of the term. The insurer must receive the additional premium within 30 days of the bill to increase the coverage without a waiting period. If the insurer does not receive the additional information within 60 days, there will be a 30-day waiting period to return to the original policy limits. However, the insurer should not delay payment of a claim because it needs additional information to calculate the correct premium.

C. Incorrect Policy Form

The insurer must use the correct policy form before making a loss payment. When the insurer issues coverage using an incorrect SFIP form, the policy is void and the insurer must cancel and rewrite the coverage under the correct form. The provisions of the correct SFIP form apply.

- The insurer must reform the coverage limits according to the provisions of the correct SFIP form.
- The coverage amounts on the correct SFIP form must equal the coverage amounts on the canceled SFIP form. Coverage cannot exceed:
  - The coverage amounts issued under the incorrect policy form.
  - The maximum coverage amounts available on the correct SFIP form.
- If additional premium is due the insurer must:
  - Send an additional premium notice.
  - Receive the premium within 30 days of the date of the additional premium notice or reduce the coverage to the amount that can be purchased with the premium already submitted.
- If the incorrect policy form is discovered after a claim, any additional premium due can be deducted from the claim settlement.
- Requests to increase coverage above the existing coverage amounts are subject to the endorsement effective date rules.

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