

Frequently used definitions in FEMA and the National Flood Insurance Program (NFIP)

For a complete list of definitions visit <https://www.fema.gov/national-flood-insurance-program/definitions>

Act: The National Flood Insurance Act of 1968 and any amendments to it.

Actual Cash Value (ACV) : The cost to replace an insured item of property at the time of loss, less the value of physical depreciation.

Adjuster Control Office : An NFIP claims office similar to a Flood Insurance Claims Office (FICO) with the exception that the Adjuster

Control Office does not house insured files, maintain a claims examiner staff at the site, or issue claim payments.

Alternative Rating : A rating method used when a building is Pre-FIRM, the Flood Insurance Rate Map (FIRM) zone is unknown, and the community in which the building is located has no V Zones. May also be used for renewal of policies in communities that have

converted from the Emergency Program to the Regular Program during a policy's term.

Base Flood : A flood having a 1% chance of being equaled or exceeded in any given year.

Base Flood Depth (BFD) : The depth shown on the Flood Insurance Rate Map (FIRM) for Zone AO that indicates the depth of water

above highest adjacent grade resulting from a flood that has a 1% chance of equaling or exceeding that level in any given year.

Base Flood Elevation (BFE) : The elevation of surface water resulting from a flood that has a 1% chance of equaling or exceeding that

level in any given year. The BFE is shown on the Flood Insurance Rate Map (FIRM) for zones AE, AH, A1-A30, AR, AR/A, AR/AE,

AR/A1- A30, AR/AH, AR/AO, V1-V30 and VE.

Claims Coordinating Office (CCO) : A clearinghouse for the various insurers who are responding to a multi-peril catastrophe. Through

voluntary participation, all losses are reported to the CCO and are processed to locate address matches among the reported claims. The

interest of each carrier is protected as the Claims Coordinator maintains sole control over the policy and loss information. If a match is

found, special care is taken to direct the assigned adjuster(s) to a mutually agreeable adjustment or to have 1 adjuster surrender his/her

loss with the assurance that every effort will be made to replace it.

Closed Basin Lake : A natural lake from which water leaves primarily through evaporation and whose surface area exceeds or has

exceeded 1 square mile at any time in the recorded past. NFIP-insured buildings that are subject to continuous lake flooding from a

closed basin lake are covered under the provisions of [Standard Flood Insurance Policy](#) (SFIP).

Community : A political entity that has the authority to adopt and enforce floodplain ordinances for the area under its jurisdiction.

Community Number : A 6-digit designation identifying each NFIP community. The first 2 numbers are the state code. The next 4 are the

FEMA-assigned community number. An alphabetical suffix is added to a community number to identify revisions in the Flood Insurance

Rate Map (FIRM) for that community.

Community Rating System (CRS) : A program developed by FEMA to provide incentives for those communities in the Regular

Program that have gone beyond the minimum floodplain management requirements to develop extra measures to provide protection

from flooding.

Countywide Map : A Flood Insurance Rate Map (FIRM) that shows flooding information for the entire geographic area of a county,

including the incorporated communities within the county.

Emergency Program : The initial phase of a community's participation in the National Flood Insurance Program, as prescribed by

Section 1306 of the Act.

Erosion : The collapse, undermining or subsidence of land along the shore of a lake or other body of water. Erosion is a covered peril if it

is caused by waves or currents of water exceeding their cyclical levels which result in flooding.

Fair Market Value : The price that the seller is willing to accept and the buyer is to pay on the open market and in an arm's length

transaction.

Federal Emergency Management Agency (FEMA) : The Federal agency under which the NFIP is administered. In March 2003,

FEMA became part of the newly created U.S. Department of Homeland Security.

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; or
- 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.

Flood Hazard Boundary Map (FHBM) : Official map of a community issued by FEMA, where the boundaries of the flood, mudflow

and related erosion areas having special hazards have been designated.

Flood In Progress : A flood that is in progress on the earlier of either:

- The date the community in which the insured property is located first experiences a flood as defined in this policy; or
- The date and time of an event initiating a flood that directly or indirectly affects areas downstream or in a floodway and ultimately

ultimately

results in the damage to the insured property. Events that may initiate such a flooding event include, but are not limited to, the

following:

- A spillway is opened;
- A levee is breached;
- Water is released from a dam; and
- Water escapes from the banks of a waterway (stream, river, creek, etc.).

The applicability of this exclusion will be evaluated upon the assertion by a policyholder of the right to be paid for a loss under this policy.

Flood Insurance Claims Office (FICO) : An NFIP claims processing office set up in a catastrophe area when a sufficient number of

flood claims result from a single event.

Flood Insurance Rate Map (FIRM) : Official map of a community on which FEMA has delineated the Special Flood Hazard Areas

(SFHAs), the Base Flood Elevations (BFEs) and the risk premium zones applicable to the community.

Flood Response Office (FRO) : The FRO provides a local presence in the affected area and supports the WYO companies, the NFIP

Servicing Agent and various Federal, state and local officials in providing answers to claims coverage questions, forms for claims handling

and survey and statistical input. One of the key requirements of personnel at the FRO is to coordinate and conduct reinspections of

WYO and NFIP Direct losses. The FRO also tracks adjuster performance and provides such information to interested WYO Companies

and the NFIP Servicing Agent.

Floodplain : Any land area susceptible to being inundated by floodwaters from any source.

Floodplain Management : The operation of an overall program of corrective and preventive measures for reducing flood damage,

including but not limited to, emergency preparedness plans, flood-control works and floodplain management regulations.

Flood proofing : Any combination of structural and nonstructural additions, changes or adjustments to structures, which reduce or

eliminate risk of flood damage to real estate or improved real property, water and sanitation facilities or structures with their contents.

Grandfathering : An exemption based on circumstances previously existing.

-- Under NFIP statutory grandfathering, buildings located in Emergency Program communities and Pre-FIRM buildings in the

Regular Program are eligible for subsidized flood insurance rates.

-- Under NFIP administrative grandfathering, Post-FIRM buildings in the Regular Program built in compliance with the floodplain

management regulations in effect at the start of construction will continue to have favorable rate treatment even though higher

Flood Elevations (BFEs) or more restrictive, greater risk zone designations result from Flood Insurance Rate Map (FIRM) revisions.

Policyholders who have remained loyal customers of the NFIP by maintaining continuous coverage (since coverage

was first

obtained on the building) are also eligible for administrative grandfathering.

Group Flood Insurance : Issued by the NFIP Direct Program in response to a Presidential disaster declaration. Disaster assistance

applicants, in exchange for a modest premium, receive a minimum amount of building and/or contents coverage for a 3-year policy

period. An applicant may cancel the group policy at any time and secure a regular Standard Flood Insurance Policy (SFIP) through the NFIP.

HFIAA Surcharge : The statutory surcharge imposed by Section 1308 of the Act.

Letter of Determination Review (LODR) : FEMA's ruling on the determination made by a lender or third party that a borrower's

building is in a Special Flood Hazard Area (SFHA). A LODR deals only with the location of a building relative to the SFHA boundary

shown on the Flood Insurance Rate Map (FIRM).

Letter of Map Amendment (LOMA) : An amendment to the currently effective FEMA map which establishes that a property is not

located in a Special Flood Hazard Area (SFHA). A LOMA is issued only by FEMA.

Letter of Map Revision (LOMR) : An official amendment to the currently effective FEMA map. It is issued by FEMA and changes

flood zones, delineations and elevations.

Mandatory Purchase : Under the provisions of the Flood Disaster Protection Act of 1973, individuals, businesses and others buying,

building or improving property located in identified areas of special flood hazards within participating communities are required to

purchase flood insurance as a prerequisite for receiving any type of direct or indirect federal financial assistance (e.g., any loan, grant,

guaranty, insurance, payment, subsidy or disaster assistance) when the building or personal property is the subject of or security for such assistance.

Map Revision : A change in the Flood Hazard Boundary Map (FHBM) or Flood Insurance Rate Map (FIRM) for a community which

reflects revised zone, base flood or other information.

Mortgage Portfolio Protection Program (MPPP) : A program designed to help lending institutions to maintain compliance with the

Flood Disaster Protection Act of 1973, as amended. Policies written under the MPPP can be placed only through a Write Your Own

(WYO) Company.

National Flood Insurance Program (NFIP) : The program of flood insurance coverage and floodplain management administered under

the Act and applicable federal regulations promulgated in Title 44 of the Code of Federal Regulations, Subchapter B.

National Geodetic Vertical Datum (NGVD) of 1929 : National standard reference datum for elevations, formerly referred to as Mean

Sea Level (MSL) of 1929. NGVD 1929 may be used as the reference datum on some Flood Insurance Rate Maps (FIRMs).

Newly Mapped (A Property Newly Mapped into the SFHA) : A property that was once designated outside of the Special Flood

Hazard Area (SFHA) on an effective Flood Insurance Rate Map (FIRM), and following a map revision, is designated within the SFHA.

Property newly mapped into the SFHA by a map revision on or after April 1, 2015, and meeting certain loss history requirements is

eligible for the Newly Mapped rating procedure outlined in the Newly Mapped section of this manual if coverage is purchased within 1

year of the map revision and continuously maintained. A property meeting the loss history requirements and newly mapped into the

SFHA by a map revision effective on or after October 1, 2008, and before April 1, 2015, may be insured under the Newly Mapped rating

procedure if coverage is purchased on or after April 1, 2015, but before April 1, 2016, and maintained continuously. The newly mapped

procedure is not available for any property mapped into the SFHA by the initial FIRM.

NFIP Bureau and Statistical Agent : A corporation, partnership, association or any other organized entity that contracts with FEMA to

be the focal point of support operations for the NFIP.

NFIP Servicing Agent : A corporation, partnership, association or any other organized entity that contracts with FEMA to service

insurance policies as direct business.

NFIP Special Direct Facility (SDF) : Formed in 2000, a branch of the NFIP Servicing Agent to which Write Your Own (WYO)

Companies transfer renewals for identified Severe Repetitive Loss (SRL) properties so that mitigation assistance can be offered to the policyholders.

North American Vertical Datum (NAVD) of 1988 : The vertical control datum established for vertical control surveying in the United States

of America based upon the General Adjustment of the North American Datum of 1988. It replaces the National Geodetic Vertical

Datum (NGVD) of 1929.

Otherwise Protected Areas (OPAs) : Areas established under federal, state or local law or held by a qualified organization, primarily for

wildlife refuge, sanctuary, recreational or natural resource conservation purposes. The only federal spending prohibition within OPAs is

federal flood insurance.

Out-As-Shown Determination : An alternative outcome of the FEMA letter of Map Amendment (LOMA) review process stating that a

specific property is located outside the Special Flood Hazard Area (SFHA) as indicated on the Flood Hazard Boundary Map

(FHBM) or Flood Insurance Rate Map (FIRM).

Participating Community : A community for which FEMA has authorized the sale of flood insurance under the NFIP.

Ponding Hazard : A flood hazard that occurs in flat areas when there are depressions in the ground that collect "ponds" of water. The

ponding hazard is represented by the zone designation AH on the Flood Insurance Rate Map (FIRM).

Post-FIRM Building : A building for which construction or substantial improvement occurred after December 31, 1974 or on or after

the effective date of an initial Flood Insurance Rate Map (FIRM), whichever is later.

Pre-FIRM Building : A building for which construction or substantial improvement occurred on or before December 31, 1974 or before

the effective date of an initial Flood Insurance Rate Map (FIRM).

Preferred Risk Policy (PRP) : A lower-cost Standard Flood Insurance Policy (SFIP) written under the Dwelling Form or General

Property Form. It offers fixed combinations of building/contents coverage limits or contents-only coverage. The PRP is available for

property located in B, C and X Zones in Regular Program communities that meets eligibility requirements based on the property's flood

loss history. It is also available for buildings that are eligible under the PRP Eligibility Extension.

Probation : A FEMA-imposed change in a community's status resulting from violations and deficiencies in the administration and

enforcement of NFIP local floodplain management regulations.

Probation Surcharge (Premium) : A flat charge that the policyholder must pay on each new or renewal policy issued covering property

in a community that the NFIP has placed on probation under the provisions of 44 CFR 59.24.

Provisional Rating : A method for placing flood coverage prior to the receipt of a FEMA Elevation Certificate.

Regular Program : The final phase of a community's participation in the NFIP. In this phase, a Flood Insurance Rate Map (FIRM) is in

effect and full limits of coverage are available under the Act.

Regular Program Community : A community wherein a Flood Insurance Rate Map (FIRM) is in effect and full limits of coverage are

available under the Act.

Repetitive Loss Structure : An NFIP-insured structure that has had at least 2 paid flood losses of more than \$1,000 each in any 10-year

period since 1978.

Reserve Fund Assessment : An amount dedicated to the NFIP Reserve Fund as authorized by the Biggert-Waters Flood Insurance

Reform Act of 2012 (BW12).

Section 1316 : Section of the National Flood Insurance Act of 1968, as amended, which states that no new flood insurance coverage shall

be provided for any property that FEMA finds has been declared by a duly constituted state or local zoning authority or other authorized

public body to be in violation of state or local laws, regulations or ordinances that are intended to discourage or otherwise restrict land

development or occupancy in flood-prone areas.

Special Flood Hazard Area (SFHA) : An area having special flood, mudflow or flood-related erosion hazards and shown on a Flood

Hazard Boundary Map (FHBM) or a Flood Insurance Rate Map (FIRM) Zone A, AO, A1-A30, AE, A99, AH, AR, AR/A, AR/AE,

AR/AH, AR/AO, AR/A1-A30, V1-V30, VE or V. For the purpose of determining Community Rating System (CRS) premium

discounts, all AR and A99 zones are treated as non-SFHAs.

Standard Flood Insurance Policy (SFIP) :

Dwelling Form : The policy form used to insure a building designed for use as a residence for no more than 4 families or a single-family unit in a residential building under a condominium form of ownership. This form is also used to insure residential contents in any building. The owner of a residential building with 5 or more units can use this form to insure contents only in his or her own residential unit.

General Property Form : The policy form used to insure a non-residential building or a 5-or-more-unit residential building not eligible for the Residential Condominium Building Association Policy (RCBAP). This form is also used to insure non-residential contents in any building or a building owner's residential contents located in multiple units within a building with 5 or more units.

Residential Condominium Building Association Policy (RCBAP) : The policy form used to insure a building, owned and administered as a condominium, containing 1 or more units and in which at least 75% of the floor area is residential. The building must be located in a Regular Program community.

Suspension : FEMA's removal of an NFIP participating community from the program because the community has not enacted and/or

enforced the proper floodplain management regulations required for participation.

Tentative Rates : NFIP rates used to issue policies for applications that fail to provide the NFIP with valid actuarial rating information.

Write Your Own (WYO) Program : A cooperative undertaking of the insurance industry and FEMA begun in October 1983. The Write

Your Own (WYO) Program operates within the context of the NFIP and involves private insurance carriers who issue and service NFIP policies.

Zone: A geographical area shown on a Flood Hazard Boundary Map (FHBM) or a Flood Insurance Rate Map (FIRM) that reflects the

severity or type of flooding in the area.