Welcome to
The NFIP’s Basic Agent Tutorial:
Key Fundamentals of Flood Insurance
Focused on flood insurance basics for insurance professionals
(Part 1)

Section 1
INTRODUCTION AND GENERAL RULES
Here's our AGENDA

- Section 1 – Introduction and General Rules
- Section 2 - Policy Rating, Elevations, Premiums and More
- Section 3- Coverage, limitations and Exclusions in the SFIP
- Section 4- Loss Settlement Provisions
- Section 5- Flood Insurance Resources

This course is divided into two sessions
Each session is approximately 2 hours

NFIP Flood Insurance Manual

Access the NFIP Flood Insurance Manual:

- Online at the Flood Insurance Library:
Things Agents Need to Know

1. Every building is in a flood zone.
2. Flood insurance can be purchased in any flood zone—not just high-risk flood zones.
3. Building and contents coverage limits are usually purchased separately.
4. A federal disaster declaration is not required for a policyholder to file a flood insurance claim.
5. The Standard Flood Insurance Policy (SFIP) is not a guaranteed replacement cost policy.
6. The SFIP provides limited coverage for basements.
7. The SFIP excludes time-element exposures.

What is a flood?

NFIP definition of “flood”
What is a flood?

NFIP definition of “flood”

• A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (one of which is your property) from:
  a. Overflow of inland or tidal waters,
  b. Unusual and rapid accumulation or runoff of surface waters from any source,
  c. Mudflow.

What is a flood?

Mudflow

• A river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water

• Not Mudflows:
  • Landslide
  • Slope failure
  • Saturated soil mass

Source: www.floodsmart.gov
Flood Related Erosion

- Collapse or subsidence of land along the shore of a lake or similar body of water
- Caused by waves or currents of water exceeding cyclical levels
- Results in flooding

What is a flood?

- All Property Owners
- All Zones

Who has flood risk?
SFHAs and Non-SFHAs

Special Flood Hazard Areas (SFHAs)
- High Risk Zones
- AE (replaces A1-A30)
- A, AH, AO, A99, AR
- VE (replaces V1-V30), V, VO

Non-Special Flood Hazard Areas (non-SFHAs)
- Low to Moderate Risk Zones
- B, C, X
- D (undetermined)

100-year floodplain = 1% annual chance flood
Over 30-year mortgage likelihood grows from 1% to at least 26%

Flood Insurance Rate Map (FIRM)

SFHAs appear as dark shading on a Flood Insurance Rate Map (FIRM).
Digital Flood Insurance Rate Map (DFIRM)

Locating flood maps: [https://msc.fema.gov/](https://msc.fema.gov/)

FEMA Flood Map Service Center: Welcome!

Looking for a Flood Map?

Enter an address, a place, or longitude/latitude coordinates:

Looking for more than just a current flood map?

Visit [Search All Products](https://msc.fema.gov/) to access the full range of flood risk products for your community.

About Flood Map Service Center

The FEMA Flood Map Service Center (MSC) is the official, public source for flood hazard information produced in support of the National Flood Insurance Program (NFIP). Use the MSC to find your official flood map, access a range of other flood hazard products, and take advantage of tools for better understanding flood risk.
How does the NFIP Work?

Who can buy NFIP flood insurance?

- Community Participation
- All Zones
FEMA agrees to make flood insurance available

COMMUNITY agrees to adopt and enforce floodplain management regulations

Community Status Book Report

Buildings may be ineligible for coverage in participating communities, if constructed on or after identification date.

Coastal Barrier Resources System

Ability to write NFIP policies may be restricted in some:

- Coastal Barrier Resources System (CBRS) units
- Otherwise Protected Areas (OPA)
- Coastal Barrier Resources Act and Coastal Barrier Improvement Act enacted:
  - October 18, 1982
  - November 16, 1990

How is NFIP flood insurance purchased?

- Write Your Own Company
- NFIP Direct Servicing Agent
- Licensed Property and Casualty Agent
Who MUST buy flood insurance?

A or V Zones

Who MUST buy flood insurance?

Used as security for a loan
Who MUST buy flood insurance?

Designated Loan

What is a designated loan?

A loan secured by a building or mobile home that is located or to be located in a “Special Flood Hazard Area” in which flood insurance is available under the Act.

Please note: Emphasis on a “building or mobile home” as collateral.
Who SHOULD buy flood insurance?

Flood Insurance vs. Disaster Assistance

Who SHOULD buy flood insurance?

Flood Insurance vs. Disaster Assistance

Flood Insurance

A policyholder is in control. Flood insurance claims are paid even if a disaster is not declared by the President.

There is no payback requirement.

Flood insurance policies are continuous, and are not non-renewed or canceled for repeat losses.

More than 20% of NFIP claims come from outside of mapped Special Flood Hazard Areas.

Disaster Assistance

Most forms of federal disaster assistance require a presidential declaration.

The most common form of federal disaster assistance is a loan, which must be paid back with interest.

The duration of a Small Business Administration disaster home loan could extend to 30 years.
How much NFIP flood insurance can be purchased?

NFIP maximums vary by building type and program limits

How much flood insurance coverage is available?

<table>
<thead>
<tr>
<th>Building</th>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Program</td>
<td>Regular Program</td>
</tr>
<tr>
<td>Residential (1-4 family)</td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>$35,000</td>
</tr>
<tr>
<td>Contents</td>
<td>$10,000</td>
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<tr>
<td>Other Residential</td>
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<td>Building</td>
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<tr>
<td>Contents</td>
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<td>Non-Residential Business/Other Non-Residential</td>
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<tr>
<td>Building</td>
<td>$100,000</td>
</tr>
<tr>
<td>Contents</td>
<td>$100,000</td>
</tr>
</tbody>
</table>
When does an NFIP policy become effective?

- 30-day waiting period
- Exceptions

- There is a 30-day waiting period before new or modified flood insurance policies go into effect.
- Exceptions are provided for:
  - Insurance in connection with a loan transaction. (MIRE)
  - Insurance purchased within 13 months of a map revision (1-day wait).
  - Wildfire exception
KEY NFIP TERMS, TOOLS, AND RULES
To use and to live by...

Defining Pre-FIRM and Post-FIRM

Pre-FIRM
Built before initial FIRM or On or before 12/31/1974

Post-FIRM
On or After the initial FIRM or After 12/31/1974 . . . whichever is LATER
Full-Risk Rates vs. Subsidized Rates

- Full Risk Rates:
  - Represent the building’s true flood risk.
  - Premium reflects the risk assumed by the program and all administrative expenses.
  - Takes into account the full range of possible flood losses.

- Subsidized Rates:
  - Do not represent the building’s true flood risk.
  - Determined with limited underwriting information.
  - Discounted rates that have traditionally been available for Pre-FIRM buildings in A or V zones.

Regular vs. Emergency Program

- Regular Program:
  - Initial participation phase
  - Limited amount of coverage
  - Flood Hazard Boundary Map (FHBM)

- Emergency Program:
  - Final phase of participation
  - Full limits of coverage
  - Flood Insurance Rate Map (FIRM)
Base Flood Elevations (BFEs)

BFE = 1% Chance Flood

Preferred Risk Policy

Lower Cost
B,C,X, A99, AR Zones
General Property Form
Dwelling Form
Preferred Risk Policy
Miscellaneous NFIP Rules

NFIP Policy Term
- 1 year annual term
- All policies
  - NFIP Direct
  - Write-Your-Own

Evidence of Insurance
- Flood insurance application & premium payment
- Copy of declarations page
- No binders

Community Participation
- Probation
- Suspension

Rules

Key Takeaways
- Special Flood Hazard Areas are represented on flood maps as zones A or V.
- NFIP flood insurance can be purchased in communities participating in the NFIP regardless of the flood zone.
- Licensed property & casualty insurance agents write NFIP policies through either private sector Write-Your-Own carriers or the NFIP Direct Servicing Agent.
- NFIP policies are rated using either subsidized or full-risk rates.
Together We Can Help Property Owners Recover from Flooding

FEMA recognizes the need to increase flood insurance coverage across the nation. At a national scale, estimates lead us to believe as little as one-third of the residential properties in the Special Flood Hazard Areas have National Flood Insurance Program policies.

“Yet flooding can happen anywhere. Floods are not wholly contained within the SFHA. Over the past ten years, approximately 20 percent of all NFIP claims came from low to moderate-risk policyholders.

“Flood insurance facilitates the ability of a property owner or renter to recover after a flood, whether the insurance is provided by the NFIP or private insurers. FEMA recognizes that there is a growing interest by private insurers to offer flood insurance protection. FEMA supports this because an insured survivor – regardless of where they purchase their coverage – will recover more quickly and more fully.

“FEMA is looking for ways to increase the flood insurance coverage nationally, and more specifically, double the insurance coverage over the next 5 to 7 years. You, as the agent, are the front lines in this, and we ask that you continue to explore ways to support this goal.”

Why is it Important to Grow Your Flood Business?

- It can and does flood anywhere and everywhere in the United States.

- By some estimates only one-third of residential property owners in Special Flood Hazard Areas have NFIP policies.

- Over the past decade, approximately 20% of all NFIP claims came from low to moderate-risk areas.

- Flood insurance facilitates the ability of a property owner or renter to recover after a flood, whether the insurance is provided by the NFIP or private insurers.
6 Simple Steps
To Grow Your Flood Business

Quote flood insurance every time you quote new business for any property coverage

Utilize the Preferred Risk Policy – low-to-moderate risk areas

Offer flood insurance at each renewal

Target Special Flood Hazard Areas in your marketing territory – consult on mandatory purchase

Establish agency growth goals for flood

Solicit commercial opportunities to write flood - help small business owners recover

Achieve your goals

Q - Quote flood insurance every time
U - Utilize the Preferred Risk Policy
O - Offer flood insurance at renewal
T - Target SFHAs in your territory
E - Establish agency growth goals for flood
S - Solicit more commercial opportunities
Section 2

POLICY RATING, ELEVATIONS, PREMIUMS AND MORE…

Case Study Facts

Your client has just purchased a home in Lisle, Illinois, a suburb of Chicago, and he approaches you to buy a flood insurance policy that is required by his lending institution since the house is in flood zone AE.

About the home

It is a single-family dwelling with a detached garage that will be his primary residence. The house was built in 1995. It is a two-story house and it does not have a basement.

Information to gather

What do you need to know in order to provide your client a quote? Let’s take a look at the information you would need to gather; how you use and interpret it; and we’ll go step-by-step to develop your client’s quote.

How much flood insurance to buy

Since the house and its garage have a replacement cost value well above the NFIP’s $250,000 single family maximum building limit, the new homeowner wants to buy the maximum amount of coverage on the building along with $100,000 worth of coverage for his personal property.
Rating Elements

- Single family dwelling with detached garage
- Two-story home with no basement
- Built in 1995 in Lisle, IL
- Flood Zone – AE
- $250,000 – Building Coverage
- $100,000 – Personal Property Coverage
- Minimum deductibles

Step 1

- Determine Pre-FIRM or Post-FIRM status
- Utilize Community Status Book
  
## The National Flood Insurance Program Community Status Book

This page lists National Flood Insurance Program (NFIP) community status reports by state, territory, or nation.

Please select the state, territory, or nation to see the report. These documents are now provided in Adobe PDF, comma separated values (CSV) text file, and HTML formats.

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<thead>
<tr>
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<th>PDF</th>
<th>CSV</th>
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Showing 11 to 20 of 98 entries

**FEMA**

**Navigation**

**Search**

**Languages**

**Road Insurance**

- How do I buy flood insurance?
- Flood Insurance Home
  - National Flood Insurance Program policy rules
    - Policy management
    - Accessory structures
    - Information for communities
    - Anchoring
    - Apartment structure
    - Basement
    - Beach home
    - Cistern
    - Elevation certificates
    - Floodplain management
    - Hazard mitigation
    - Non-flood
    - Coastal
    - Community insurance
    - Compensable storage

**Lisle, IL**

**Rating Case Study**
Community Status List

Federal Emergency Management Agency
Community Status Book Report
ILLINOIS
Communities Participating in the National Flood Program

<table>
<thead>
<tr>
<th>CID</th>
<th>Community Name</th>
<th>County</th>
<th>Init FHBM Identified</th>
<th>Init FIRM Identified</th>
<th>Curr Eff Map Date</th>
<th>Reg-Emer Date</th>
<th>Tribal</th>
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<td>08/01/15</td>
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<td>03/16/15(M)</td>
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<td>173444</td>
<td>LERNA, VILLAGE OF</td>
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<td>02/11/09</td>
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<td>179494</td>
<td>LEROY, CITY OF</td>
<td>MCLEAN COUNTY</td>
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<td>178762A</td>
<td>LEWISTOWN, CITY OF</td>
<td>FULTON COUNTY</td>
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<td>MCLEAN COUNTY</td>
<td>06/04/76</td>
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<td>171923</td>
<td>LILY LAKE, VILLAGE OF</td>
<td>KANE COUNTY</td>
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<tr>
<td>178428</td>
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<td>10/16/79</td>
<td>02/21/81</td>
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<td>173737B</td>
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<td>LAKE COUNTY</td>
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<td>07/16/80</td>
<td>09/18/13</td>
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<td>170101</td>
<td>LINCOLNSHIRE, VILLAGE OF</td>
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<td>08/19/08</td>
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<td>173370</td>
<td>LINCOLNHURST, VILLAGE OF</td>
<td>LAKE COUNTY</td>
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<td>01/02/80</td>
<td>01/02/80</td>
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<tr>
<td>1733428</td>
<td>LISCO, VILLAGE OF</td>
<td>KENDALL COUNTY</td>
<td>11/01/74</td>
<td>06/01/82</td>
<td>02/08/96</td>
<td>06/11/92</td>
<td>No</td>
</tr>
<tr>
<td>1722158</td>
<td>Lisle, VILLAGE OF</td>
<td>DUPAGE COUNTY</td>
<td>03/15/74</td>
<td>09/17/80</td>
<td>08/02/10</td>
<td>09/17/80</td>
<td>No</td>
</tr>
</tbody>
</table>

Step 1
✓ Determine Pre-FIRM or Post-FIRM status
✓ Utilize Community Status Book
✓ Initial FIRM Date: 9/17/1980
✓ Year Built: 1995
✓ Post-FIRM Building
Step 2

- Locate a FEMA Elevation Certificate
- Blank Elevation Certificate Form

Lisle, IL
Rating Case Study

What is meant by elevation?

- Lowest Floor Elevation
- Elevation Difference
• Elevation difference refers to the height of a structure relative to BFE

• A structure above BFE is less likely to experience flood damage

• Less risk = lower premiums

What is a Base Flood Elevation?

• Anticipated floodwater rise

• Regulatory requirement for elevation or floodproofing
What is a Base Flood Elevation?

- Base flood is a flood that has a 1% chance of being equaled or exceeded.
- BFE is the expected height of that 1% chance of flood

Lowest Floor Elevation
Why are Elevation Certificates used?

- An EC includes important information for determining a risk-based premium
- EC shows:
  - Location of the building
  - Lowest floor elevation
  - Building characteristics
  - Flood zones
  - Base flood elevation
- See building diagrams in the NFIP Flood Insurance Manual or the EC instructions

How are Elevation Certificates used?

- An Elevation Certificate:
  - Certifies building elevation
  - Documents community compliance
  - Determines policy rates
  - Supports map revisions and amendments
Who Completes an Elevation Certificate?

- A surveyor, engineer, or architect must certify the building elevation
- Insurance agents use this information for rating

Where to find an Elevation Certificate?

- Where to locate an Elevation Certificate for a building:
  - Ask the local floodplain manager
  - Ask the sellers
  - Ask developer/builder
  - Check the property deed
  - Hire a licensed land surveyor, professional engineer or certified architect
FEMA Elevation Certificates

Use of Elevation Certificates

- **Pre-FIRM Construction (SFHAs)**
  - Not Required: Pre-FIRM subsidized rating
  - Required: Full-risk rating approach

- **Non-SFHA zones (B, C, D, and X)**
  - Elevation certificates not required

- **Post-FIRM Construction (SFHAs)**
  - Elevation certificates are required

FEMA Elevation Certificate

EC Sections – A thru F
### FEMA Elevation Certificate

**EC Sections**

<table>
<thead>
<tr>
<th>Section A</th>
<th>Section B</th>
<th>Section C</th>
<th>Section D</th>
<th>Sections E,F</th>
</tr>
</thead>
</table>

### Section A – Property Information

<table>
<thead>
<tr>
<th>A1. Building Owner’s Name</th>
<th>Policy Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>A2. Building Address (including Apt., Unit, Suite, and/or Bidg. No.) or P.O. Route and Box No.</td>
<td>Company NAIC Number:</td>
</tr>
<tr>
<td>City</td>
<td>State</td>
</tr>
<tr>
<td>ZIP Code</td>
<td></td>
</tr>
</tbody>
</table>

### Property Description (Lot and Block Numbers, Tax Parcel Number, Legal Description, etc.)

<table>
<thead>
<tr>
<th>A4. Building Use (e.g., Residential, Non-Residential, Addition, Accessory, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A5. Latitude/Longitude: Long</td>
</tr>
<tr>
<td>Horizontal Datum: NAD 1927</td>
</tr>
</tbody>
</table>

### Attach at least 2 photographs of the building if the Certificate is being used to obtain flood insurance.

<table>
<thead>
<tr>
<th>A6. Building Diagram Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>A7. Building Diagram Number</td>
</tr>
</tbody>
</table>

For a building with a crawl space or enclosure(s):

<table>
<thead>
<tr>
<th>a. Square footage of crawl space or enclosure(s)</th>
<th>sq ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Number of permanent flood openings in the crawl space or enclosure(s) within 1.0 foot above adjacent grade</td>
<td></td>
</tr>
<tr>
<td>c. Total net area of flood openings in A7b</td>
<td>sq in</td>
</tr>
<tr>
<td>d. Engineered flood openings? Yes No</td>
<td></td>
</tr>
</tbody>
</table>

For a building with an attached garage:

<table>
<thead>
<tr>
<th>a. Square footage of attached garage</th>
<th>sq ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Number of permanent flood openings in the attached garage within 1.0 foot above adjacent grade</td>
<td></td>
</tr>
<tr>
<td>c. Total net area of flood openings in A9b</td>
<td>sq in</td>
</tr>
<tr>
<td>d. Engineered flood openings? Yes No</td>
<td></td>
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**74**

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**75**
### FEMA Elevation Certificate

#### EC Sections

#### Section B

<table>
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</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

---

### FEMA Elevation Certificate

#### EC Sections

#### Section C

#### Section C – Building Elevation Information (Survey Required)

<table>
<thead>
<tr>
<th>C1. Building elevations are based on:</th>
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<tbody>
<tr>
<td>[ ] Construction Drawings*</td>
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<tr>
<td>[ ] Building Under Construction*</td>
</tr>
<tr>
<td>[ ] Finished Construction</td>
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</table>

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


Complete Items C2.a–h below according to the building diagram specified in Item A7. In Puerto Rico only, enter meters.

**Benchmark Used:**

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<th>Vertical Datum:</th>
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<tbody>
<tr>
<td></td>
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</tbody>
</table>

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

## EC Sections

### Section D - Surveyor, Engineer, or Architect Certification

This certification is to be signed and sealed by a land surveyor, engineer, or architect authorized by law to certify elevation information. I certify that the information on this Certificate represents my best efforts to interpret the data available. I understand that any false statement may be punishable by fine or imprisonment under 18 U.S. Code, Section 1001.

Were latitude and longitude in Section A provided by a licensed land surveyor? [ ] Yes [ ] No

Check here if attachments.

<table>
<thead>
<tr>
<th>Certifier's Name</th>
<th>License Number</th>
</tr>
</thead>
<tbody>
<tr>
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<table>
<thead>
<tr>
<th>Title</th>
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<table>
<thead>
<tr>
<th>Company Name</th>
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<table>
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<tr>
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</table>

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>ZIP Code</th>
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Place Seal Here

Signature Date Telephone

---

### Section E - Building Elevation Information (Survey Not Required)

For Zones AO and A (without SCF), 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).

a. Top of bottom floor (including basement, crawlspace, or enclosure) is [ ] feet [ ] meters [ ] above or [ ] below the HAG.

b. Top of bottom floor (including basement, crawlspace, or enclosure) is [ ] feet [ ] meters [ ] above or [ ] below the LAG.

**E2.** For Building Diagrams 6-9 with permanent flood openings provided in Section A Items 6 and/or 9 (see pages 1-2 of instructions), the next higher floor (elevation C2) in the diagram(s) of the building is [ ] feet [ ] meters [ ] above or [ ] below the HAG.

**E3.** Attached garage (top of side) is [ ] feet [ ] meters [ ] above or [ ] below the HAG.

**E4.** Top of platform of machinery and/or equipment serving the building is [ ] feet [ ] meters [ ] above or [ ] below the HAG.

**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.

### Section F - Property Owner (or Owner's Representative) Certification

The property owner or owner’s authorized representative who completes Sections A, B, and E for Zone A (without a FEMA-issued or community-issued BFE) or Zone AO must sign here. The statements in Sections A, B, and E are correct to the best of my knowledge.

<table>
<thead>
<tr>
<th>Property Owner or Owner's Authorized Representative's Name</th>
<th></th>
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<tbody>
<tr>
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</table>

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>ZIP Code</th>
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</table>

Signature Date Telephone

---
FEMA Elevation Certificate

Building Diagrams
Elevation Certificates: Who Needs Them and Why

Click here for on-line version

- How an EC is used
- Who needs an EC
- Where to get an EC
- When you need an EC
- When you do not need an EC
- Useful terms
- Resources
Step 3

✓ Utilize FEMA Elevation Certificate
✓ Determine Elevation Difference

FEMA Elevation Certificate
EC Sections

<table>
<thead>
<tr>
<th>B1. NFIP Community Name &amp; Community Number</th>
<th>B2. County Name</th>
<th>B3. State</th>
<th>DuPage County</th>
<th>IL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lisle - 170211</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B4. Map/Panel Number | B6. FIRM Index Date | B7. FIRM Panel Effective Revised Date | B8. Flood Zone(s) | B9. Base Flood Elevation(s) (Zone AO, use Base Flood Depth) |
<table>
<thead>
<tr>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>668.7</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

Single family dwelling | 2-story home - no basement | Built in 1995 in Lisle, IL
Post-FIRM construction | Flood Zone – AE | Diagram 1A – slab on grade
Single family dwelling | 2-story home | no basement | Built in 1995 in Lisle, IL
Post-FIRM construction | Flood Zone – AE | Diagram 1A – slab on grade

Step 3

✓ Utilize FEMA Elevation Certificate
✓ Determine Elevation Difference
✓  Lisle, IL Case Study
✓  Elevation Difference: +1
✓  Lowest Floor Elevation: 669.8
✓  Base Flood Elevation: 668.7
✓  Elevation Difference: +1.1
✓  Rounds down: +1.0
Step 4

- Determine Rating Approach
- Subsidized rating vs. Full-risk rates

Reform Legislation Impact

- Individual premium increases
- Includes Reserve Fund Assessment
- Does not include:
  - HFIAA surcharge
  - Federal Policy Fee

Limits increases to 18%

25% Annual Increases

- Subsidized rates for:
  - Non-primary residences
  - Business properties
  - Severe repetitive loss
  - Substantially Damaged Substantially Improved
Impact of Biggert-Waters Reform Act

How are premiums changing?

As of January 1, 2013

- Non-primary residences*
- Subsidized rates increase 25% per year upon renewal
- Until they reach full risk-rate

* A non-primary residence is a single family building, 2-4 family building, condominium unit, apartment unit, or unit within a cooperative building that will not be lived in by the insured or the insured’s spouse for more than 50% of the 365 days following the current policy effective date. An insured or an insured’s spouse can have more than one primary residence provided they submit the required supporting documentation for each residence. (See Flood Manual for complete details)

Impact of Biggert-Waters Reform Act

How are premiums changing?

Effective April 1, 2016

- Subsidized rates increase for:
  - Business properties (non-residential)*
- Subsidized rates increase 25% per year upon renewal
- Until they reach full risk-rate

*A non-residential business is a building in which the named insured is a commercial enterprise primarily carried out to generate income and the coverage is for:
- A building designed as a non-habitation building
- A mixed use building in which the total floor area devoted to residential uses is:
  - 50% or less for single family
  - 75% or less for all other residential properties
- A building designed for use as office or retail space, wholesale space, hospitality space or for similar uses
**Subsidized Rates**

<table>
<thead>
<tr>
<th>Pre-FIRM</th>
<th>Post-FIRM</th>
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</thead>
<tbody>
<tr>
<td>$5,148/yr</td>
<td>$632/yr</td>
</tr>
<tr>
<td>$5,148/yr</td>
<td>$2,306/yr</td>
</tr>
<tr>
<td>$5,148/yr</td>
<td>$7,329/yr</td>
</tr>
</tbody>
</table>

*AE Zone (04/01/19 rates) Bldg: $250,000 Contents: $100,000; Primary Residence, Single-story with no basement, crawlspace or enclosure rates; Zone AE; $2K deductible Bldg./Contents

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**Lisle, IL Rating Case Study**

- Single family dwelling with detached garage
- 2-story home - no basement
- Built in 1995 in Lisle
- Post-FIRM construction
- Flood Zone – AE
- +1 Elevation Difference
- $250,000 – Building
- $100,000 – Personal Property
- Minimum deductibles

“Let me get back to you with a quote!”
Key Takeaways

- Pre and Post-FIRM determinations can be made using the NFIP Community Status Book.
- Elevation difference is defined as the difference between a building’s lowest floor and the Base Flood Elevation.
- FEMA Elevation Certificates are required when using full-risk rates on buildings in Special Flood Hazard Areas.

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  sstana@h2opartnersusa.com
- Rich Waalkes  
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- Aaron Montanez/Will Lucas  
  producer@h2opartnersusa.com
Thank you for attending!