

Glossary of Terms - Insurance

Agency	Term	Definition
All Agencies	Accessory Structures	As it pertains to flood insurance, Accessory structures are also referred to as appurtenant structures. An accessory structure is a structure which is on the same parcel of property as a principal structure and the use of which is incidental to the use of the principal structure. For example a residential structure may have a detached garage or storage shed for garden tools as accessory structures. Other examples of accessory structures include gazebos, picnic pavilions, boathouses, small pole barns, storage sheds, and similar buildings. National Flood Insurance Program (NFIP) regulations for new construction generally apply to new and substantially improved accessory structures.
All Agencies	Agricultural Structure	<p>A structure used solely for agricultural purposes in which the use is exclusively in connection with the production, harvesting, storage, drying, or raising of agricultural commodities, including the raising of livestock. Communities must require that new construction or substantial improvements of agricultural structures be elevated or flood proofed to or above the Base Flood Elevation (BFE) as any other nonresidential building.</p> <p>Under some circumstances it may be appropriate to wet-flood proof certain types of agricultural structures when located in wide, expansive floodplain through issuance of a variance. This should only be done for structures used for temporary storage of equipment or crops or temporary shelter for live stock and only in circumstances where it can be demonstrated that agricultural structures can be designed in such a manner that results in minimal damage to the structure and its contents and will create no additional threats to public safety.</p>
All Agencies	All-Risk Insurance	An insurance policy that provides coverage for every conceivable risk except those specifically excluded by the policy itself, as opposed to a “named-perils” policy that covers only those risks specifically set forth in the policy.
All Agencies	A.M. Best Company	A company that establishes financial-strength ratings for insurance carriers by evaluating their balance sheet strength, operating performance, and business profile.
All Agencies	American Land Title Association (ALTA)	A national association of title insurance companies, abstractors, and title agents. The association speaks for the abstract and title insurance industry and establishes standard procedures and title policy forms.

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All Agencies	Assessments	Delinquent HOA Assessments, if applicable, will be reflected on Schedule B of the title policy/commitment. If there is an amount due, these would normally be paid by the seller on a purchase transaction, and the borrower on a refinance.
All Agencies	Base Flood	The flood having a one percent chance of being equaled or exceeded in any given year. This is the regulatory standard also referred to as the "100-year flood." The base flood is the national standard used by the National Flood Insurance Program (NFIP) and all Federal agencies for the purposes of requiring the purchase of flood insurance and regulating new development. Base Flood Elevations (BFEs) are typically shown on Flood Insurance Rate Maps (FIRMs).
All Agencies	Base Flood Elevation	The computed elevation to which floodwater is anticipated to rise during the base flood. Base Flood Elevations (BFEs) are shown on Flood Insurance Rate Maps (FIRMs) and on the flood profiles. The BFE is the regulatory requirement for the elevation or flood proofing of structures. The relationship between the BFE and a structure's elevation determines the flood insurance premium.
All Agencies	Basement	Any area of the building having its floor subgrade (below ground level) on all sides. The lowest floor of a residential building including basement must be above the Base Flood Elevation (BFE). Basements below the BFE are only allowed in communities that have obtained a basement exception from FEMA. Flood proofed non-residential basements are allowed.
All Agencies	Best's Insurance Reports	A publication issued by the A.M. Best Company, which establishes ratings for property insurance carriers by evaluating their assets and liabilities.
All Agencies	Blanket Insurance Policy	A mortgage that is secured by a co-op project, as opposed to the share loans on individual units within the project.
All Agencies	Blanket Mortgage	A mortgage that is secured by a co-op project, as opposed to the share loans on individual units within the project.
All Agencies	Builder's Risk Insurance	A type of property insurance that is obtained for improvements that are being constructed, which protects against losses during the construction period that are the result of theft, vandalism, and acts of nature (including fire, flood, and wind damage). (This type of insurance was previously referred to as construction site insurance.)

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All Agencies	Closing Protection Letter	<ul style="list-style-type: none"> • A closing protection letter is essentially an agreement from a title insurance company to a lender that indemnifies the lender against any issues arising from a closing agent's errors, fraud or negligence. • CPLs cover escrow activities and services performed by a settlement agent or attorney. These agents and attorneys are typically contracted with the title insurance company, but are not employees of the company. When issuing a CPL, a title insurer is indemnifying the lender against losses resulting from the contracted agent or attorney's fraudulent actions and/or failure to comply with lender's closing instructions. CPLs do not cover the use of documents that do not comply with federal or state laws or regulations.
All Agencies	Cloud on Title	Any outstanding claim or encumbrance that, if valid, would affect or impair the title search. It can be removed by a quitclaim deed, release, or court action.

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All Agencies	Coastal Barrier Resources System	<ul style="list-style-type: none"> The Coastal Barrier Resources Act (COBRA) of 1982 and later amendments, removed the Federal government from financial involvement associated with building and development in undeveloped portions of designated coastal barriers (including the Great Lakes). These areas were mapped and designated as Coastal Barrier Resources System units or "otherwise" protected areas. They are colloquially called COBRA zones. COBRA banned the sale of NFIP flood insurance for structures built or substantially improved on or after a specified date. For the initial COBRA designation, this date is October 1, 1983. For all subsequent designations, this date is the date the COBRA zone was identified. COBRA zones and their identification dates are shown on Flood Insurance Rate Maps (FIRMs). Communities may permit development in these areas even though no Federal assistance is available, provided that the development meets NFIP requirements. There are currently 23 Coastal Barrier Resource System Areas: <table border="1" data-bbox="687 943 1412 1458"> <tbody> <tr> <td>Alabama</td> <td>Louisiana</td> <td>Minnesota</td> <td>Ohio</td> <td>Virgin Islands</td> </tr> <tr> <td>Connecticut</td> <td>Maine</td> <td>Mississippi</td> <td>Puerto Rico</td> <td>Virginia</td> </tr> <tr> <td>Delaware</td> <td>Maryland</td> <td>New Jersey</td> <td>Rhode Island</td> <td>Wisconsin</td> </tr> <tr> <td>Florida</td> <td>Massachusetts</td> <td>New York</td> <td>South Carolina</td> <td></td> </tr> <tr> <td>Georgia</td> <td>Michigan</td> <td>North Carolina</td> <td>Texas</td> <td></td> </tr> </tbody> </table>	Alabama	Louisiana	Minnesota	Ohio	Virgin Islands	Connecticut	Maine	Mississippi	Puerto Rico	Virginia	Delaware	Maryland	New Jersey	Rhode Island	Wisconsin	Florida	Massachusetts	New York	South Carolina		Georgia	Michigan	North Carolina	Texas	
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All Agencies	Coastal High Hazard Area	An area of special flood hazard extending from offshore to the inland limit of a primary frontal dune along an open coast and any other area subject to high velocity wave action from storms or seismic sources. The coastal high hazard area is identified as Zone V on Flood Insurance Rate Maps (FIRMs). Special floodplain management requirements apply in V Zones including the requirement that all buildings be elevated on piles or columns.																									
All Agencies	Co-Insurance Clause	A provision in a property insurance policy that states the minimum amount of coverage that must be maintained - as a percentage of the total value of the insurable property, in order for claims for insurance losses to be paid based on replacement costs up to the total coverage amount of the insurance policy.																									

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All Agencies	Community	<p>Community means any State, or area or political subdivision thereof, or any Indian tribe or authorized tribal organization or Alaska Native village or authorized native organization, which has authority to adopt and enforce floodplain management regulations for the areas within its jurisdiction.</p>
All Agencies	Community Compliance Program	<p>The National Flood Insurance Act of 1968 prohibits the Federal Emergency Management Agency (FEMA) from providing flood insurance in a community unless that community adopts and enforces floodplain management regulations that meet minimum National Flood Insurance Program (NFIP) criteria. When administrative problems or potential violations are identified in a community, FEMA is committed to working with that community and providing technical assistance to help them bring their floodplain management programs into compliance with NFIP requirements. In those cases where the community does not take action to become compliant, FEMA implements its Community Compliance Program . The Community Compliance Program builds on the basic probation and suspension procedures in Section 59.24 (b) and (c) and provides an orderly sequence of enforcement options of varying severity. If all attempts at obtaining community compliance are to no avail, communities will become subject to suspension from the NFIP. The availability of two separate sets of enforcement options -- one for communities and one for individuals and structures -- helps FEMA ensure that NFIP enforcement actions are targeted to the responsible party.</p>
All Agencies	Community Rating System	<p>The Community Rating System (CRS) recognizes and encourages community floodplain management activities that exceed the minimum NFIP standards. Depending upon the level of participation, flood insurance premium rates for policyholders can be reduced up to 45%. Besides the benefit of reduced insurance rates, CRS floodplain management activities enhance public safety, reduce damages to property and public infrastructure, avoid economic disruption and losses, reduce human suffering, and protect the environment. Technical assistance on designing and implementing some activities is available at no charge. Participating in the CRS provides an incentive to maintaining and improving a community's floodplain management program over the years. Implementing some CRS activities can help projects qualify for certain other Federal assistance programs.</p>

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All Agencies	Conditional Letter of Map Revision (CLOMR)	<ul style="list-style-type: none"> • Conditional Letter of Map Revision (CLOMR) is FEMA's comment on a proposed project that would, upon construction, affect the hydrologic or hydraulic characteristics of a flooding source and thus result in the modification of the existing regulatory floodway, the effective Base Flood Elevations (BFEs), or the Special Flood Hazard Area (SFHA). The letter does not revise an effective NFIP map, it indicates whether the project, if built as proposed, would be recognized by FEMA. FEMA charges a fee for processing a CLOMR to recover the costs associated with the review. Building permits cannot be issued based on a CLOMR, because a CLOMR does not change the NFIP map. • Once a project has been completed, the community must request a revision to the Flood Insurance Rate Map (FIRM) to reflect the project. "As-built" certification and other data must be submitted to support the revision request.
All Agencies	Crawlspace	<p>Crawlspace foundations are commonly used in some parts of the nation to elevate the lowest floors of residential buildings located in Special Flood Hazard Areas (SFHAs) above the Base Flood Elevation (BFE). Crawlspace should be constructed so that the floor of the crawlspace is at or above the lowest grade adjacent to the building. Crawlspace that have their floors below BFE must have openings to allow the equalization of flood forces.</p> <p>Recent FEMA guidance now allows crawlspaces to have their floors up to two feet below lowest adjacent grade under certain circumstances although this is discouraged. Below-grade crawlspace foundation walls are exposed to increased forces during flood conditions, such as hydrostatic and saturated soil forces. Guidance on the National Flood Insurance Program (NFIP) minimum requirements for crawlspace construction in the SFHA is given in FIA-TB-11.</p> <p>Buildings that have below-grade crawlspaces will have higher flood insurance premiums than buildings that have the interior elevation of the crawlspace at or above the lowest adjacent exterior grade.</p>
All Agencies	Credit Life Insurance	A type of insurance purchased by a borrower to pay off the mortgage debt if the borrower dies while the policy is in force.
All Agencies	Demotech, Inc.	A company that establishes ratings for property and casualty insurance carriers and title insurance companies by evaluating their assets and liabilities.

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All Agencies	Development	Any man-made change to improved or unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations or storage of equipment or materials. A community without a Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map (FHBM) must require a permit for all proposed construction or other development in the community, so that it can determine whether the construction or other development is proposed within a flood-prone area. Once a FIRM or FHBM has been issue for the community, it must require permits within the designated Special Flood Hazard Area (SFHA).
All Agencies	Duff & Phelps Credit Rating Company	A company that, among other things, establishes ratings for title insurance companies by evaluating their assets and liabilities.
All Agencies	Easement	A right created by grant, reservation, agreement, prescription, or necessary implication, which one has in the land of another. It is either for the benefit of land (appurtenant), such as the right to cross parcel A to get to B, or "in gross", such as public utility easement.
All Agencies	Elevation Certificate	A community's permit file must have an official record that shows new buildings and substantial improvements in all identified Special Flood Hazard Areas (SFHAs) are properly elevated. This elevation information is needed to show compliance with the floodplain management ordinance. FEMA encourages communities to use the Elevation Certificate developed by FEMA to fulfill this requirement since it also can be used by the property owner to obtain flood insurance. Communities participating in the Community Rating System (CRS) are required to use the FEMA Elevation Certificate .
All Agencies	Emergency Program	The Emergency Program is the initial phase of a community's participation in the National Flood Insurance Program (NFIP) if no flood hazard information is available or the community has a Flood Hazard Boundary Map (FHBM), but no Flood Insurance Rate Map (FIRM). A limited amount of flood insurance coverage at less than actuarial rates is available for all residents of the community. The community is required to adopt minimum floodplain management standards to control future use of its floodplains. Communities are converted to the Regular Program upon completion of a Flood Insurance Study and issuance of a FIRM or a determination that the community has no special flood areas (NSFHA). Under the Regular Program, more comprehensive floodplain management requirements are required of the community and higher amounts of flood insurance coverage are provided.

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All Agencies	Encroachment	Generally, construction onto the property of another, as of a wall, fence, building, etc.
All Agencies	Endorsement	A title endorsement is an addition or limitation of coverage that is attached to a title insurance policy. Endorsements provide coverage that tailors the policy to fit the needs of the insured for a specific transaction.
All Agencies	Errors and Omissions Coverage	A type of indirect loss insurance used to cover losses that occur because of an error or neglect on the part of an employee to whom a specific responsibility has been assigned.
All Agencies	Erosion	<p>The process of the gradual wearing away of land masses. Erosion can occur along coasts and rivers and streams. Although flood-related erosion is covered by flood insurance, this peril is not covered per se under the National Flood Insurance Program (NFIP). The mapping and regulatory standards of the NFIP do not currently address erosion, but Community Rating System (CRS) credit is given to communities that include this hazard in their regulations, planning, public information, hazard disclosure, and flood warning programs. Many States and communities have established setbacks and other requirements in areas subject to erosion.</p>
All Agencies	Executive Order 11988	<p>Issued in May 1977, this Executive Order directs Federal Agencies to:</p> <ol style="list-style-type: none"> 1. assert leadership in reducing flood losses and losses to environmental values served by floodplains; 2. avoid actions located in or adversely affecting floodplains unless there is no practicable alternative; 3. take action to mitigate losses if avoidance is not practicable; and 4. establishes a process for flood hazard evaluation based upon the 100-year base flood standard of the National Flood Insurance Program (NFIP). It also directed Federal agencies to issue implementing procedures; provided a consultation mechanism for developing the implementing procedures; and provided oversight mechanisms. <p>Under the Constitution, a Federal agency does not have to obtain local community permits to develop property within the community. However, all Federal agencies are responsible for implementing Executive Order 11988 through their own regulations. The Order states that, at a minimum, Federal agencies must comply with NFIP regulations.</p>

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All Agencies	Existing Construction	For the purposes of determining flood insurance rates, structures for which the "start of construction" commenced before the effective date of the Flood Insurance Rate Map (FIRM) or before January 1, 1975, for FIRMs effective before that date. "Existing construction" may also be referred to as "existing structures."
All Agencies	Fee Simple Ownership	A form of ownership under which the owner has absolute title to a piece of property.
All Agencies	Fidelity Bond	A type of bond that is obtained by an employer to protect against economic loss from dishonest acts of its employees.
All Agencies	Fidelity Insurance	A type of insurance that a condo or PUD homeowners' association or a co-op corporation obtains to protect itself against economic loss from dishonest acts of anyone who either handles (or is responsible for) funds that the association or corporation holds or administers, whether or not that individual receives compensation for services.
Conventional	Financed Mortgage Insurance Premium	A mortgage insurance premium for which the borrower is not required to make an advance payment from his or her own funds. Rather, the amount required to pay for a lump-sum premium is financed by including it as part of the original mortgage amount.
All Agencies	Fitch, Inc.	A credit rating agency that, among other things, assigns credit ratings to debt issuers and the debt instruments themselves, as well as to title insurance companies and custodial depositories by evaluating their assets and liabilities.

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All Agencies	Floodproofing	<p>Any combination of structural and non-structural additions, changes, or adjustments to structures which reduce or eliminate flood damage to real estate or improved real property, water and sanitary facilities, structures and their contents.</p> <p>The National Flood Insurance Program (NFIP) allows a new or substantially improved non-residential building in an A Zone (Zone A, AE, A1-30, AR, AO or AH) to have a lowest floor below the Base Flood Elevation (BFE), provided that the design and methods of construction have been certified by a registered professional engineer or architect as being dry floodproofed in accordance with established criteria.</p> <p>Floodproofing of areas below the BFE in residential buildings is not permitted under the NFIP exception communities that have been granted an exception to permit floodproofed basements. Floodproofing is not permitted in Coastal High Hazard Areas (Zone V, VE, or V1-30). It is recommended that floodproofing be implemented up to one foot above BFE for a factor of safety and to receive full credit for flood insurance rating.</p> <p>Limited enclosed areas below elevated within newly constructed and substantially improved residential and non-residential structures may be permitted provide that they are wet floodproofing. See Enclosure. Certain other categories of structures may be allowed to be wet floodproofed if a variance is issued and other requirements are met. See Agricultural Building and Accessory Building.</p>

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All Agencies	Floodproofing Certificate	<p>Documentation of certification by a registered professional engineer or architect that the design and methods of construction of a nonresidential building are in accordance with accepted practices for meeting the floodproofing requirements in the community's floodplain management ordinance. This documentation is required for both floodplain management requirements and insurance rating purposes.</p> <p>For insurance rating purposes, a building's floodproofed design elevation must be at least one foot above the Base Flood Elevation (BFE) to receive full rating credit for the floodproofing. If the building is floodproofed only to the BFE, the flood insurance rates will be considerably higher.</p> <p>Communities are encouraged to use the one-page FEMA floodproofing certification form because it fulfills National Flood Insurance Program (NFIP) insurance rating needs as well as floodplain management requirements.</p>
All Agencies	Floodway	<p>A "Regulatory Floodway " means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. Communities must regulate development in these floodways to ensure that there are no increases in upstream flood elevations. For streams and other watercourses where FEMA has provided Base Flood Elevations (BFEs), but no floodway has been designated, the community must review floodplain development on a case-by-case basis to ensure that increases in water surface elevations do not occur, or identify the need to adopt a floodway if adequate information is available.</p>
All Agencies	Flood Insurance Rate Map (FIRM)	<p>The official map of a community on which FEMA has delineated both the special hazard areas and the risk premium zones applicable to the community.</p>

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All Agencies	Flood or Flooding	<p>A general and temporary condition of partial or complete inundation of normally dry land areas from:</p> <ol style="list-style-type: none"> 1. The overflow of inland or tidal waters; 2. The unusual and rapid accumulation or runoff of surface waters from any source; 3. Mudslides (i.e., mudflows) which are proximately caused by flooding and are akin to a river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water and deposited along the path of the current. <p>A flood inundates a floodplain. Most floods fall into three major categories: riverine flooding , coastal flooding, and shallow flooding. Alluvial fan flooding is another type of flooding more common in the mountainous western states.</p>				
All Agencies	Flood Zones	<p>Flood hazard areas identified on the Flood Insurance Rate Map are identified as a Special Flood Hazard Area (SFHA). SFHA are defined as the area that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year. The 1-percent annual chance flood is also referred to as the base flood or 100-year flood. SFHAs are labeled as Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, and Zones V1-V30. Moderate flood hazard areas, labeled Zone B or Zone X (shaded) are also shown on the FIRM, and are the areas between the limits of the base flood and the 0.2-percent-annual-chance (or 500-year) flood. The areas of minimal flood hazard, which are the areas outside the SFHA and higher than the elevation of the 0.2-percent-annual-chance flood, are labeled Zone C or Zone X (unshaded).</p> <table border="1" data-bbox="687 1395 1412 1796"> <thead> <tr> <th colspan="2" data-bbox="687 1395 1412 1462">Flood Zones Defined</th> </tr> </thead> <tbody> <tr> <td data-bbox="687 1462 834 1796">Zone A</td> <td data-bbox="834 1462 1412 1796">Areas subject to inundation by the 1-percent-annual-chance flood event generally determined using approximate methodologies. Because detailed hydraulic analyses have not been performed, no Base Flood Elevations (BFEs) or flood depths are shown. Mandatory flood insurance purchase requirements and floodplain management standards apply.</td> </tr> </tbody> </table>	Flood Zones Defined		Zone A	Areas subject to inundation by the 1-percent-annual-chance flood event generally determined using approximate methodologies. Because detailed hydraulic analyses have not been performed, no Base Flood Elevations (BFEs) or flood depths are shown. Mandatory flood insurance purchase requirements and floodplain management standards apply.
Flood Zones Defined						
Zone A	Areas subject to inundation by the 1-percent-annual-chance flood event generally determined using approximate methodologies. Because detailed hydraulic analyses have not been performed, no Base Flood Elevations (BFEs) or flood depths are shown. Mandatory flood insurance purchase requirements and floodplain management standards apply.					

Agency	Term	Definition
		<p>Areas subject to inundation by 1-percent-annual-chance shallow flooding (usually sheet flow on sloping terrain) where average depths are between one and three feet. Average flood depths derived from detailed hydraulic analyses are shown in this zone. Mandatory flood insurance purchase requirements and floodplain management standards apply.</p> <p>Some Zone AO have been designated in areas with high flood velocities such as alluvial fans and washes. Communities are encouraged to adopt more restrictive requirements for these areas.</p>
		<p>Areas subject to inundation by 1-percent-annual-chance shallow flooding (usually areas of ponding) where average depths are between one and three feet. Base Flood Elevations (BFEs) derived from detailed hydraulic analyses are shown in this zone. Mandatory flood insurance purchase requirements and floodplain management standards apply.</p>
		<p>Areas subject to inundation by the 1-percent-annual-chance flood event determined by detailed methods. Base Flood Elevations (BFEs) are shown. Mandatory flood insurance purchase requirements and floodplain management standards apply.</p>
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		<p>Areas subject to inundation by the 1-percent-annual-chance flood event, but which will ultimately be protected upon completion of an under-construction Federal flood protection system. These are areas of special flood hazard where enough progress has been made on the construction of a protection system, such as dikes, dams, and levees, to consider it complete for insurance rating purposes. Zone A99 may only be used when the flood protection system has reached specified statutory progress toward completion. No Base Flood Elevations (BFEs) or depths are shown. Mandatory flood insurance purchase requirements and floodplain management standards apply.</p>
		<p>Areas that result from the decertification of a previously accredited flood protection system that is determined to be in the process of being restored to provide base flood protection. Mandatory flood insurance purchase requirements and floodplain management standards apply.</p>
		<p>Areas along coasts subject to inundation by the 1-percent-annual-chance flood event with additional hazards associated with storm-induced waves. Because detailed hydraulic analyses have not been performed, no Base Flood Elevations (BFEs) or flood depths are shown. Mandatory flood insurance purchase requirements and floodplain management standards apply.</p>
		<p>Areas subject to inundation by the 1-percent-annual-chance flood event with additional hazards due to storm-induced velocity wave action. Base Flood Elevations (BFEs) derived from detailed hydraulic analyses are shown. Mandatory flood insurance purchase requirements and floodplain management standards apply.</p>

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All Agencies	Foundation	<p>Without a protection for Base Flood Elevations (BFEs) derived from a flood detailed hydraulic analyses setting. The National Flood Insurance Program (NFIP) regulations provide performance standards for anchoring new buildings and foundation and fill placement standards for buildings, for manufactured homes, and in V Zones. However, the NFIP performance standards do not specify how a building's foundations are to be constructed in A Zones. The national model building codes address building foundations and the proper placement, compaction, and protection of fill. Areas subject to inundation by the 1-percent annual-chance flood event with additional hazards due to storm-induced velocity wave action, Base Flood Elevations (BFEs) derived from detailed hydraulic analyses are shown. The use of fill is prohibited for structures supporting buildings in V Zones. Pile or requirements and floodplain management standards apply.</p>
All Agencies	Forced Place Insurance	<p>Required insurance coverage obtained by the lender on the borrower's behalf, which the borrower has allowed to lapse. The borrower is required to pay the premium. Also known as forced-order or lender-placed insurance.</p>
All Agencies	Homeowner's Insurance	<p>Insurance coverage available for owner-occupied properties to protect against personal liability and physical property damages for a dwelling and its contents.</p>
All Agencies	Garages	<p>Attached Garages A garage attached to a residential structure or in an enclosed area below an elevated building may have the garage floor slab below the Base Flood Elevation (BFE). Because such a garage is an enclosed area below the BFE, openings are required either in the exterior walls of the garage or in the garage doors themselves.</p> <p>Below-grade Parking Garages Below grade parking garages are only allowed in non-residential buildings in Zones A1-30, AE, AH, and AO and must be dry floodproofed. The construction of below grade parking garages is prohibited beneath residential buildings. Below-grade parking garages are prohibited beneath all residential and non-residential buildings in V Zones.</p> <p>Detached Garages Small detached garages for residential uses may qualify as Accessory Structures under the NFIP.</p>

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All Agencies	Indian Tribes	Indian tribes , authorized tribal organizations, Alaska Native villages or authorized native organizations, which have land use authority, are considered communities by the National Flood Insurance Program (NFIP) and can join the program even if no flood hazard map exists that covers all tribal lands.
All Agencies	Joint Tenancy	Joint ownership by two or more persons giving each tenant equal interest and equal rights in the property, including the right of survivorship
Conventional	Lender Purchased Mortgage Insurance (LPMI)	Mortgage insurance coverage for a conventional mortgage loan that the lender pays for by using its own funds, rather than requiring the borrower to include periodic accruals for such coverage as part of his or her mortgage payment.
All Agencies	Letter of Map Amendment (LOMA)	<ul style="list-style-type: none"> • A Letter of Map Amendment (LOMA) is an official amendment, by letter, to an effective National Flood Insurance Program (NFIP) map. A LOMA establishes a property's location in relation to the Special Flood Hazard Area (SFHA). LOMAs are usually issued because a property has been inadvertently mapped as being in the floodplain, but is actually on natural high ground above the base flood elevation. • Because a LOMA officially amends the effective NFIP map, it is a public record that the community must maintain. Any LOMA should be noted on the community's master flood map and filed by panel number in an accessible location.
All Agencies	Letter of Map Change (LOMC)	Letter of Map Change (LOMC) is a general term used to refer to the several types of revisions and amendments to FEMA maps that can be accomplished by letter. They include Letter of Map Amendment (LOMA), Letter of Map Revision (LOMR), and Letter of Map Revision based on Fill (LOMR-F).

Agency	Term	Definition
All Agencies	Letter of Map Revision (LOMR)	<ul style="list-style-type: none"> • A Letter of Map Revision (LOMR) is FEMA's modification to an effective Flood Insurance Rate Map (FIRM), or Flood Boundary and Floodway Map (FBFM), or both. LOMRs are generally based on the implementation of physical measures that affect the hydrologic or hydraulic characteristics of a flooding source and thus result in the modification of the existing regulatory floodway, the effective Base Flood Elevations (BFEs), or the Special Flood Hazard Area (SFHA). The LOMR officially revises the Flood Insurance Rate Map (FIRM) or Flood Boundary and Floodway Map (FBFM), and sometimes the Flood Insurance Study (FIS) report, and when appropriate, includes a description of the modifications. The LOMR is generally accompanied by an annotated copy of the affected portions of the FIRM, FBFM, or FIS report. • All requests for changes to effective maps, other than those initiated by FEMA, must be made in writing by the Chief Executive Officer (CEO) of the community or an official designated by the CEO. Because a LOMR officially revises the effective NFIP map, it is a public record that the community must maintain. Any LOMR should be noted on the community's master flood map and filed by panel number in an accessible location.
All Agencies	Letter of Map Revision Based on Fill (LOMR-F)	<ul style="list-style-type: none"> • A Letter of Map Revision Based on Fill (LOMR-F) is FEMA's modification of the Special Flood Hazard Area (SFHA) shown on the Flood Insurance Rate Map (FIRM) based on the placement of fill outside the existing regulatory floodway. • All requests for changes to effective maps, other than those initiated by FEMA, must be made in writing through the Chief Executive Officer (CEO) of the community or an official designated by the CEO. • Because a LOMR officially revises the effective National Flood Insurance Program (NFIP) map, it is a public record that the community must maintain. Any LOMR should be noted on the community's master flood map and filed by panel number in an accessible location.
All Agencies	Liability Insurance	Insurance coverage that offers protection against claims alleging that a property owner's negligence or inappropriate action resulted in bodily injury or property damage to another party.

Agency	Term	Definition
All Agencies	Lowest Floor	<p>The lowest floor of the lowest enclosed area (including basement). An unfinished or flood resistant enclosure, usable solely for parking of vehicles, building access or storage in an area other than a basement area is not considered a building's lowest floor; Provided, that such enclosure is not built so as to render the structure in violation of the applicable non-elevation design requirements of Sec. 60.3.</p> <p>Communities are required to obtain the elevation of the lowest floor (including basement) of all new and substantially improved structures.</p> <p>All new and substantially improved structures must have the lowest floor elevated to or above the Base Flood Elevation (BFE). Non-residential buildings may be floodproofed below the BFE.</p>
All Agencies	Lowest Horizontal Structural Member	<p>In V Zones, new construction must have the elevation of the lowest horizontal structural member at or above the Base Flood Elevation (BFE). Horizontal structural members are obstructions and can transmit the force of wave impacts to rest of the structure. This elevation is used as the reference level to determine insurance rates. This contrasts with construction and insurance rating in A Zones, which uses the elevation of the lowest floor including basement as the reference level. This requirement is to keep the entire building in a V Zone above the anticipated breaking wave height of a base flood storm surge.</p> <p>In an elevated building, the lowest beam, joist, or other horizontal member that supports the building is the lowest horizontal structural member. Grade beams installed to support vertical foundation members where they enter the ground are not considered lowest horizontal members.</p>
All Agencies	Manufactured (Mobile) Home	<p>A structure, transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when attached to the required utilities. The term manufactured home does not include a recreational vehicle. Generally, manufactured homes must meet the same requirements as stick built or conventional housing. Because they are usually residential buildings, they must be elevated so that the lowest floor is above the Base Flood Elevation (BFE).</p> <p>Manufactured homes must be elevated and anchored to to a permanent foundation to resist flotation, collapse, or lateral movement.</p>

Agency	Term	Definition
All Agencies	Manufactured Home Park or Subdivision	<p>A parcel (or continuous parcels) of land divided into two or more manufactured home lots for rent or sale. SEE Manufactured (Mobile) Home for floodplain management requirements.</p> <p>Existing Manufactured Home Park or Subdivision means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed before the effective date of the floodplain management regulations adopted by the community.</p> <p>Expansion to an Existing Manufactured Home Park or Subdivision means the preparation of additional sites by the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads.)</p> <p>New Manufactured Home Park or Subdivision means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed on or after the effective date of the floodplain management regulations adopted by the community.</p>
All Agencies	MERS	<p>MERS stands for Mortgage Electronic Registration Systems. It is a national electronic registry system that tracks the changes in servicing rights and beneficial ownership interests in mortgage loans that are registered on the System. MERS and the MERS® System were created by the mortgage banking industry to streamline the mortgage process by using electronic commerce. Beneficiaries of MERS include mortgage originators, servicers, warehouse lenders, wholesale lenders, retail lenders, document custodians, settlement agents, title companies, insurers, investors, county recorders and consumers. (per MERS)</p>
All Agencies	Mineral Lease	<p>A granting of rights to a third party to mine, drill or otherwise access oil, gas or other valuable natural resources on a property.</p>

Agency	Term	Definition
All Agencies	Moody's Investor Service	A credit rating agency that, among other things, assigns credit ratings to debt issuers and the debt instruments themselves, as well as to title insurance companies and custodial depositories, by evaluating their assets and liabilities.
All Agencies	Mortgage Impairment Insurance	A type of insurance coverage that protects the lender against the lack or inadequacy of insurance coverage for a specific mortgage if the lender is not directly responsible for the insufficiency.
Conventional	Mortgage Insurance (MI)	A financial backing type under which a private insurer (and sometime a state or local entity) insures the mortgagee against losses from borrower default, by agreeing to cover a percentage of the losses in return for the payment of a specified mortgage insurance premium.
All Agencies	New Construction	<p>For Floodplain Management Purposes: Structures for which the start of construction commenced on or after the effective date of a floodplain management regulation adopted by a community and includes any subsequent improvements to such structures.</p> <p>See Elevation , Existing Construction , Start of Construction .</p> <p>For Determining Insurance Rates: Structures for which the start of construction commenced on or after the effective date of an initial FIRM or after December 31, 1974, whichever is later, and includes any subsequent improvements to such structures.</p> <p>Flood insurance rates for new construction are based on the elevation of the lowest floor (including basement) in relation to the BFE.</p>

Agency	Term	Definition
All Agencies	Participation in the National Flood Insurance Program	<p>Participation in the National Flood Insurance Program (NFIP) is voluntary. To join, the community must:</p> <ol style="list-style-type: none"> 1. Complete an application; 2. Adopt a resolution of intent to participate and cooperate with FEMA; 3. Adopt and submit a floodplain management ordinance that meets or exceeds the minimum NFIP criteria. The floodplain management ordinance must also adopt any FIRM or FHBM for the community. <p>Within participating communities, the Federal government makes flood insurance available throughout the community.</p> <p>States are encouraged to insure and regulate state-owned properties under the NFIP.</p> <p>A community that does not join the NFIP after being identified for one year as floodprone, has withdrawn from the program, or is suspended from it, faces the following sanctions:</p> <ol style="list-style-type: none"> 1. No resident will be able to purchase a flood insurance policy. 2. Existing flood insurance policies will not be renewed. 3. No Federal grants or loans for development may be made in identified flood hazard areas under programs administered by Federal agencies such as HUD, EPA, and SBA; 4. No Federal disaster assistance may be provided to repair insurable buildings located in identified flood hazard areas for damage caused by a flood. 5. No Federal mortgage insurance or loan guarantees may be provided in identified flood hazard areas. this includes policies written by FHA, VA, and others. 6. Federally insured or regulated lending institutions, such as banks and credit unions, must notify applicants seeking loans for insurable buildings in flood hazard areas that there is a flood hazard and that the property is not eligible for Federal disaster relief.
All Agencies	Plat or Plot	A map showing subdivisions of a certain area of land giving proportions of each lot as well as other features such as roads, easements, etc.

Agency	Term	Definition
All Agencies	Pre-Flood Insurance Rate Map (FIRM)	Pre- Flood Insurance Rate Map (FIRM) buildings are those built before the effective date of the first Flood Insurance Rate Map (FIRM) for a community. This means they were built before detailed flood hazard data and flood elevations were provided to the community and usually before the community enacted comprehensive regulations on floodplain regulation. Pre-FIRM buildings can be insured using "subsidized" rates. These rates are designed to help people afford flood insurance even though their buildings were not built with flood protection in mind.
All Agencies	Property Insurance	Insurance coverage that compensates for physical damage - by fire, wind, or other natural disasters - to the property. (This type of coverage was previously referred to as hazard insurance.)
All Agencies	Reasonably Safe From Flooding	<p>The community must review all permit applications to determine whether the proposed building sites will be reasonably safe from flooding as one of the minimum National Flood Insurance Program (NFIP) floodplain management requirements established by NFIP regulations. If the community determines that a site is not reasonably safe from flooding, it must require mitigation actions be undertaken to reduce the structures flood damage potential.</p> <p>When an individual applies for a Letter of Map Revision Based on Fill (LOMR-F), the community will be required to determine that the filled area is reasonably safe from flooding before the LOMR-F will be issued. As indicated in the LOMR-F requirement "reasonably safe from flooding" means: base flood waters will not inundate the land or damage structures to be removed from the Special Flood Hazard Area (SFHA) and that any subsurface waters related to the base flood will not damage existing or proposed buildings.</p>

Agency	Term	Definition
All Agencies	Regular Program	<p>A community without a Flood Insurance Rate Map enters the National Flood Insurance Program (NFIP) as an Emergency Program Community. Once a detailed engineering study is completed for the community and a Flood Insurance Rate Map (FIRM) issued, the community is brought into the Regular Program of the NFIP. The community is required to adopt or amend its floodplain management regulations to incorporate the new flood data on the FIRM. Under the Regular Program, higher amounts of flood insurance coverage are provided than under the Emergency Program and new construction is charged actuarial rates for flood insurance that fully reflect the building's risk of flooding.</p> <p>Some communities are brought into the regular program as minimally floodprone communities or if no special flood hazard areas have been identified within the community. Minimally floodprone communities generally have only a minimal flood hazard and limited potential for floodplain development. These communities are issued a FIRM with special flood hazard areas designated, but no BFEs are provided. No special flood hazard area communities have no readily identifiable source of flooding or only a small flood hazard. These communities do not have a FIRM and are regarded as all Zone X for flood insurance purposes. No special flood hazard area communities are not required to adopt floodplain management ordinances.</p>

Agency	Term	Definition
All Agencies	Reinstatement	<p>After a period of suspension from the National Flood Insurance Program (NFIP) for failure to adopt or enforce floodplain management regulations or for repealing or amending previously compliant floodplain management regulations, a community may be reinstated into the Program. Certain conditions may be imposed upon its participation prior to and after reinstatement. Flood insurance is available in communities that have been reinstated. A community may be reinstated on probationary status; however, an additional charge of \$50.00 will be added to the premium for each new or renewed policy for a period of at least of one year.</p> <p>During a community's ineligibility if any action have been permitted to take place that aggravate existing flood hazards, FEMA may withhold reinstatement until the community submits evidence that it has taken action to remedy increased hazards to the maximum extent possible. FEMA can also place a reinstated community on probation. Also, a structure built in a Regular Program community during a period of suspension is considered new construction and, therefore, is charged actuarial rates.</p>
All Agencies	Residential Condominium Building Association Policy (RCBAP)	<p>The Residential Condominium Building Association Policy Form is issued to residential condominium associations on behalf of association and unit owners. In addition to providing coverage for residential condominium buildings without imposing the burden of purchasing individual policies for each unit, the RCBAP expands the eligibility requirements to include all types of residential condominium buildings owned by the association.</p>

Agency	Term	Definition
All Agencies	Revision to National Flood Insurance Program Maps	<p>FEMA has established administrative procedures for changing effective Flood Insurance Rate Maps (FIRMs) and Flood Insurance Study (FIS) reports based on new or revised scientific or technical data. A physical change to the affected FIRM panels and portions of the FIS is referred to as a "physical map revision ." When FEMA revises a community's FIRM, the community is required to amend its floodplain management regulations within 6 months of being notified to incorporate the new data.Changes can also be made by a Letter of Map Change (LOMC).</p> <p>There are several categories of LOMCs, depending on the complexity of the changes.</p> <p>A Conditional Letter of Map Revision (CLOMR) is not a revision to an NFIP map.</p> <p>All requests for changes to effective maps, other than those initiated by FEMA, must be made in writing by the Chief Executive Officer (CEO) of the community or an official designated by the CEO.</p>
All Agencies	Right of Redemption	<p>In some states, a right permitting the mortgagor to reclaim foreclosed property by making full payment of the foreclosure sales price. The right of redemption exists for a specified period of time, called the "redemption period." State statutes may provide for a waiver of redemption rights or an REO sale subject to redemption rights.</p>
All Agencies	Sand Dunes	<p>Naturally occurring accumulations of sand in ridges or mounds landward of the beach. Human alteration of sand dunes within V Zones is prohibited unless it can be demonstrated that such alteration will not increase potential flood damage.</p> <p>Sand dunes are important first lines of defense against coastal storms and can do much to reduce losses to inland coastal development. It can be assumed that any removal or other alteration of a sand dune will render the dune more susceptible to erosion and increase potential damages to structures behind that dune.</p> <p>Communities are advised to prohibit all alterations of sand dunes unless the applicant can submit engineering analyses that demonstrate that flood damages will not be increased prior to issuing any permits.</p>

Agency	Term	Definition
All Agencies	Section 1316	<ul style="list-style-type: none"> • Section 1316 of the National Flood Insurance Act of 1968, as amended, provides for the denial of flood insurance coverage for any property which the Administrator finds has been declared by a duly constituted State or local authority to be in violation of State or local floodplain management regulations. Once a duly constituted State or local authority declares a structure as being in violation, the Administrator must deny flood insurance coverage provided that the individual or office making the declaration has the authority to do so and that the law or regulations violated was, in fact, intended to discourage or otherwise restrict land development or occupancy in the flood-prone area. • Section 1316 was intended for use primarily as a backup for local enforcement actions (i.e., if a community could not force compliance through the enforcement mechanisms in its regulations, it could use Section 1316 as additional leverage) and was not intended merely as a mechanism to remove bad risks from the policy base. Section 1316 will only be implemented in instances where States or communities submit declarations specifically for that purpose.
All Agencies	Set Back Lines	<ul style="list-style-type: none"> • Building setback lines appear on subdivision or lot plats or by zoning laws as areas that restrict the location of improvements behind or within certain boundaries. The most common building setback line is the minimum building setback line that designates the building setback from a street, right of way or side lot lines. The minimum building setback line (MBSL) is designed to insure conformity in the location of improvements within the development or subdivision. It is not uncommon for improvements to encroach upon minimum building setback lines to a small degree, especially on small, irregularly-shaped lots, corner lots, or lots developed on a cul-de-sac. • Another type of building setback line is the building envelope. The building envelope is a designated buffer zone around the perimeter of an entire subdivision or development in which improvements should not be located. Minor encroachments onto this type of building setback line are more rarely seen than in minimum building setback line situations, but they do occur. (per Agents National Title Insurance)

Agency	Term	Definition
All Agencies	Special Flood Hazard Area (SFHA)	The land area covered by the floodwaters of the base flood is the Special Flood Hazard Area (SFHA) on NFIP maps. The SFHA is the area where the National Flood Insurance Program's (NFIP's) floodplain management regulations must be enforced and the area where the mandatory purchase of flood insurance applies. The SFHA includes Zones A, AO, AH, A1-30, AE, A99, AR, AR/A1-30, AR/AE, AR/AO, AR/AH, AR/A, VO, V1-30, VE, and V.
Conventional	Split Premiums	Split Premiums feature low monthly payments combined with an upfront payment due at closing. The upfront premium is calculated as a percentage of the loan amount. The monthly rate is determined based on the net Loan-to-Value ratio, which is measured prior to the inclusion of any financed premium. The monthly premium is determined by dividing the corresponding rate by 12 months.
All Agencies	Straw Borrower	An individual who buys property in another's behalf to conceal the identity of the real buyer.
All Agencies	Structure	For floodplain management purposes, a structure is a walled and roofed building, including a gas or liquid storage tank, that is principally above ground, as well as a manufactured home. The terms "structure" and "building" are interchangeable in the National Flood Insurance Program (NFIP). Residential and non-residential structures are treated differently. A residential building built in a floodplain must be elevated above the Base Flood Elevation (BFE). Non-residential buildings may be elevated or floodproofed.

Agency	Term	Definition
All Agencies	Subdivision	<p>A community must review subdivision proposals and other proposed new development including manufactured home parks or subdivisions, to determine whether such proposals will be reasonably safe from flooding.</p> <p>If a subdivision proposal or other proposed new development is in a flood-prone area, any such proposals shall be reviewed to assure that: (i) All such proposals are consistent with the need to minimize flood damage within the flood-prone area; (ii) All public utilities and facilities, such as sewer, gas, electrical, and water systems are located and constructed to minimize or eliminate flood damage; and (iii) Adequate drainage is provided to reduce exposure to flood hazards.</p> <p>BASE FLOOD ELEVATION (BFE) DATA REQUIREMENT: Communities must require that all new subdivision proposals and other proposed development (including proposals for manufactured home parks and subdivisions) greater than 50 lots or 5 acres, whichever is the lesser, must include within such proposals, BFE data.</p>
All Agencies	Submit-to-Rate	<p>The insurance premium rate tables used for the National Flood Insurance Program (NFIP) do not cover cases where the building is two or more feet below the Base Flood Elevation (BFE). The insurance agent must send the application for flood insurance to the company headquarters for a special, individualized rating. This procedure is known as submit-to-rate.</p>
All Agencies	Surcharge (Insurance)	<p>When a community is placed on probation by the National Flood Insurance Program (NFIP), each policyholder within the community will be assessed an additional \$50.00 on their premium for a one-year period. Beginning on the date probation becomes effective, the surcharge will be assessed on all new and renewal policies issued in the community. The surcharge will always run for a full one-year period even if the community brings its program into compliance and is removed from probation. If the community is still on probation one year and one day after probation first began, another full year of surcharge will be imposed.</p>
All Agencies	Survey	<p>Measurement of a specific parcel of land to ascertain area, corners, boundaries, and divisions with distances and directions of such parcel.</p>

Agency	Term	Definition
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All Agencies	Tenants by the Entirety	A form of title vesting the entire estate in husband and wife with right of survivorship.
All Agencies	Tenants in Common	Joint ownership by two or more persons holding individual but not necessarily equal interest in a property, but without the right of survivorship.
All Agencies	Title Insurance	Insurance against loss resulting from defects in the title to real property.
All Agencies	V-Zone Certificate	<p>National Flood Insurance Program (NFIP) regulations require coastal communities to ensure that buildings built in V Zones are anchored to resist wind and water loads acting simultaneously. Buildings in V Zones are subject to a greater hazard than buildings built in other types of floodplains. Not only do they have to be elevated above the Base Flood Elevation (BFE), they must be protected from the impact of waves, hurricane-force winds and erosion.</p> <p>A registered professional engineer or architect must certify that the design and planned methods of construction meet NFIP requirements. The community must maintain a copy of this certification in the permit file for all structures built or substantially improved in the V Zone.</p> <p>If breakaway walls are used to enclose areas below the building that exceed a design safe loading resistance of 20 pounds per square feet, those walls must also be certified by the registered professional engineer or architect.</p>