
Choice Flood
Insurance
Trusted Choice
Flood Insurance
2026 BEYOND THE FUNDAMENTALS
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with Lisa Sharrard
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Introduction
OVER 39 years direct experience in floodplain management and flood insurance
Flood Insurance Agent, writing Nationwide
Member, Big "I" National, Flood Insurance Committee and Flood Insurance Producers National Committee (FIPNC)
Certified Floodplain Manager (CFM); Served on the Board of Regents 12 years
Associate National Flood Insurance (ANFI)
Frequent presenter at the annual National APCIA Flood Insurance Conference (ACPIA)
Adjunct Instructor for FEMA and EMI
Former Senior Trainer for the NFIP Direct
Former Licensed Adjuster
Former NFIP State Coordinator
Past Chair of the Association of State Floodplain Managers
Served on the FEMA Community Rating System (CRS) Task Force for 7 years
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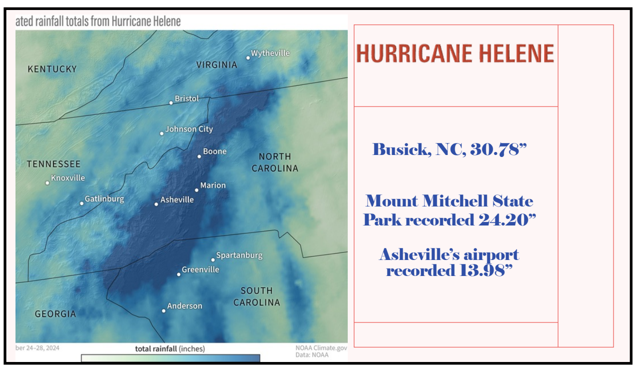
ated rainfall totals from Hurricane Helene
KENTUCKY
VIRGINIA
Wytheville
Bristol
Johnson City
Boone
TENNESSEE
Knoxville
NORTH CAROLINA
Marion
Gatlinburg
Asheville
Spartanburg
Greenville
SOUTH CAROLINA
GEORGIA
Anderson
total rainfall (inches)
HURRICANE HELENE
Busick, NC, 30.78"
Mount Mitchell State Park recorded 24.20"
Asheville's airport recorded 13.98"

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NFIP STATUS
As of December 31, 2025
4.5 million flood insurance policies
$1.3 trillion in coverage
$4.6 billion in revenue from policyholders' premiums, fees, and surcharges
Over 22,000 Participating Communities in 56 state and territories
$2.4 billion annually in flood losses avoided.
1,505 Communities in the Community Rating System
$30.425 billion borrowing authority from the U.S. Treasury
In 2024, the NFIP transferred $1.92 billion in risk to the Private Sector
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https://www.congress.gov/crs_external_products/R/PDF/R44593/R44593.75.pdf
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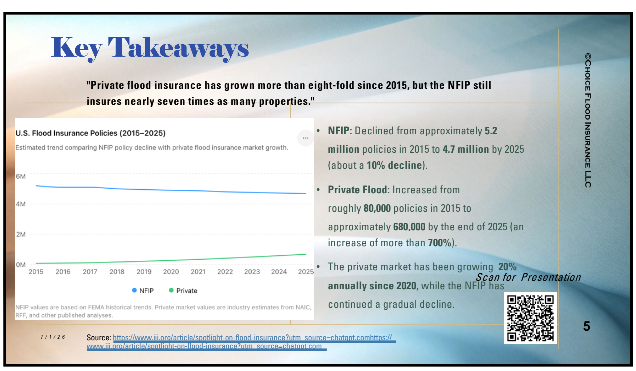
Key Takeaways
"Private flood insurance has grown more than eight-fold since 2015, but the NFIP still insures nearly seven times as many properties."
U.S. Flood Insurance Policies (2015–2025)
Estimated trend comparing NFIP policy decline with private flood insurance market growth.
6M
4M
2M
0M
2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
NFIP
Private
NFIP values are based on FEMA historical trends. Private market values are industry estimates from NAIC, RFF, and other published analyses.
NFIP: Declined from approximately 5.2 million policies in 2015 to 4.7 million by 2025 (about a 10% decline).
Private Flood: Increased from roughly 80,000 policies in 2015 to approximately 680,000 by the end of 2025 (an increase of more than 700%).
The private market has been growing 20% annually since 2020, while the NFIP has continued a gradual decline.
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Source: https://www.iii.org/article/spotlight-on-flood-insurance?utm_source=chatgpt.comhttps://www.iii.org/article/spotlight-on-flood-insurance?utm_source=chatgpt.com
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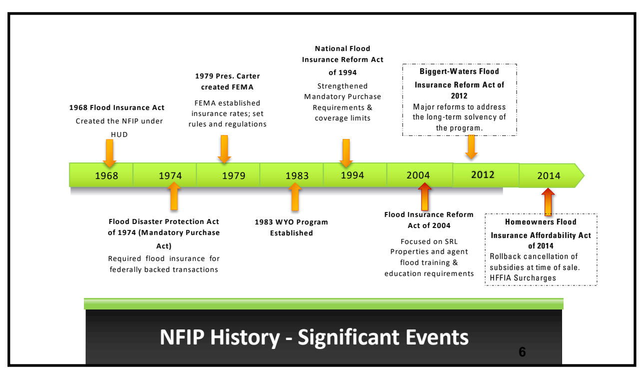
1968 Flood Insurance Act
Created the NFIP under HUD
1979 Pres. Carter created FEMA
FEMA established insurance rates; set rules and regulations
National Flood Insurance Reform Act of 1994
Strengthened Mandatory Purchase Requirements & coverage limits
Biggert-Waters Flood Insurance Reform Act of 2012
Major reforms to address the long-term solvency of the program.
1968
1974
1979
1983
1994
2004
2012
2014
Flood Disaster Protection Act of 1974 (Mandatory Purchase Act)
Required flood insurance for federally backed transactions
1983 WYO Program Established
Flood Insurance Reform Act of 2004
Focused on SRL Properties and agent flood training & education requirements
Homeowners Flood Insurance Affordability Act of 2014
Rollback cancellation of subsidies at time of sale.
HFFIA Surcharges
NFIP History - Significant Events
6

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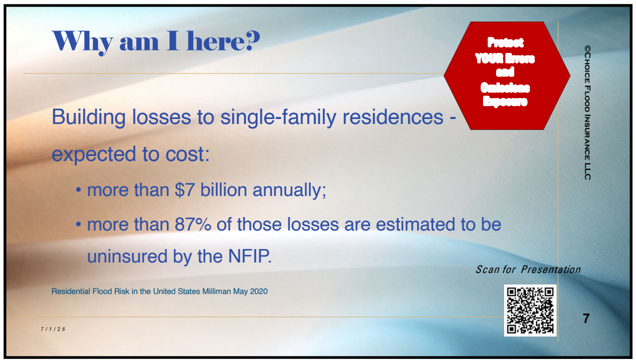

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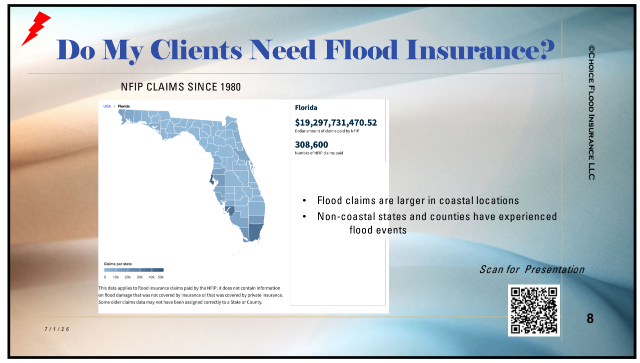

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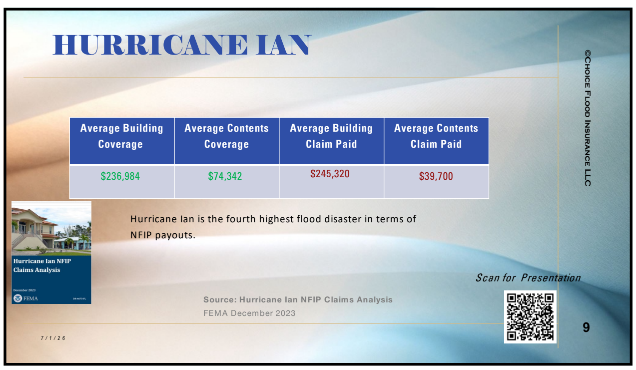

Average Building Coverage	Average Contents Coverage	Average Building Claim Paid	Average Contents Claim Paid
$236,984	$74,342	$245,320	$39,700

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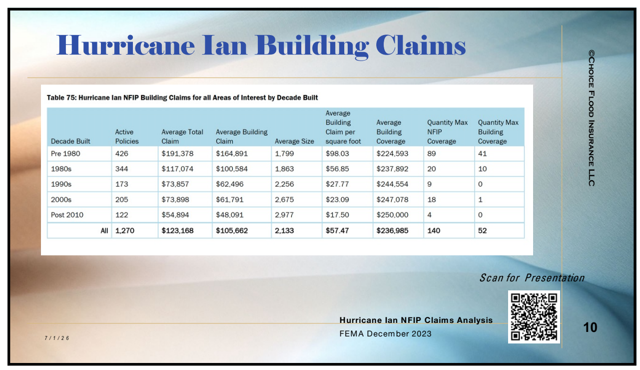

Table 75: Hurricane Ian NFIP Building Claims for all Areas of Interest by Decade Built

Decade Built	Active Policies	Average Total Claim	Average Building Claim	Average Size	Average Building Claim per square foot	Average Building Coverage	Quantity Max NFIP Coverage	Quantity Max Building Coverage
Pre 1980	426	$191,378	$164,891	1,799	$98.03	$224,593	89	41
1980s	344	$117,074	$100,584	1,863	$56.85	$237,892	20	10
1990s	173	$73,857	$62,496	2,256	$27.77	$244,554	9	0
2000s	205	$73,898	$61,791	2,675	$23.09	$247,078	18	1
Post 2010	122	$54,894	$48,091	2,977	$17.50	$250,000	4	0
All	**1,270**	**$123,168**	**$105,662**	**2,133**	**$57.47**	**$236,985**	**140**	**52**

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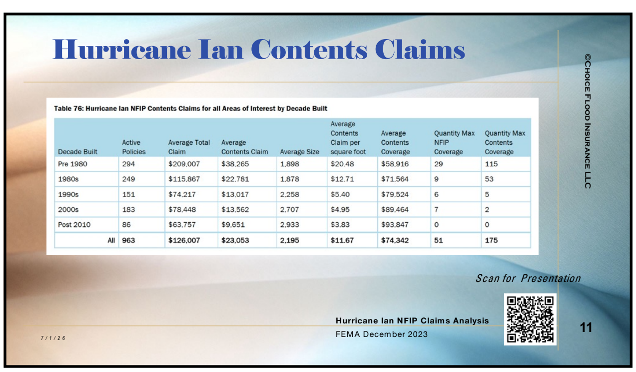

Table 76: Hurricane Ian NFIP Contents Claims for all Areas of Interest by Decade Built

Decade Built	Active Policies	Average Total Claim	Average Contents Claim	Average Size	Average Contents Claim per square foot	Average Contents Coverage	Quantity Max NFIP Coverage	Quantity Max Contents Coverage
Pre 1980	294	$209,007	$38,265	1,898	$20.48	$58,916	29	115
1980s	249	$115,867	$22,781	1,878	$12.71	$71,564	9	53
1990s	151	$74,217	$13,017	2,258	$5.40	$79,524	6	5
2000s	183	$78,448	$13,562	2,707	$4.95	$89,464	7	2
Post 2010	86	$63,757	$9,651	2,933	$3.83	$93,847	0	0
All	**963**	**$126,007**	**$23,053**	**2,195**	**$11.67**	**$74,342**	**51**	**175**

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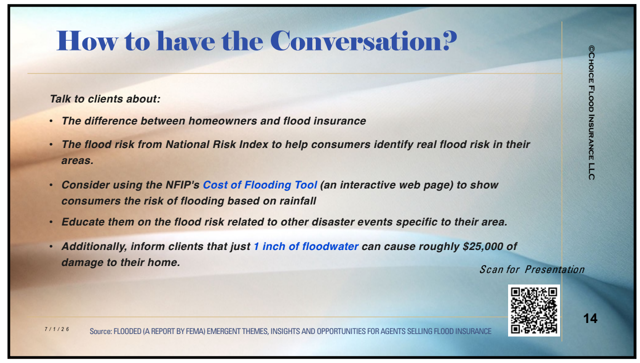

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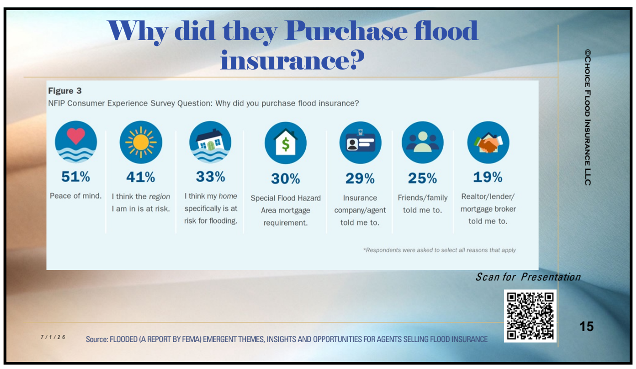

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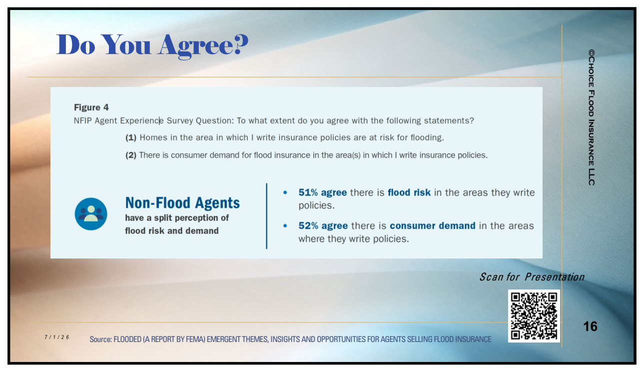

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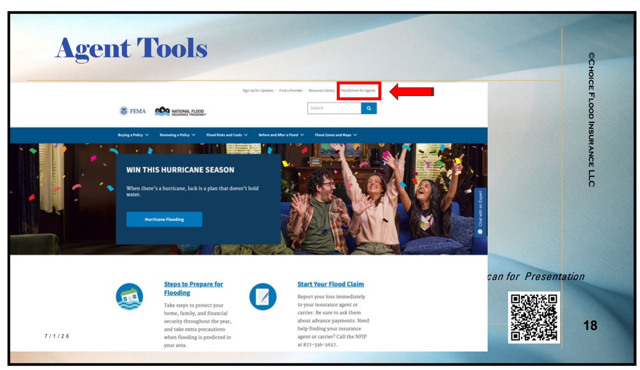

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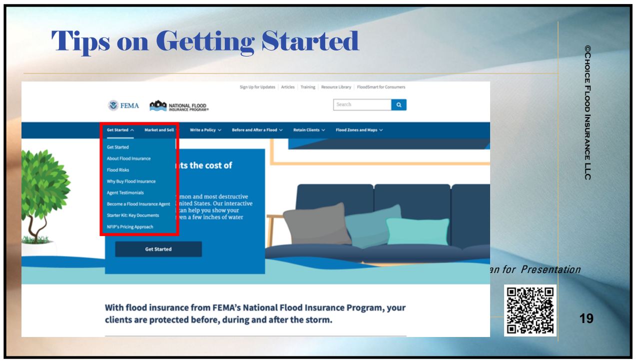

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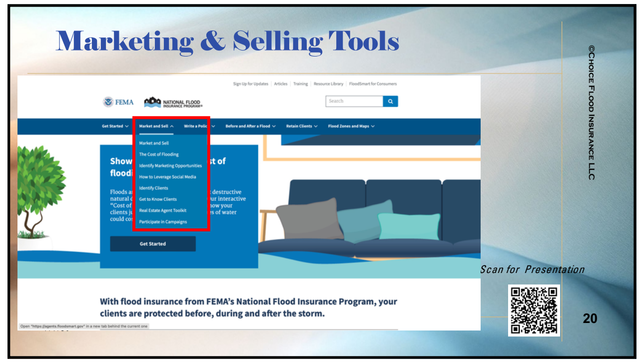

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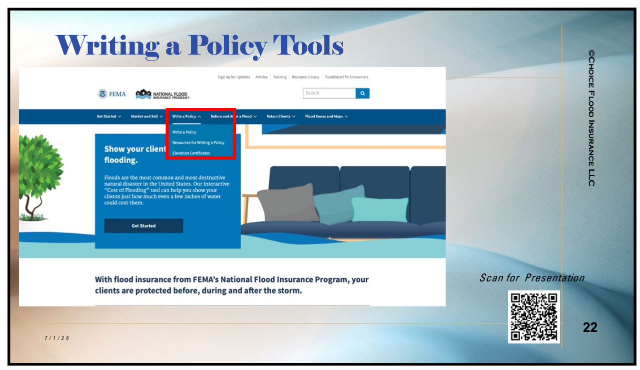

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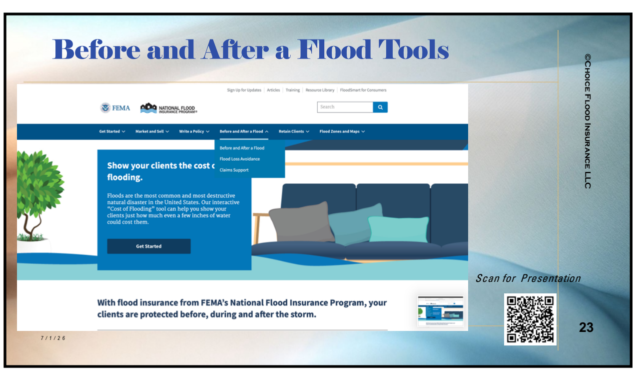

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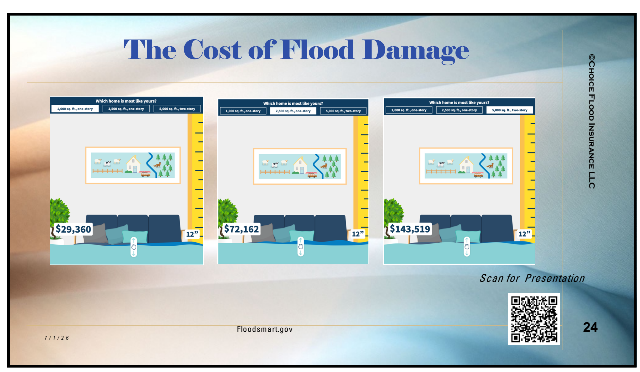

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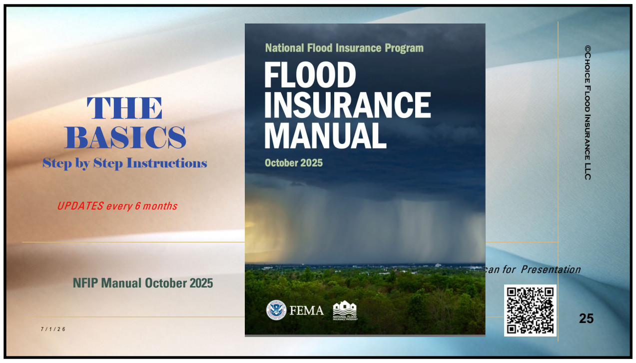

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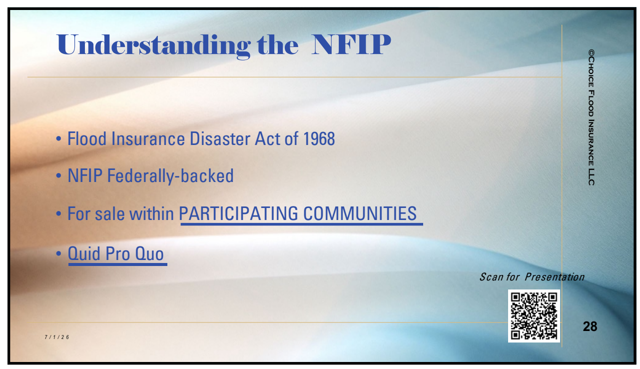

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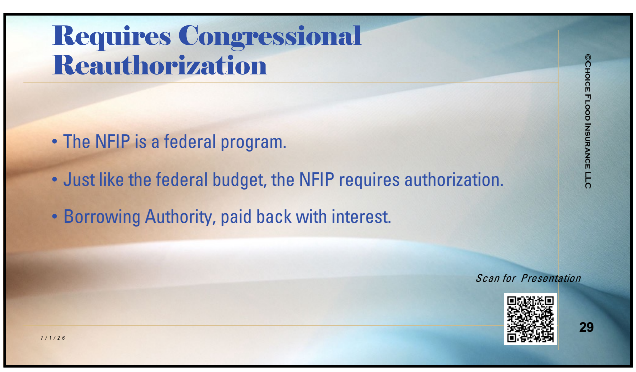

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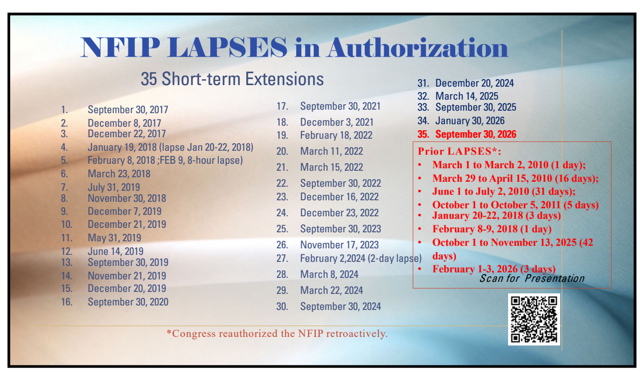

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Community Participation

- Required for federally backed flood insurance to be for sale within a community
- Community Status Book
  - https://www.fema.gov/flood-insurance/work-with-nfip/community-status-book

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Community Status Book

FEMA

Community Status Book Report

Communities Participating in the National Flood Program

Click here for not participating

NORTH CAROLINA

CID	Community Name	County	Init FHBM Identified	Init FIRM Identified	Curr Eff Map Date	Reg-Emer Date	Tribal	CRS Entry Date	Curr Eff Date	Curr Class	% Disc SFHA	% Disc Non SFHA
370165#	ABERDEEN, TOWN OF	MOORE COUNTY	11/30/73	05/15/86	01/02/08	05/15/86	No					
370131#	AHOSKIE,TOWN OF	HERTFORD COUNTY	02/22/74	05/01/87	08/03/09(M)	05/01/87	No					
370001K	ALAMANCE COUNTY*	ALAMANCE COUNTY	01/03/75	12/01/81	11/17/17	12/01/81	No					
370457K	ALAMANCE, VILLAGE OF	ALAMANCE COUNTY	01/03/75	08/15/90	11/17/17	12/17/87	No					
370223#	ALBEMARLE, CITY OF	STANLY COUNTY	12/21/73	12/01/81	06/16/09	12/01/81	No					
370398#	ALEXANDER COUNTY*	ALEXANDER COUNTY	06/09/78	02/01/91	07/07/09	02/01/91	No					
370004#	ALLEGHANY COUNTY*	ALLEGHANY COUNTY	07/01/77	02/01/04	11/04/09	02/01/04	No					
370404K	ALLIANCE, TOWN OF	PAMLICO COUNTY	07/14/78	08/05/85	06/19/20	08/05/85	No	10/01/92	10/01/21	8	10%	05%
370060#	ANDREWS, TOWN OF	CHEROKEE COUNTY	03/08/74	02/01/85	04/19/10	02/01/85	No					
370522L	ANGIER, TOWN OF	HARNETT COUNTY	08/18/78	04/16/90	07/19/22	02/03/00	No					
370284#	ANSON COUNTY *	ANSON COUNTY	07/15/77	06/18/90	10/16/08	06/18/90	No					
370467K	APEX, TOWN OF	WAKE COUNTY		03/03/92	07/19/22	03/20/92	No					
370273#	ARCHDALE, CITY OF	GUILFORD COUNTY/RANDOLPH	03/01/74	07/16/81	03/16/09	07/16/81	No					

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What is a flood?

A general but temporary inundation of normally dry land from:

- Overflow of inland or tidal waters
- Unusual or rapid accumulation or runoff of surface waters
- Mudslides or mudflows
- Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water.

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General Condition of Flooding

- The flood or inundation of water must affect two or more properties, or must be displaced over two or more acres
- It must be of a temporary duration, having both a beginning point and ending point
- It must be fortuitous (i.e., unintentional, accidental)
- Flooding can result from natural causes or from other sources (but must fall within the definition)

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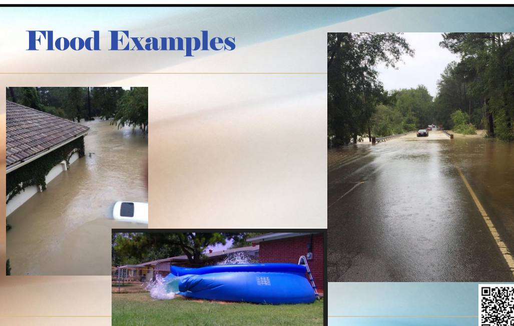
Flood Examples



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Why Do We Need To Offer Flood Insurance?

- To help our clients protect themselves against financial ruin
- Errors and Omissions Claims
  - Keep a copy of the signed waiver
- Mandatory Purchase requirement

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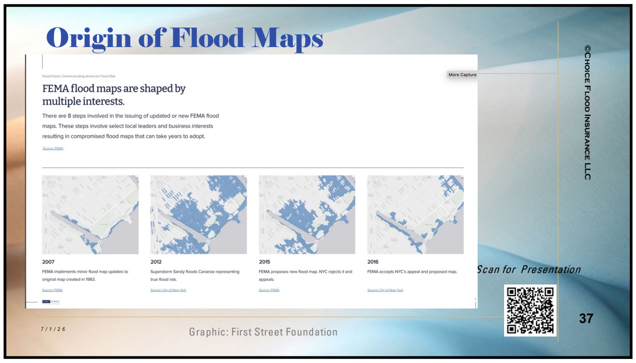

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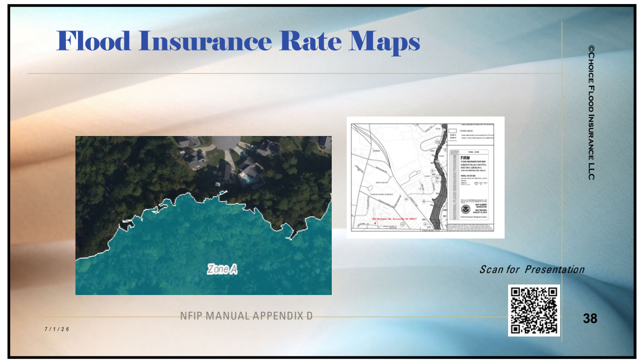

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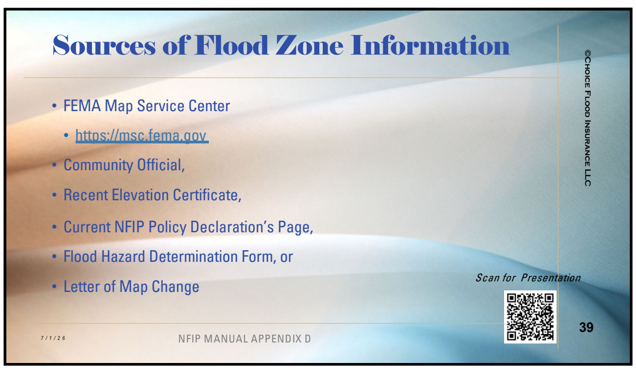

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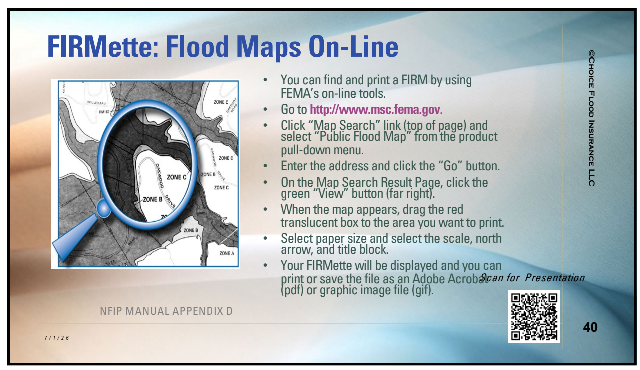

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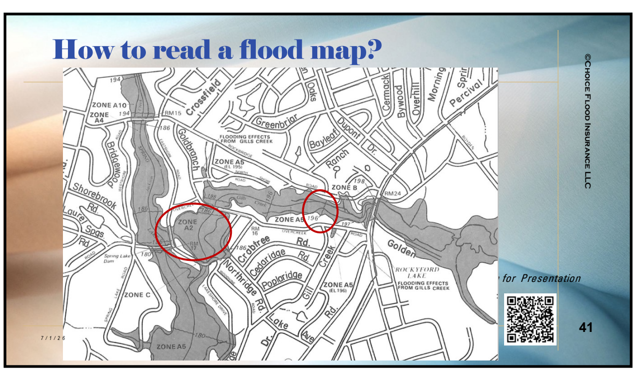

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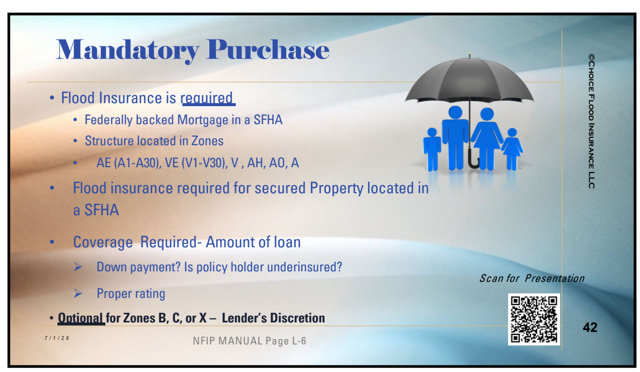

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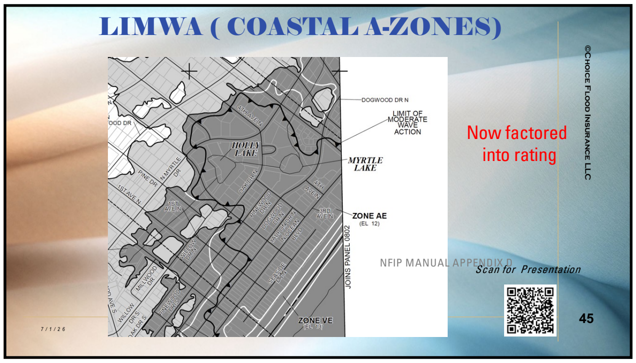

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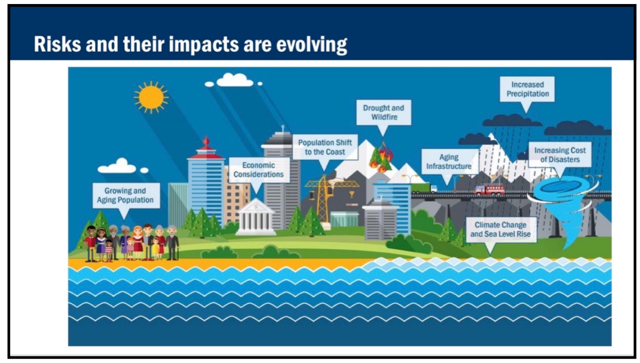

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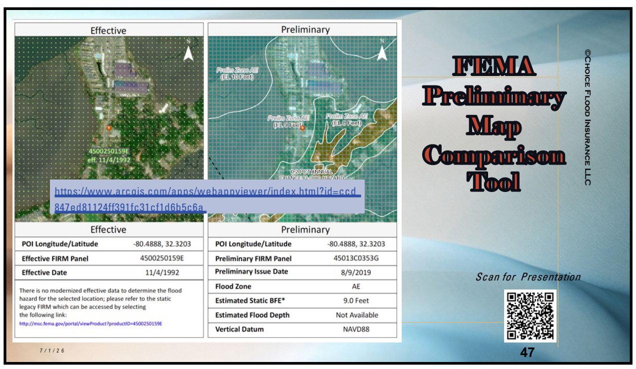

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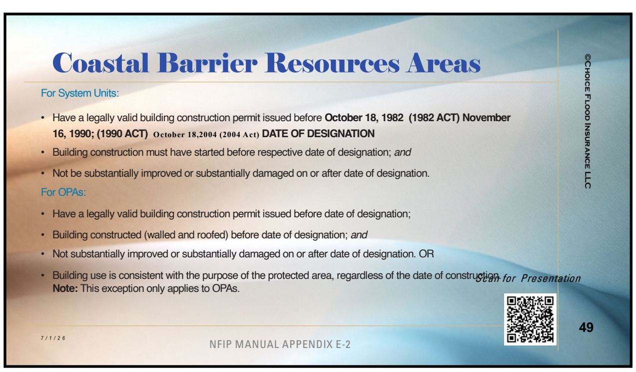

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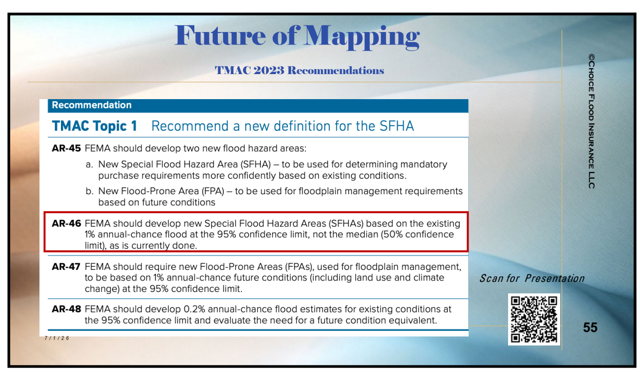

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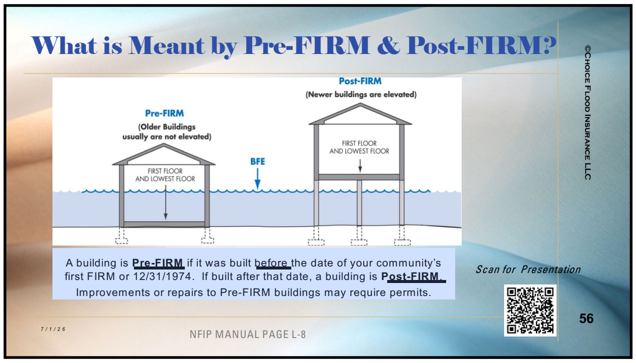

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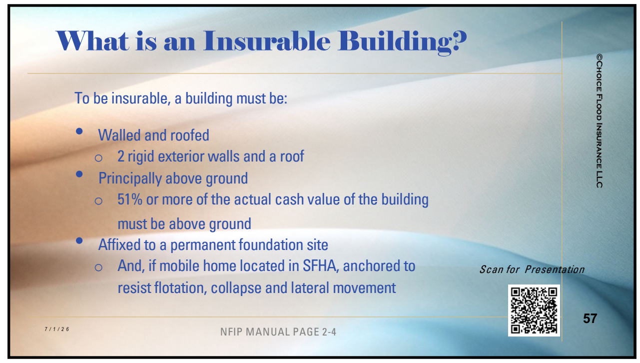

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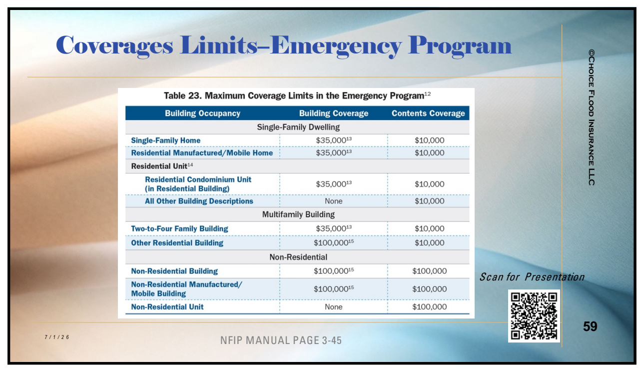

Table 23. Maximum Coverage Limits in the Emergency Program[12]

Building Occupancy	Building Coverage	Contents Coverage
Single-Family Dwelling		
Single-Family Home	$35,000[13]	$10,000
Residential Manufactured/Mobile Home	$35,000[13]	$10,000
Residential Unit[14]		
Residential Condominium Unit (in Residential Building)	$35,000[13]	$10,000
All Other Building Descriptions	None	$10,000
Multifamily Building		
Two-to-Four Family Building	$35,000[13]	$10,000
Other Residential Building	$100,000[15]	$10,000
Non-Residential		
Non-Residential Building	$100,000[15]	$100,000
Non-Residential Manufactured/ Mobile Building	$100,000[15]	$100,000
Non-Residential Unit	None	$100,000

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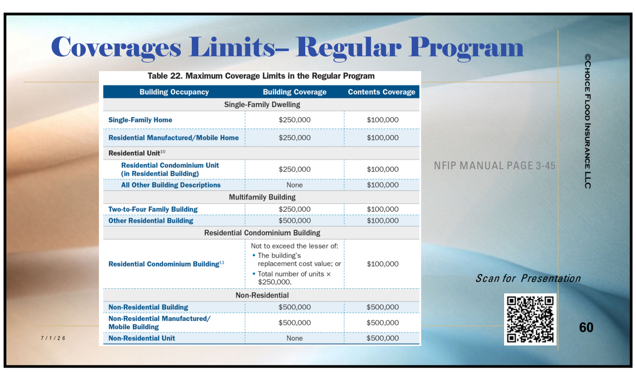

Table 22. Maximum Coverage Limits in the Regular Program

Building Occupancy	Building Coverage	Contents Coverage
Single-Family Dwelling		
Single-Family Home	$250,000	$100,000
Residential Manufactured/Mobile Home	$250,000	$100,000
Residential Unit[10]		
Residential Condominium Unit (in Residential Building)	$250,000	$100,000
All Other Building Descriptions	None	$100,000
Multifamily Building		
Two-to-Four Family Building	$250,000	$100,000
Other Residential Building	$500,000	$100,000
Residential Condominium Building		
Residential Condominium Building[11]	Not to exceed the lesser of: • The building's replacement cost value; or • Total number of units × $250,000.	$100,000
Non-Residential		
Non-Residential Building	$500,000	$500,000
Non-Residential Manufactured/ Mobile Building	$500,000	$500,000
Non-Residential Unit	None	$500,000

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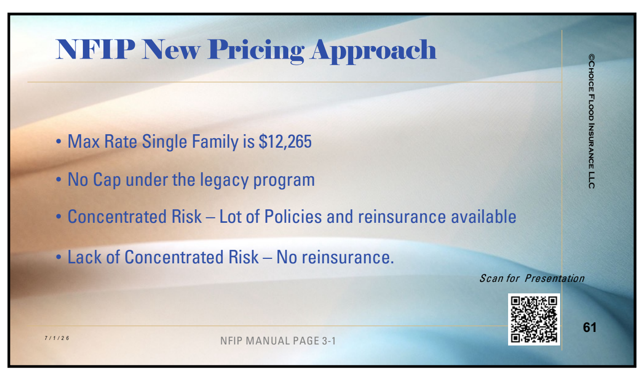

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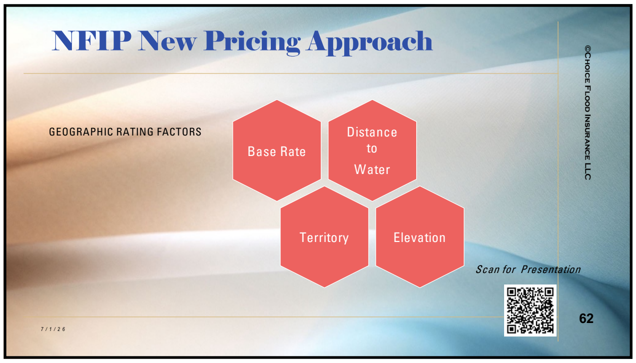

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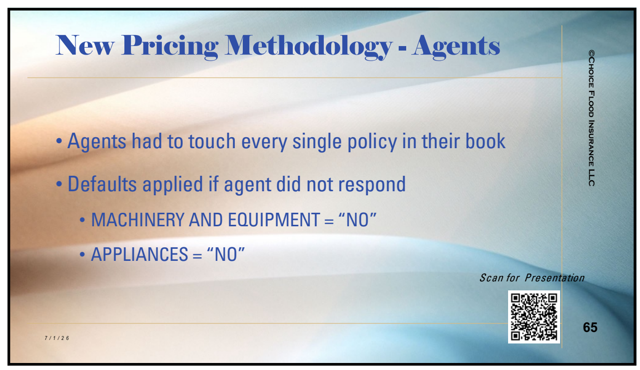

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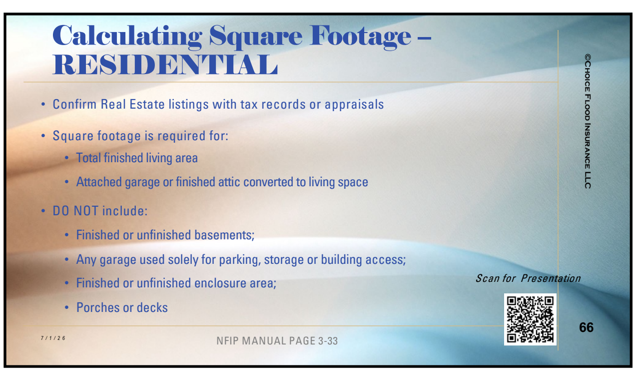

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First Floor Height

- Height of the buildings first lowest floor above the adjacent grade
- Two ways to determine first floor height
  - FEMA elevation certificate Section C, Section E or Section H
  - FEMA determined

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Building Occupancy Types

Single Family Dwelling

- Residential dwelling
- One unit only
- Contents considered to be throughout the structure

2-4 Family Dwelling

- Residential unit
- Up to four units per dwelling

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Building Occupancy Types

Other Residential Dwelling

- Residential unit
- More than four units per dwelling
- Hotel or motel stay of six months or more

Non-Residential

- Agricultural structures
- Commercial unit
- Hotel stay of less than six months
- Grain bins

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BUILDER'S RISKS BUILDINGS UNDER CONSTRUCTION

- Not yet walled and roofed, affixed to a permanent site, principally above ground
- Applied deductible is 2 times the post-construction deductible
- Coverage ceases if construction is halted more than 90 days
- Building materials only covered if in an enclosed structure on premise
- Cannot be renewed
- Cannot be assigned or transferred to another party

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MANUFACTURED MOBILE HOMES

- A manufactured mobile home is a structure built on a permanent chassis, transported and anchored to a site, and affixed to a permanent foundation.
- Includes travel trailers without wheels build on a permanent chassis and affixed to a permanent foundation.

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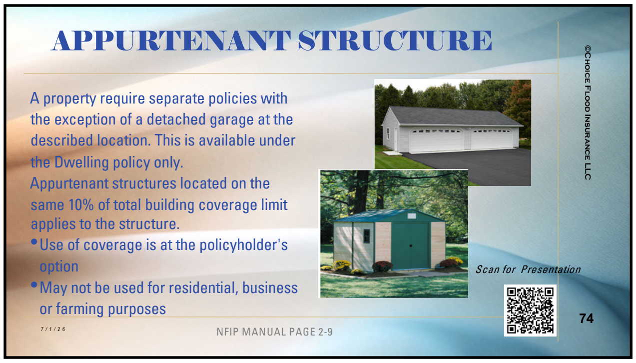

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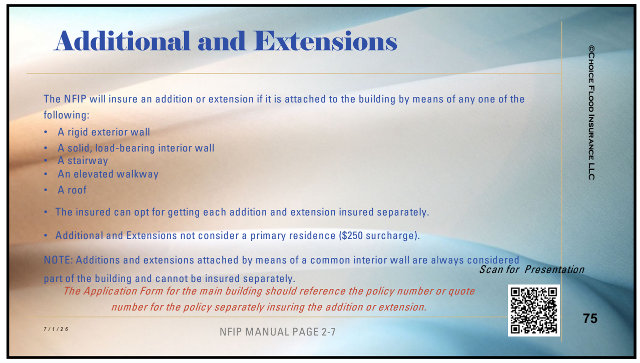

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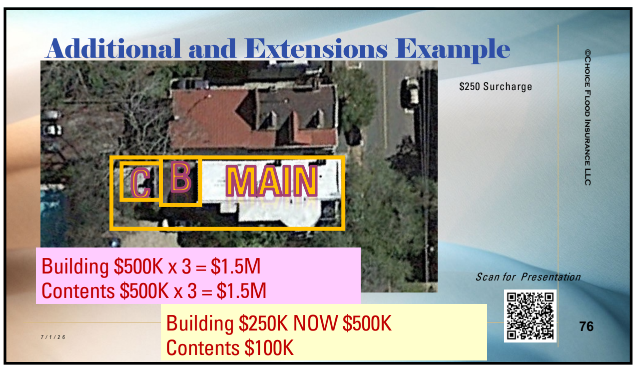

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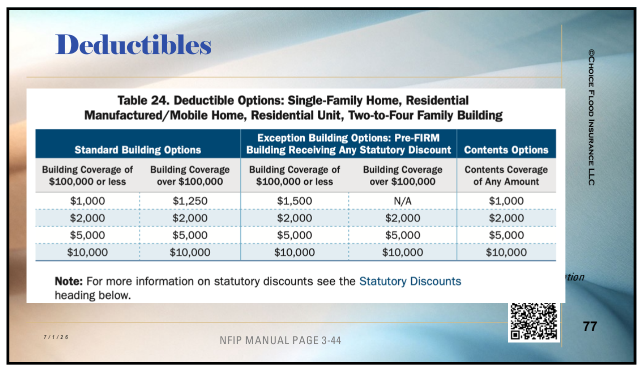

Table 24. Deductible Options: Single-Family Home, Residential Manufactured/Mobile Home, Residential Unit, Two-to-Four Family Building

Standard Building Options		Exception Building Options: Pre-FIRM Building Receiving Any Statutory Discount		Contents Options
Building Coverage of $100,000 or less	Building Coverage over $100,000	Building Coverage of $100,000 or less	Building Coverage over $100,000	Contents Coverage of Any Amount
$1,000	$1,250	$1,500	N/A	$1,000
$2,000	$2,000	$2,000	$2,000	$2,000
$5,000	$5,000	$5,000	$5,000	$5,000
$10,000	$10,000	$10,000	$10,000	$10,000

Note: For more information on statutory discounts see the Statutory Discounts heading below.

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Table 25. Deductible Options: Other Residential Building, Non-Residential Building, Non-Residential Manufactured/Mobile Building, Non-Residential Unit

Standard Building Options[18]		Exception Building Options: Pre-FIRM Building Receiving Any Statutory Discount[18]		Contents Options
Building Coverage of $100,000 or less	Building Coverage over $100,000	Building Coverage of $100,000 or less	Building Coverage over $100,000	Contents-Only Coverage
$1,000 / $1,000	$1,250 / $1,250	$1,500 / $1,500	N/A	$1,000
$2,000 / $2,000	$2,000 / $2,000	$2,000 / $2,000	$2,000 / $2,000	$2,000
$5,000 / $5,000	$5,000 / $5,000	$5,000 / $5,000	$5,000 / $5,000	$5,000
$10,000 / $10,000	$10,000 / $10,000	$10,000 / $10,000	$10,000 / $10,000	$10,000
$25,000 / $25,000	$25,000 / $25,000	$25,000 / $25,000	$25,000 / $25,000	$25,000
$50,000 / $50,000	$50,000 / $50,000	$50,000 / $50,000	$50,000 / $50,000	$50,000

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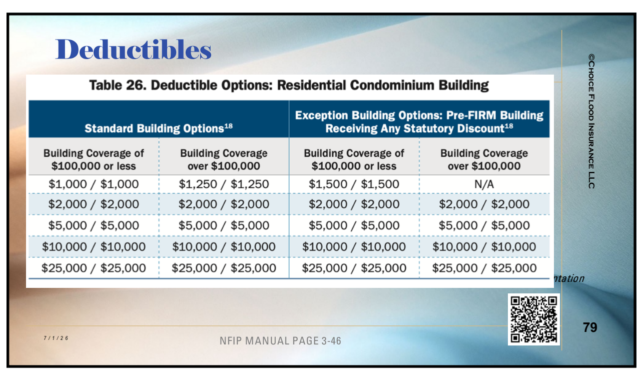

Table 26. Deductible Options: Residential Condominium Building

Standard Building Options[18]		Exception Building Options: Pre-FIRM Building Receiving Any Statutory Discount[18]	
Building Coverage of $100,000 or less	Building Coverage over $100,000	Building Coverage of $100,000 or less	Building Coverage over $100,000
$1,000 / $1,000	$1,250 / $1,250	$1,500 / $1,500	N/A
$2,000 / $2,000	$2,000 / $2,000	$2,000 / $2,000	$2,000 / $2,000
$5,000 / $5,000	$5,000 / $5,000	$5,000 / $5,000	$5,000 / $5,000
$10,000 / $10,000	$10,000 / $10,000	$10,000 / $10,000	$10,000 / $10,000
$25,000 / $25,000	$25,000 / $25,000	$25,000 / $25,000	$25,000 / $25,000

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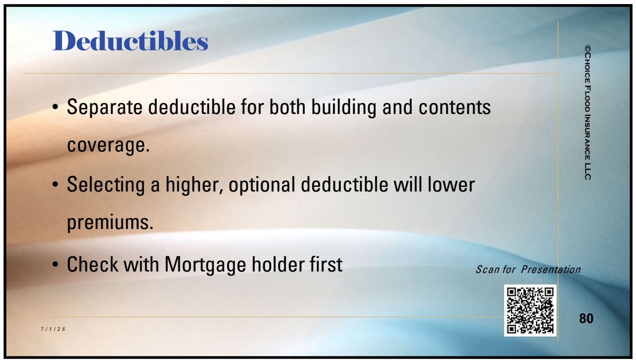

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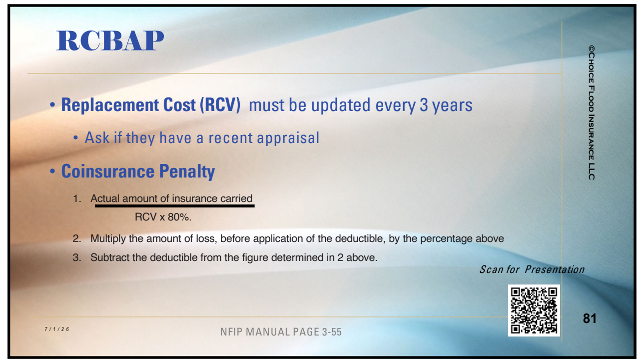

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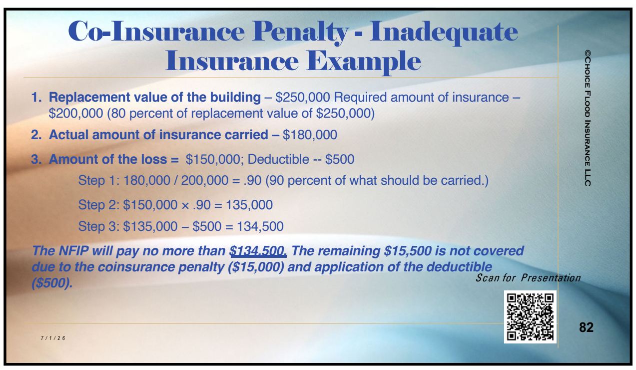

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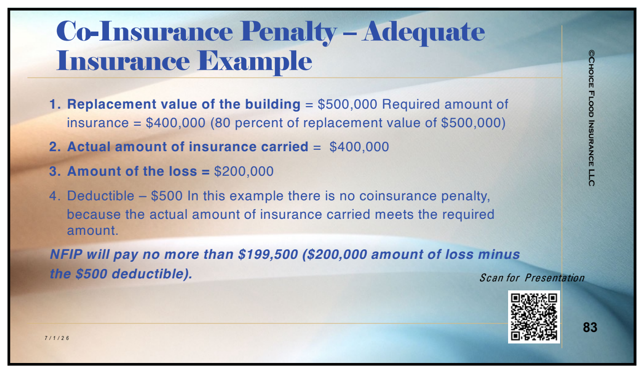

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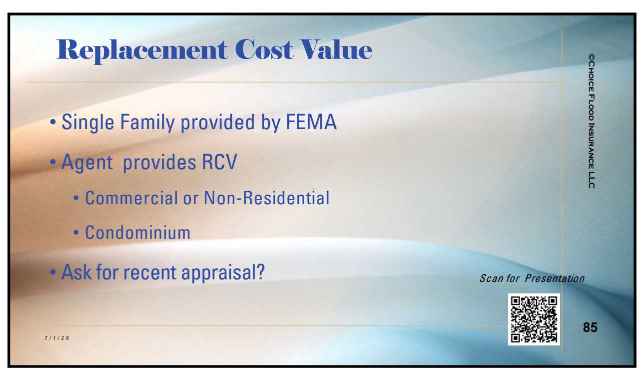

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Effective Dates

- At LOAN closing: Policy effective immediately
- Required by lender due to **map change**—1 day
- All others—30 days (even for cash purchases)
  - Wildfire Exception

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Newly Purchased within 365 days

- If insured purchased home within the last 365 days:
  - 30-day wait rule applies. Really, 335 days.
  - Let's them assume the glidepath, plus first bump
  - You will need carrier name and policy number

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National Flood Insurance Program

Elevation Certificate

and Instructions

2023 EDITION

FEMA

Elevation Certificate 2023 Edition

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Elevation Certificate

- Not required
- Make sure the address matches
- For insurance purposes, EC age doesn't matter.
- Must be signed and dated

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Form Instructions

U.S. DEPARTMENT OF HOMELAND SECURITY
Federal Emergency Management Agency
National Flood Insurance Program

OMB Control No. 1660-0008
Expiration Date: 06/30/2026

ELEVATION CERTIFICATE

IMPORTANT: MUST FOLLOW THE INSTRUCTIONS ON INSTRUCTION PAGES 1-11

Copy all pages of this Elevation Certificate and all attachments for (1) community official, (2) insurance agent/company, and (3) building owner.

SECTION A – PROPERTY INFORMATION	FOR INSURANCE COMPANY USE
A1. Building Owner's Name:	Policy Number:
A2. Building Street Address (including Apt., Unit, Suite, and/or Bldg. No.) or P.O. Route and Box No.:	Company NAIC Number:
City: State: ZIP Code:	
A3. Property Description (e.g., Lot and Block Numbers or Legal Description) and/or Tax Parcel Number:	
A4. Building Use (e.g., Residential, Non-Residential, Addition, Accessory, etc.):	
A5. Latitude/Longitude: Lat. Long. Horiz. Datum: ☐ NAD 1927 ☐ NAD 1983 ☐ WGS 84	
A6. Attach at least two and when possible four clear color photographs (one for each side) of the building (see Form pages 7 and 8).	
A7. Building Diagram Number:	

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Elevation Certificate

Section A

Address Information
Lat/Long
Building Diagram
Enclosure Info
Opening Information
Main Building
Attached Garage *(not over elevated building)*

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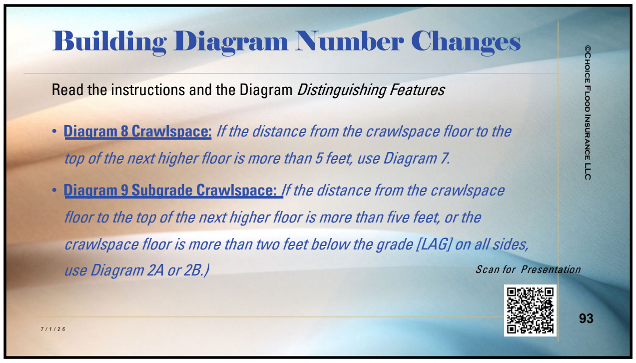

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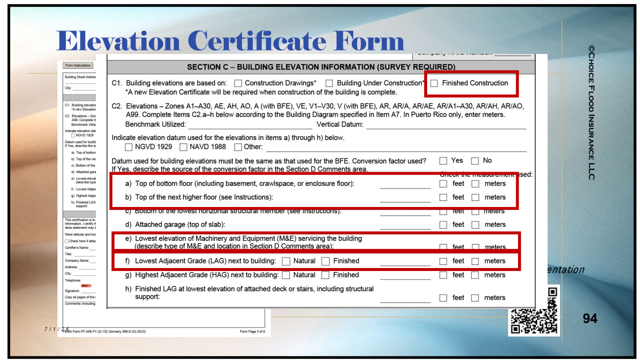

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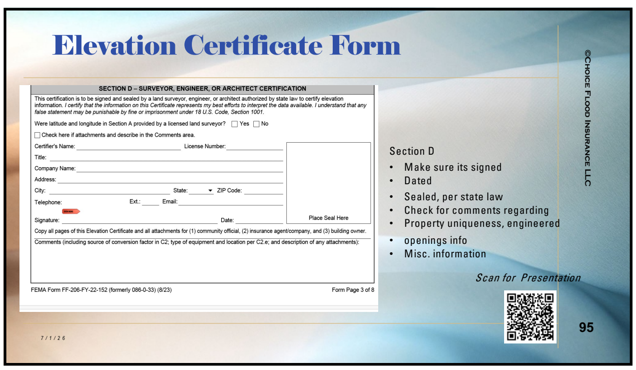

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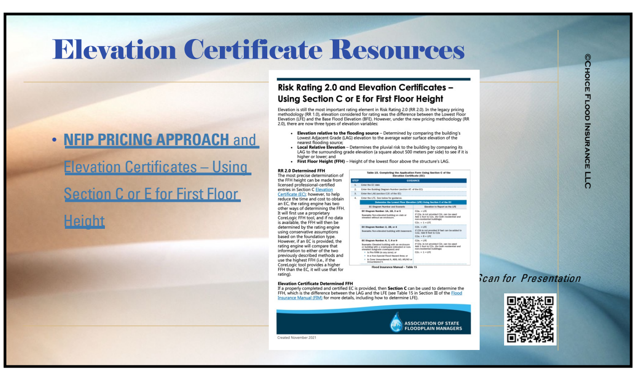

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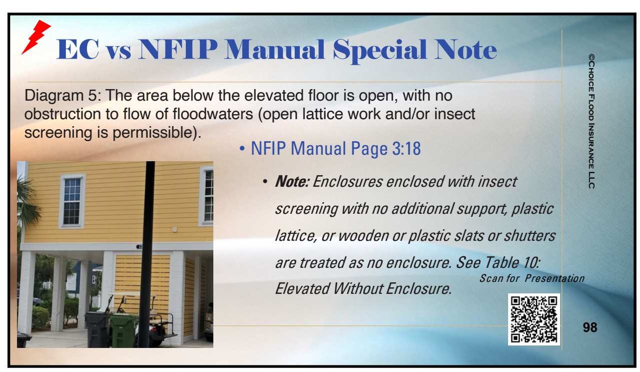

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Understanding Mitigation Discounts

- Proper Openings
- Machinery and Equipment
- Community Rating System (separate line item)

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Proper Openings

Proper flood openings (flood vents) in enclosures or crawlspaces allow the hydrostatic flood forces on the walls to equalize and minimize foundation damage to the building. FEMA provides a discount for buildings, in any flood zone, with proper flood openings in enclosures.

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Why flood openings matter?

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Proper Flood Openings Discount Applicability

Below are the foundation types that may be eligible to receive the proper flood openings discount:

- Elevated With Enclosure on Posts, Piles or Piers
- Elevated With Enclosure Not Posts, Piles or Piers (Solid Foundation Walls)
- Crawlspace (Elevated or Non-Elevated Subgrade Crawlspace)

Source: OCTOBER 2021 RISK RATING 2.0 NFIP PRICING APPROACH NFIP FLOOD INSURANCE MANUAL 3-26

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Proper Flood Openings Discount Requirements

To obtain the proper flood opening discount, all enclosures below the elevated floor must meet the following requirements:

- There must be a minimum of two openings
- two separate exterior walls.
- The bottom of all openings must be no higher than one foot above the higher of the exterior or interior adjacent grade or floor immediately below the openings.
- The openings must have a total net area of not less than one square inch for every one square foot of enclosed area.

For partially subgrade floors, there must be a minimum of two openings positioned on a single exterior wall adjacent to the lowest grade next to the building.

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Machinery and Equipment- Building Only Coverage

If the policyholder purchased building-only coverage, the following M&E must be elevated to receive the discount:

- Central air conditioner (including exterior compressor)
- Furnace
- Heat pump (including exterior compressor)
- Hot water heater
- Elevator machinery and equipment

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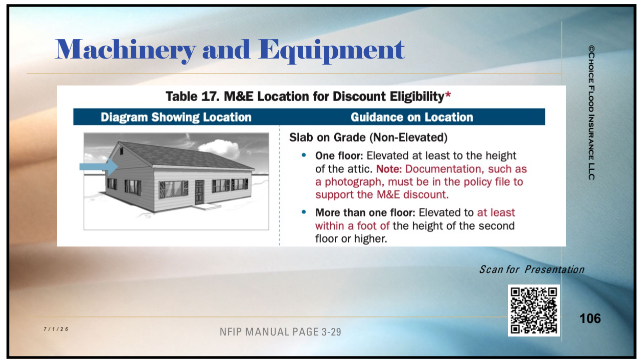

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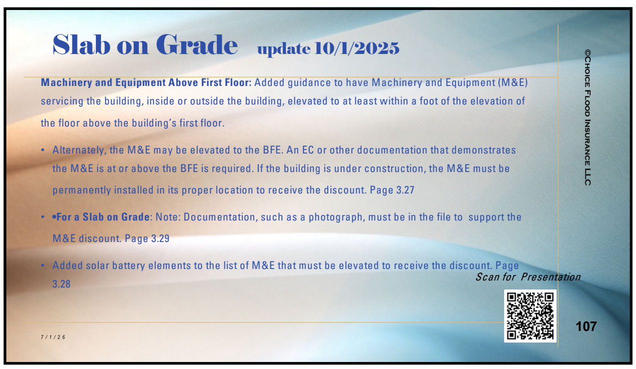

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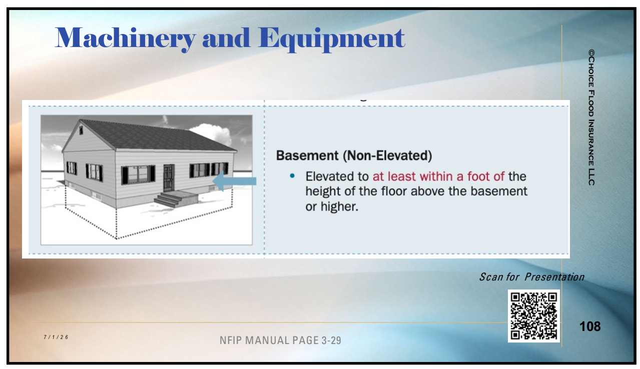

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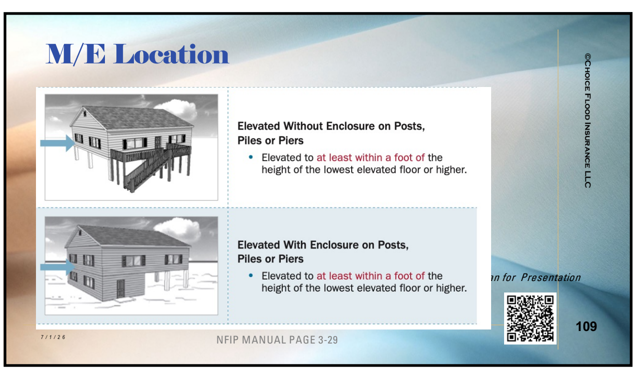

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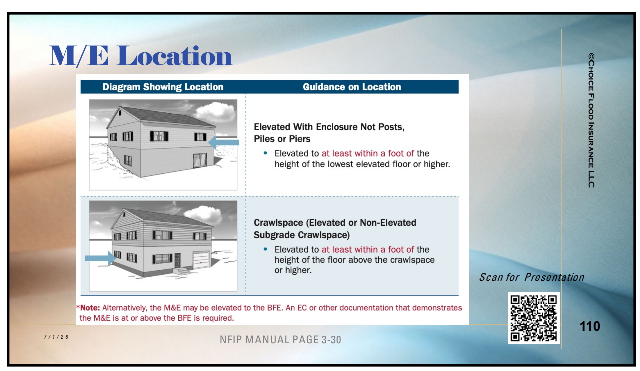

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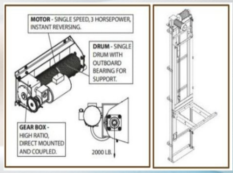
Elevators



Vents required in A Zones or Breakaway walls in V-Zones

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Generators

19 Identification of Building Equipment, Appliances, Electronics, and Mechanicals

The NFIP requires the adjuster to provide identifying information (manufacturer, model and serial number, and whenever possible, capacity, etc.) on major building equipment such as furnaces, central air conditioning units, and major appliances such as refrigerators, washers, dryers, televisions, etc.

The adjuster must provide available identifying information on all covered flood damaged appliances, electronic, and mechanical devices to include the make, model number, and serial number, and include a photograph of any identifying tags or labeling. If this information is not accessible, or not available, the adjuster should document the items with a detailed description and explanation in the narrative report.

Air conditioning condensers and solar panels are covered even if set apart from the insured building. The SFIP does not cover other equipment, like generators, air compressors, and substation transformers owned by the policyholder that may service the insured building unless the equipment is hard-wired and in an insured building as defined in the SFIP II.B.6 or in a building physically attached to the covered structure by means of a qualifying addition or extension per III.A.2. Generators stored in a building at the described location are personal property. Generators and other such equipment in a basement are not covered.

See Figure 44 for an example of a non-covered generator. It is not in a building as defined in the SFIP. See Figure 45 for an example of an attached utility shed. A generator is covered under building when it is hard-wired to the building's electrical system, is installed within an area of the insured building, such as an attached utility shed or closet, or within an SFIP-covered porch

247 June 1, 2019

or detached SFIP-eligible garage.

Figure 44 Non-Covered Generator

Photograph credit Generac

Figure 45. Attached Utility Shed

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Building Under Construction

- If a building under construction, alteration, or repair does not have at least two rigid exterior walls and a fully secured roof at the time of loss, then the deductible amount will be **two times the deductible** that would otherwise apply to a completed building.
- No interruption or stoppages for more than 90 days
  - If this occurs policy has to be canceled, **Reason Code 01** to receive a **pro-rata refund** for the remainder of the policy term.
  - When construction resumes, it can be rewritten as new business.
- When the construction is complete, then the policy must be **endorsed to reflect that the building is no longer under construction** and **update any other rating variables** as needed.
- An **Elevation Certificate** will be available.

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Substantial Damage or Substantial Improvement

- Determined by local floodplain manager
- Ask insured questions
- FEMA and communities are now using claims data to audit local government enforcement of their floodplain ordinance as a condition for participation in the NFIP

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Substantial Improvement Determination

- When a building has been substantially improved, the agent must confirm if a local community official has declared the building substantially improved.
- The Application Form must report both the original date of construction and the substantial improvement date.
- The NFIP will use the *substantial improvement* date for policy coverage and rating purposes.

Homeowners may be confused between their opinion, and what is defined as a substantial improvement, by the NFIP.

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Glidepath Discount

- Applied to:
  - For Newly mapped,
  - Pre-FIRM and
  - grandfathered (legacy policies),
- Rates capped at 18% primary residential; 25% for non-primary, SRL and non-residential
- If the policies lapses, discount goes way. Policy goes to full-risk rate

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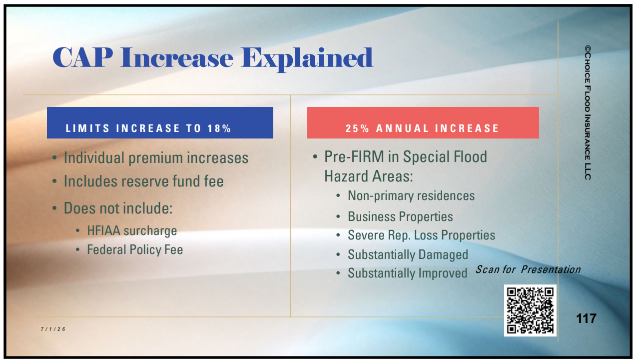

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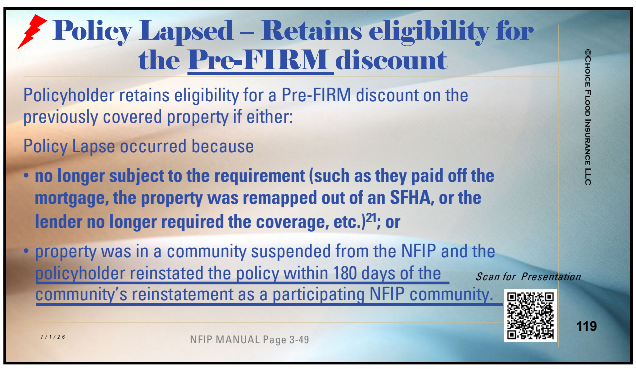

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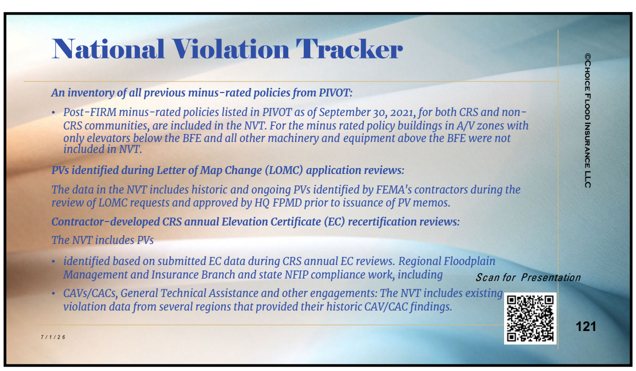

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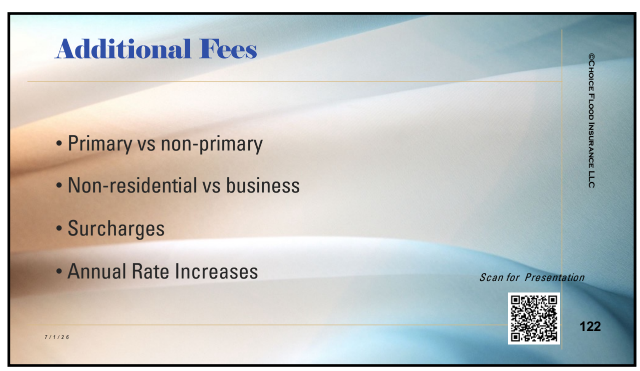

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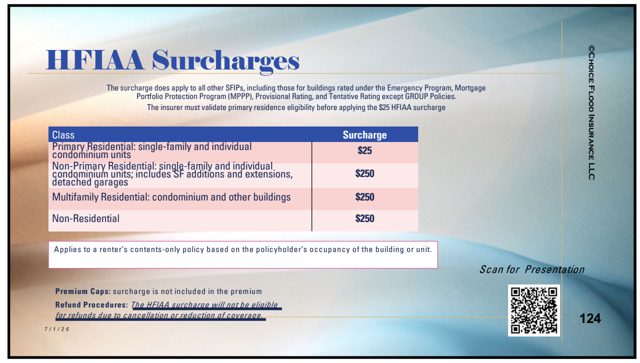

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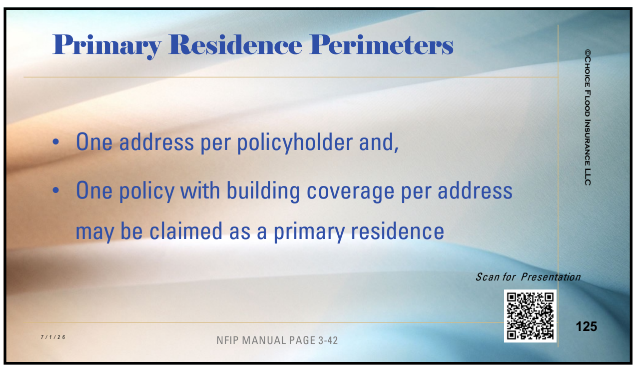

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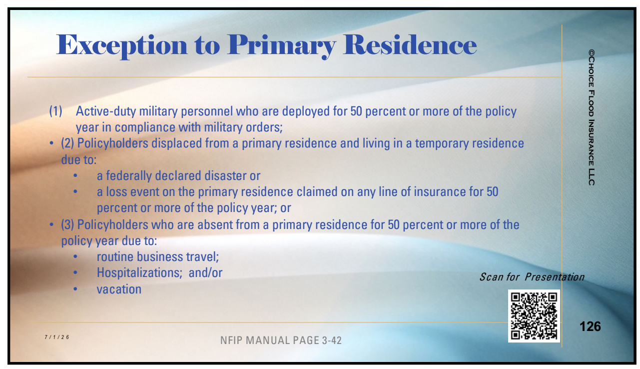

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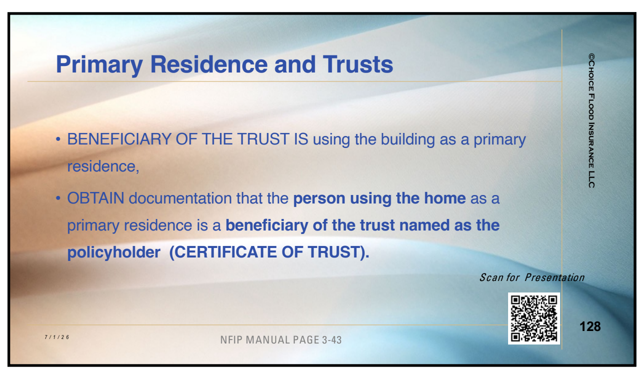

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Non-Primary Residence

- Non-Primary insured under a separate policy:
- detached structures, at the same address, as a primary residence
- detached garage or
- guest house,
- additions and extensions to a primary residence
- CONDOMINIUMS BUILDINGS (RCBAP)

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Federal Policy Fee

Table 33. Federal Policy Fee

Building Occupancy	Federal Policy Fee Amount	
• Single-Family Home • Residential Manufactured/Mobile Home • Residential Unit • Two-to-Four Family Building	$47	
• Other Residential Building • Non-Residential Building • Non-Residential Manufactured/Mobile Building • Non-Residential Unit	$47	
Residential Condominium Building	Units 1–20	$47 per unit
	Units 21–40	$20 per unit
	Units 41–100	$10 per unit
	Units 101+	$2 per unit

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Reserved Fund Fee Assessment

- 18% on all Policies
- percentage of the Discounted Premium (excluding the Federal Policy Fee, HFIAA surcharge, and probation surcharge)

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Probation Surcharge

- $50 fee for communities who are not enforcing their ordinance

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Mandatory increases above CAP

- Premiums on **subsidized policies** are being increased 25 percent for:
  - Non-primary residences,
  - Severe Repetitive Loss properties, and
  - Substantially-damaged
  - substantially improved properties.

*The 25 percent premium increase on **business properties** will be implemented next year.*

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"Business" Defined

- For rating purposes:
- a business property means a building where a licensed commercial enterprise is carried out to generate income and coverage is for one of the following:
  - ➢ A building not used for habitation or residential uses.
  - ➢ A building used as an office, retail space, wholesale space, factory, hospitality space, or for similar uses; or
  - ➢ A mixed-use building in which the total floor area devoted to non-residential uses is:
    - 50 percent or more of the total floor area within the building, if a single family building; or
    - 25 percent or more of the total floor area within the building for all other buildings.

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Increase Cost of Compliance (ICC)

- Floodproofing
- Relocation
- Elevation
- Demolition

Up to $30,000 Available If structure is declared substantially damaged

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Increase Cost of Compliance (ICC)

- Part of the claims process and handled by the adjuster
- Letter from the community declaring the structure "substantially damaged," per the community flood ordinance.
- Up to $30K available; total of building claim plus ICC not to exceed $250K

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Flood Application is non-binding

- Buyer buys a policy at closing based on agent quote of $2,500.
- *Three weeks after closing company paid, insured was notified there is a mistake. Please send us another $9,000. Total Annual Premium $11,500.*

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Endorsements – some examples

Submit endorsements timely – Protect E&O exposure

- Money endorsements
  - Increase/decrease/add coverage
  - RCV
  - Deductible changes
  - Commission charge backs
- Non-money endorsements
  - Name change
  - Address change

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Policy Assignments

- Provides for continuous coverage
- Current policy holder can transfer docs (e.g., elevation certificate, etc.)
- Glidepath Rates retained
- All paperwork must be signed before closing

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Insufficient Premium (Reformation)

Insufficient Premium

Type of Premium-Bearing Endorsement	Procedure if Premium is Insufficient
Elective Endorsement *Including but not limited to:* *Coverage or deductible change*	• If the insurer receives payment but less than the full amount due to purchase the endorsement requested, it must proceed with endorsing the policy to the amount of coverage that the premium received can purchase after deducting the costs of all applicable fees and surcharges. • If the insurer receives no payment, the endorsement is nullified.
Required Endorsement *Including but not limited to:* *Rating adjustment, rating correction, rate category change*	• If the insurer receives no payment or a payment less than the full amount due, see the applicable procedures under the Reformation Due to Insufficient Premium or Rating Information heading in Section 2: Before You Start. The insurer must process the endorsement to correct the rating and reform the policy by reducing coverage to the amount that the premium received can purchase.

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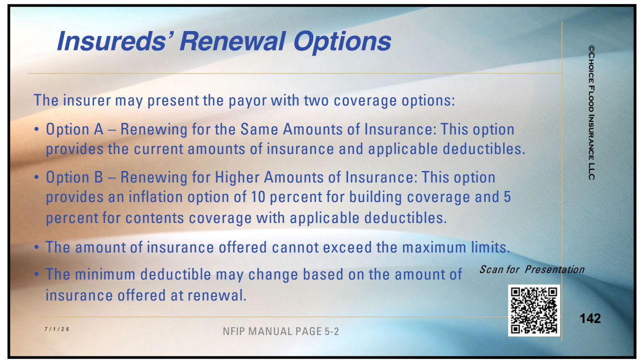

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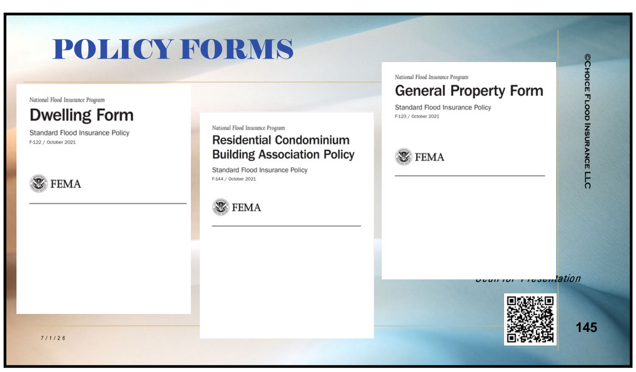

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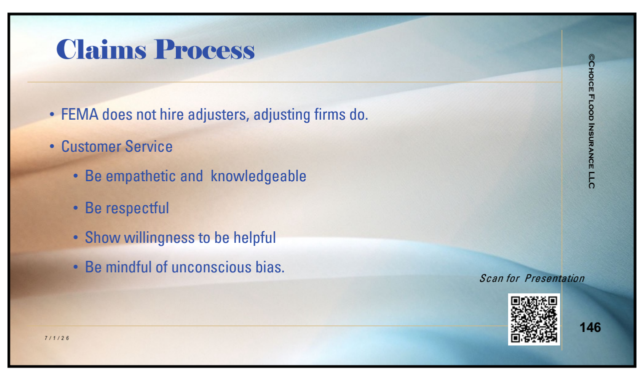

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Claims Exclusions

We do not insure for direct physical loss caused directly or indirectly by any of the following:

- The pressure or weight of ice
- Freezing or thawing
- Rain, snow, sleet, hail, or water spray
- Water, moisture, mildew, or mold that results primarily from any condition:
  - a. Substantially confined to the dwelling; or
  - b. That is within your control, including but not limited to:

Failure to inspect and maintain the property after a flood recedes

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Agent Touchpoints

Make updates before filing the claim

- Date of Loss
- Verify Contact information, may have changed
  - Contact Name and Secondary Contact
  - Phone Number
  - Email Address
- Verify the Mortgagee Information
- Notes: How high did the water get inside the building?
- What damage occurred? Encourage photos or videos
- Have the insured save "samples," note make model and serial numbers of Damaged appliances

Follow up

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Mortgagee Clause

- Mortgagee's interest is protected
- Confirm lienholder information
- Notify the carrier of any additional lienholders
- Does not apply to Coverage C (Other Coverages) or Coverage D (ICC)

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Photographs

- Photograph the address of the building
- Photograph the building damage in the same order of the scope
- Take meaningful photographs - damage and non-damage
- Single wide-angle view if adequate; others require multiple views with close-up photographs
- Address content damage the same way
- Take the proper number of photos to support the written scope of loss and/or denial recommendations

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Replacement Cost Loss Settlement

RCV – The cost to replace damaged items using similar materials and construction without a deduction for depreciation

- ❑ Must be a SINGLE FAMILY dwellings
- ❑ PRINCIPAL RESIDENCE at the time of loss meaning Insured OR insureds spouse lives there 80% of the time. *Different from PRIMARY residence.*
- ❑ INSURANCE COVERAGE is 80% or more of the full replacement cost or the maximum coverage available

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BUILDING COVERAGE

The following items of property are covered Under Building Coverage **A** only:

a. Awnings and canopies
b. Blinds
c. Built-in dishwashers and microwave ovens
d. Carpet permanently installed over unfinished flooring
e. Central air conditioners
f. Elevator equipment
g. Fire sprinkler system
h. Walk-in freezers
i. Furnaces and radiators
j. Garbage disposal units

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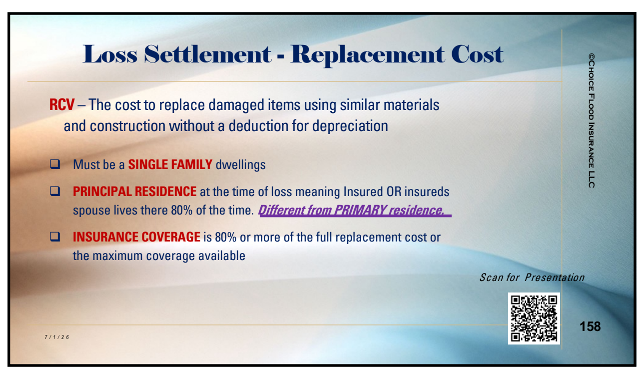

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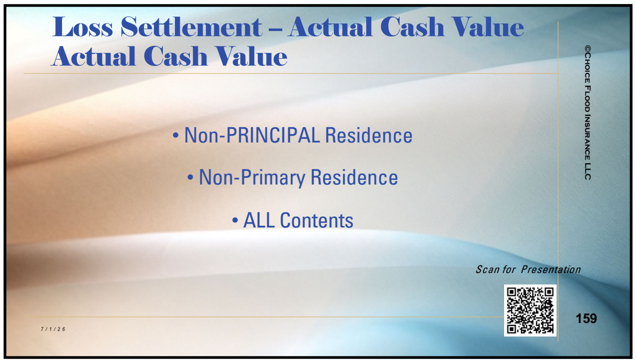

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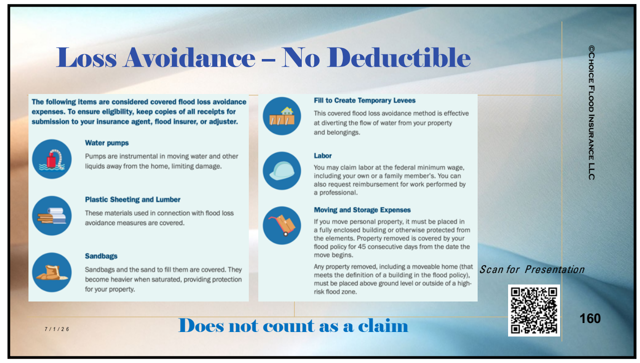

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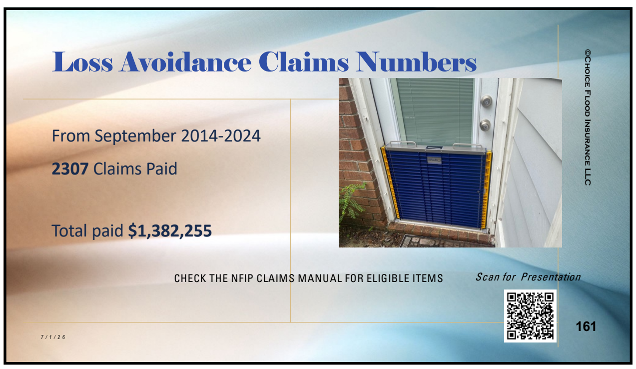

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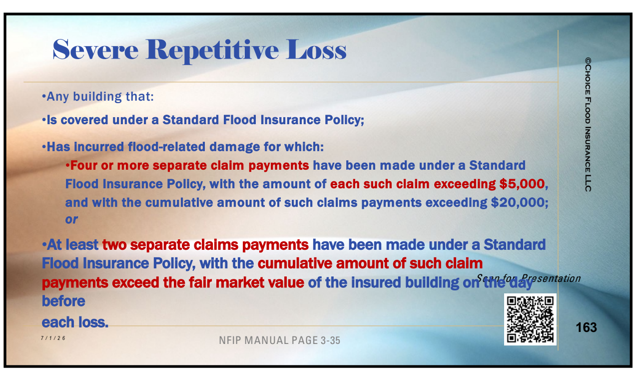

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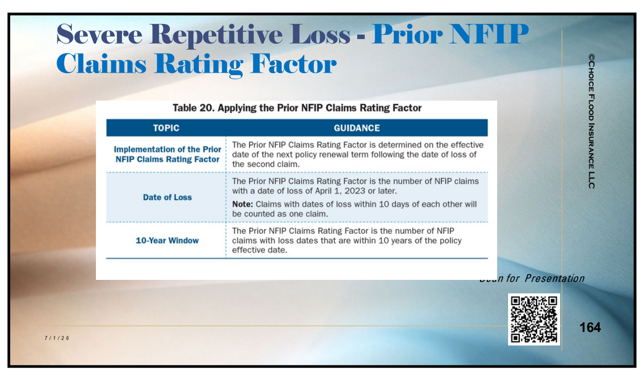

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Severe Repetitive Loss - Prior NFIP Claims Rating Factor

- The Prior NFIP Claims Rating Factor excludes the following claim types:
  - Claims with a date of loss prior to April 1, 2023;
  - Increased Cost of Compliance (ICC) claims;
  - Closed Without Payment (CWOP); *and*
  - Loss Avoidance claims.

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Severe Repetitive Loss - Prior NFIP Claims Rating Factor

Table 21. Policy with Prior NFIP Claims Example

	Policy Effective Date	9/1/ 2023	9/1/ 2024	9/1/ 2025	9/1/ 2026	9/1/ 2027	9/1/ 2028	9/1/ 2029	9/1/ 2030	9/1/ 2031	9/1/ 2032	9/1/ 2033	9/1/ 2034	9/1/ 2035	9/1/ 2036	9/1/ 2037
Claims Date of Loss	4/1/2023															
	1/1/2025															
	6/1/2026															
	1/1/2034															
Total Number of Prior NFIP Claims		1	1	2	3	3	3	3	3	3	3	2	3	2	1	1
Does It Impact the Premium?		No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No

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SRL List Correction/Removal
Resetting the Prior NFIP Claims History

Correcting an Invalid Claim History Association

- Documentation that may be required to correct or update a property's claims history includes:
  - Incorrectly linked addresses and/or losses; *or*
  - A second address added to a Property Locator Record.

Mitigation Actions Used to Reset the Prior NFIP Claims History

- Elevation
- Floodproofing Non-Residential
- Flood Control/Stormwater Management Project
- Building Removed and Relocated
- Building Demolition
- Elevation of Machinery and Equipment

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SRL Example

Building Value $101,00

Flood Loss History:

Year	Claim Paid Amount
2016	$144,627
2015	$7,016
2009	$12,434
1999	$248

- *(Claims History since 1999 are 164% of current building value)*
- *They will not count the $248 claim payment towards the total number of claims*

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October 1, 2025 Program changes

Machinery and Equipment Above First Floor: Added guidance to have Machinery and Equipment (M&E) servicing the building, inside or outside the building, elevated to at least within a foot of the elevation of the floor above the building's first floor.

- Alternately, the M&E may be elevated to the BFE. An EC or other documentation that demonstrates the M&E is at or above the BFE is required. If the building is under construction, the M&E must be permanently installed in its proper location to receive the discount. Page 3.27
- •**For a Slab on Grade**: Note: Documentation, such as a photograph, must be in the file to support the M&E discount. Page 3.29
- Added solar battery elements to the list of M&E that must be elevated to receive the discount. Page 3.28

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October 1, 2025 Program changes

- •Square Footage: For all Building Occupancies, 99999 is not a valid value. For Single-Family Homes with square footage greater than 15,000 square feet, the insurer must have documentation in the policy files that supports the building square footage. Page 3.33
- • Added additional guidance for a stem wall foundation in Table 8. Page 3.16
- Incorporated guidance on how to determine the foundation type of the building in Table 8. Page 3.16
- Inserted a note for elevated buildings that coverage limitations may apply. Page 3.17
- Added additional guidance for elevated buildings with Posts, Piles, or Piers. Page 3.17
- Added guidance to the building indicators for multi-floor buildings in Table 12. Foundation Type – Elevated with Enclosure Not on Posts, Piles, Or Piers (Solid Foundation Walls). Page 3.20
- Added guidance to Table 14. First Floor Height Measurement by Foundation Type indicating when supporting documentation is needed. Pages 3.21 and 3.22
- Elevation Certificate/Land Survey: Added guidance to truncate the elevations used from the Elevation Certificate. 3.23

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October 1, 2025 Program changes

- **Number of Floors in the Building:** For the following Building Occupancies, the insurer must have documentation in the policy file that supports the number of floors if greater than listed below:
- Single-Family Home and Two-to-Four Family Building, more than 5 floors
- Residential Manufactured/Mobile Home and Non-Residential Manufactured/Mobile Building, more than 3 floors
- Other Residential Building, Residential Condo Association, Residential Unit, Non-Residential Building and Non-Residential Unit, more than 100 floors.
- **Note:** 99999 is not a valid value for the number of floors. Page 3.42

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Excess Flood

- Coverage above the NFIP max of $250,000 residential or $500,000 commercial.
- Private carrier
- Make the offer
- Keep signed waivers on file

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Private Flood

- Insurer chooses what they want to insure!
- Some may have restrictions on limitations on:
  - No historic structures
  - No pile structures
  - No mobile homes
  - No townhomes
  - Distance to water
  - Building under Construction

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Marketing Flood Insurance

- Offer everyone flood insurance or partner with someone
- Get signed waiver of they decline

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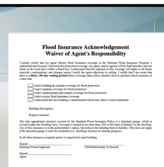
Flood Insurance Waiver



- Declining the offer to purchase flood Insurance
- Declining forms of basic coverage, e.g., contents
- Declining Excess Flood Coverage. or
- Coverage limits, if under RCV
- Condo Unit owners flood policy
- Moving from NFIP to Private insured acknowledging they can lose their glidepath
- Cancellation Waiver – required by FEMA when cancelling an NFIP policy

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Disaster Assistance

- Designed for structures that were not required through the Mandatory Purchase Act to obtain flood insurance;
- Requires Presidential declaration;
- Awarded in less than 50% of occurrences;
- Typical assistance is a low interest loan;
- Duration for 30 years for SBA;
- Must obtain flood insurance policy before disaster assistance payment is paid.

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Community Actions & Impacts

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- Flood hazard awareness activities
- Promoting Flood Insurance
- Community Rating System
- National Violations Tracker Corrections or Validation

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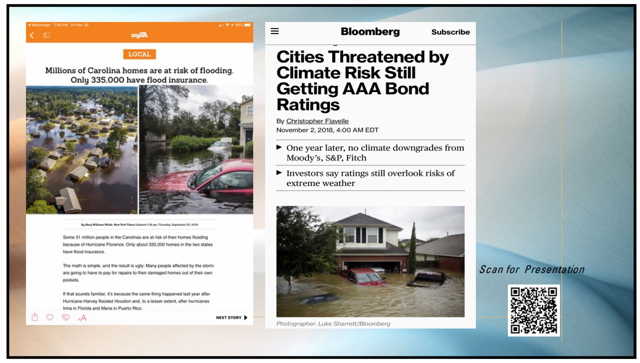

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Building/Zoning and Floodplain Management Codes/Regulations

- National Standards – one size fits all NOT
- Height Restrictions –
  - Leads to flatter roofs and/or replacement structures less (square footage, value)
  - Compromises ascetics over safety and resiliency
- Minimum Floodplain Management Codes don't minimize flooding – last update 1989

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High Insurance Premiums & Disasters

- Takes money out of the local economy
- Affects the entire community
  - Tax base
  - Abandon structures
- Small Businesses
  - 40% failure rate. Small businesses fail to plan
  - Underinsured

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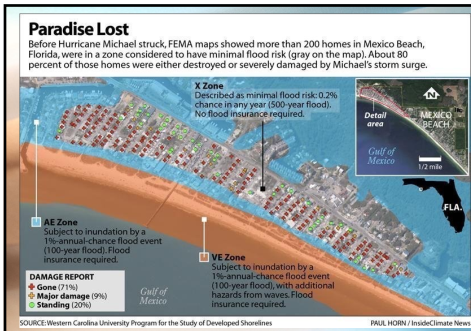

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FEMA MITIGATION GRANTS

- PRESIDENTIALLY DECLARED DISASTER
  - BUY OUT – MUST REMAIN OPEN SPACE
  - ELEVATION
  - DEMO-REBUILD

PLUS
ICC up to $30K for policy holders, not to exceed $250k .
No duplication of benefits

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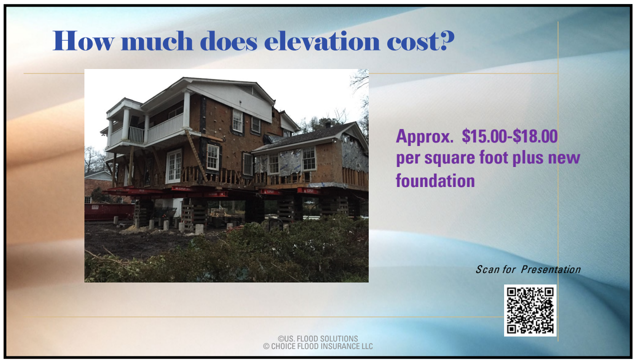

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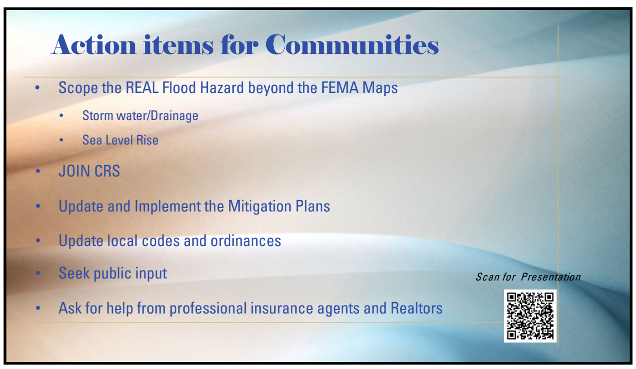

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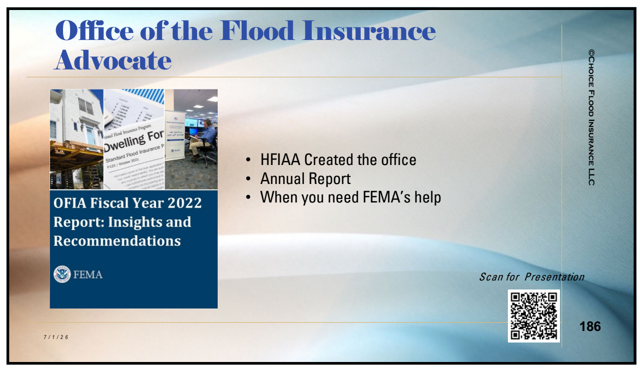

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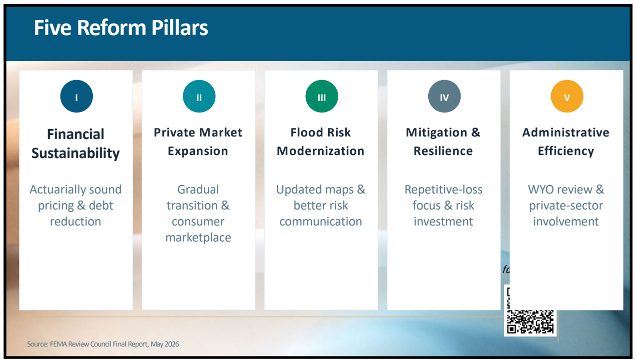

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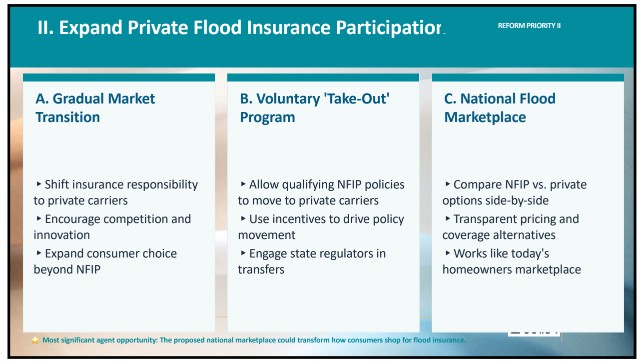

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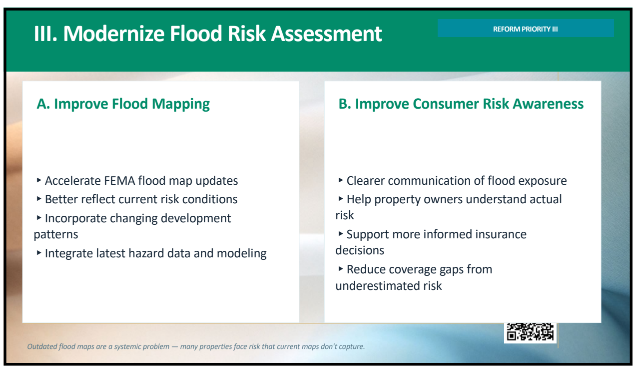

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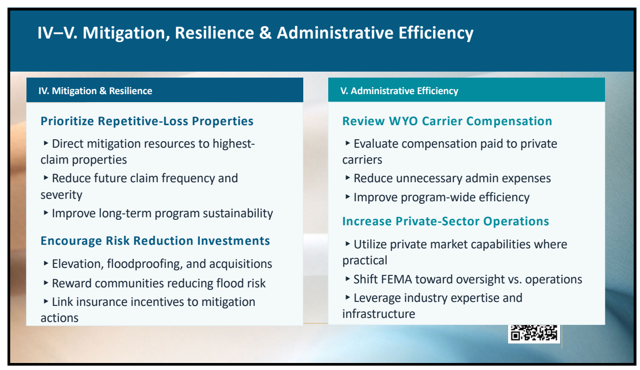

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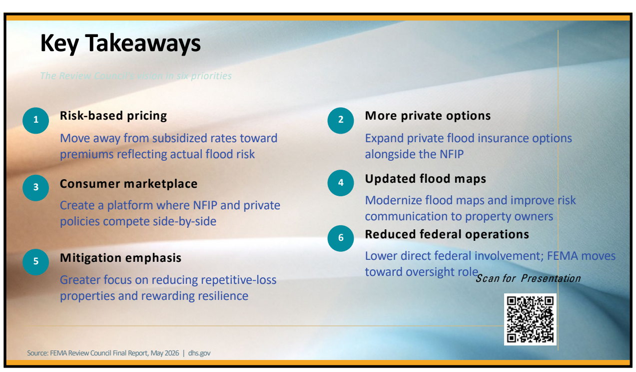

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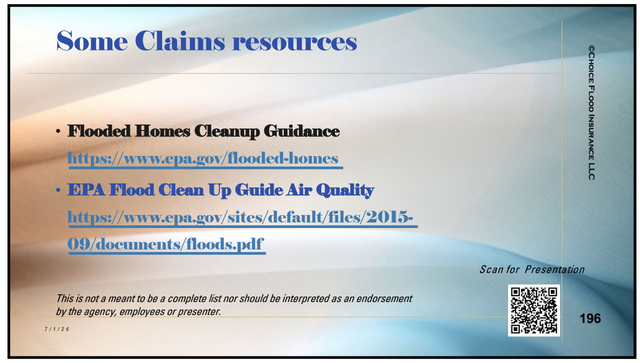

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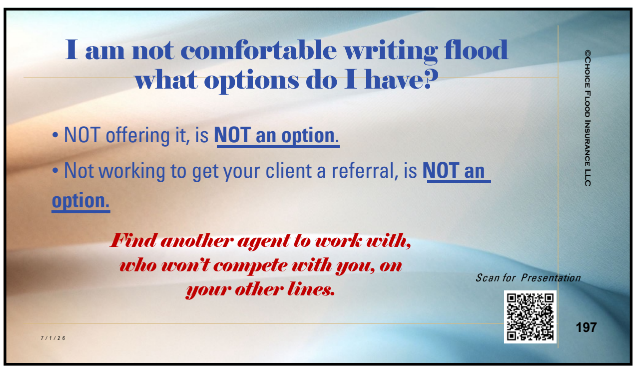

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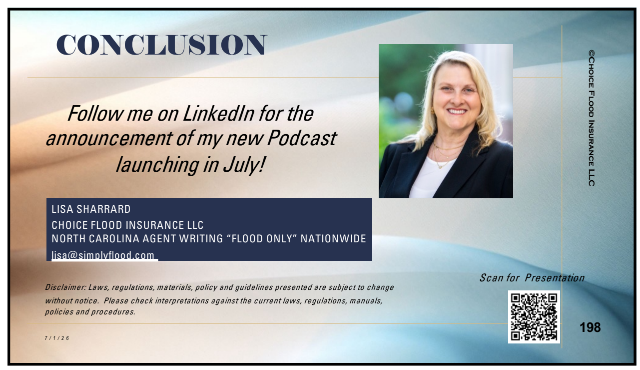

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