

Appendix L: Definitions

This table of terms includes definitions of specific terms/words related to the National Flood Insurance Program (NFIP). In a few instances, we included standard industry terms for additional focus and emphasis.

Term	Definition
Act	The National Flood Insurance Act of 1968.
Actual Cash Value (ACV)	The cost to replace an insured item of property at the time of loss, less the value of its physical depreciation.
Alternative Rating	A rating method used when a building is Pre-FIRM. The Flood Insurance Rate Map (FIRM) zone is unknown, and the community in which the building is located has no V Zones. May also be used for renewal of policies in communities that have converted from the Emergency Program to the Regular Program during a policy's term.
Anchored	Adequately secured to prevent flotation, collapse, or lateral movement.
Application	The statement made and signed by the prospective insured or the agent in applying for an NFIP flood insurance policy. The Application gives information used to determine the eligibility of the risk, the kind of policy to be issued, and the correct premium payment.
Base Flood	A flood having a 1% chance of being equaled or exceeded in any given year.
Base Flood Depth (BFD)	The depth shown on the Flood Insurance Rate Map (FIRM) for Zone AO that indicates the depth of water above the highest adjacent grade resulting from a flood that has a 1% chance of equaling or exceeding that level in any given year.
Base Flood Elevation (BFE)	The elevation of surface water resulting from a flood that has a 1% chance of equaling or exceeding that level in any given year. The BFE is shown on the Flood insurance Rate Map (FIRM) for zones AE, AH, A1–A30, AR, AR/A, AR/AE, AR/A1–A30, AR/AH, AR/AO, V1–V30 and VE.
Basement	Any area of the building, including any sunken room or sunken portion of a room, having its floor below ground level (subgrade) on all sides.
Breakaway Wall	A wall that is not part of the structural support of a building and is intended through its design and construction to collapse under specific lateral loading forces, without causing damage to the elevated portion of the building or supporting foundation system.
Building	<ul style="list-style-type: none"> • A structure with two or more outside rigid walls and a fully secured roof, that is affixed to a permanent site; or • A manufactured home (a “manufactured home,” also known as a mobile home, is a structure: built on a permanent chassis, transported to its site in one or more sections, and affixed to a permanent foundation); or • A travel trailer without wheels, built on a chassis and affixed to a permanent foundation, that is regulated under the community's floodplain management and building ordinances or laws. <p>“Building” does not mean a gas or liquid storage tank or a recreational vehicle, park trailer, or other similar vehicle, except as described above.</p>
Building in the Course of Construction	A walled and roofed building (see the Before You Start section for exceptions) that is principally above ground and affixed to a permanent site. It does not include building materials or supplies intended for use in construction, alteration, or repair unless such materials or supplies are within an enclosed building on the premises.

Term	Definition
Business Building	<p>A building in which the named insured is a commercial enterprise primarily carried out to generate income and the coverage is for:</p> <ol style="list-style-type: none"> 1. A building designed as a non-habitational building; 2. A mixed-use building in which the total floor area devoted to residential uses is— <ul style="list-style-type: none"> • 50% or less of the total area within the building if the residential building is a single family property; or • 75% or less of the total floor area within the building for all other residential properties; or 3. A building designed for use as an office or retail space, wholesale space, hospitality space, or for similar uses.
Business Property	Either a business building or the contents within a business building, or both.
Cancellation	The termination of the insurance coverage provided by a policy before the expiration date.
Cistern	A tank for storing water. A cistern eligible for coverage and the water in it are defined as an integral part of an insurable building, meaning under the building or above ground and physically attached to a side of the building with one of the walls of the building and cistern being common to each other.
Coastal Barrier	A naturally occurring island, sandbar, or other strip of land, including coastal mainland, which protects the coast from severe wave wash.
Coastal Barrier Resources Act (CBRA)	An Act that designated certain portions of the Gulf Coast and East Coast as undeveloped coastal barriers. These areas are shown on appropriate flood insurance map panels and have certain coverage restrictions.
Coastal Barrier Resources System (CBRS)	Communities, coastal barriers, and Otherwise Protected Areas (OPAs) identified under the CBRA.
Community	A political entity that has the authority to adopt and enforce floodplain ordinances for the area under its jurisdiction.
Community Number	A 6-digit designation identifying each NFIP community. The first two numbers are the state code. The next four are the FEMA-assigned community number. An alphabetical suffix is added to a community number to identify revisions in the Flood Insurance Rate Map (FIRM) for that community.
Community Rating System (CRS)	A program developed by FEMA to provide incentives for those communities in the Regular Program that have gone beyond the minimum floodplain management requirements to develop extra measures to provide protection from flooding.
Condominium Association	<p>The entity made up of the unit owners responsible for the maintenance and operation of:</p> <ul style="list-style-type: none"> • Common elements owned in undivided shares by unit owners; • Other real property in which the unit owners have use rights; <p>Where membership in the entity is a required condition of unit ownership.</p>
Condominium Building	A type of building in the form of ownership in which each unit owner has an undivided interest in common elements of the building.
Countywide Map	A Flood Insurance Rate Map (FIRM) that shows flooding information for the entire geographic area of a county, including the incorporated communities within the county.

Term	Definition
Crawlspace	An under-floor space that has its interior floor area (finished or not) no more than 5 feet below the top of the next-higher floor. Crawlspaces generally have solid foundation walls. See Diagram 8 in the Elevation Certificate Instructions.
Cumulative Damage Property	Either a cumulative damage building or the contents within a cumulative damage building, or both.
Date of Construction	The date that the building permit was issued, provided the actual start of construction, repair, reconstruction, or improvement was within 180 days of the permit date.
Deductible	The fixed amount of an insured loss that is the responsibility of the insured and that is deducted before any amounts are paid for the insured loss under the insurance policy.
Described Location	The location where the insured building or personal property is found. The described location is shown on the Declarations Page.
Doublewide Manufactured (Mobile) Home	A manufactured (mobile) home that, when assembled as a non-movable, permanent building, is at least 16 feet wide and has an area within its perimeter walls of at least 600 square feet.
Elevated Building	A building that has no basement and that has its lowest elevated floor raised above ground level by foundation walls, shear walls, posts, piers, pilings, or columns. Solid (perimeter) foundation walls are not an acceptable means of elevating buildings in V and VE Zones.
Emergency Program	The initial phase of a community's participation in the National Flood Insurance Program, as prescribed by Section 1306 of the Act (42 U.S.C. 4056).
Enclosure	That portion of an elevated building below the lowest elevated floor that is either partially or fully shut in by rigid walls.
Erosion	The collapse, undermining, or subsidence of land along the shore of a lake or other body of water. Erosion is a covered peril if it is caused by waves or currents of water exceeding their cyclical levels, which result in flooding.
Federal Policy Fee	A flat charge that the policyholder must pay on each new or renewal policy to defray certain administrative expenses incurred in carrying out NFIP operations.
Financial Assistance/ Subsidy Arrangement	The arrangement between an insurance company and FEMA to initiate the company participation in the Write Your Own (WYO) Program. It establishes the duties of the company and the government.
Finished (Habitable) Area	An enclosed area having more than 20 linear feet of finished interior walls (paneling, etc.) or used for any purpose other than solely for parking of vehicles, building access, or storage.
Flood	<p>A general and temporary condition of partial or complete inundation of 2 or more acres of normally dry land area or of 2 or more properties (at least one of which is the policyholder's property) from:</p> <ul style="list-style-type: none"> • Overflow of inland or tidal waters; • Unusual and rapid accumulation or runoff of surface waters from any source; or • Mudflow <p>OR</p> <p>Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above.</p>

Term	Definition
Flood Hazard Boundary Map (FHBM)	Official map of a community issued by FEMA, where the boundaries of the flood, mudflow, and related erosion areas having special hazards have been designated.
Flood in Progress	<p>A flood that is in progress on the earlier of either:</p> <ul style="list-style-type: none"> • The date the community in which the insured property is located first experiences a flood as defined in this policy; or • The date and time of an event initiating a flood that directly or indirectly affects areas downstream or in a floodway and ultimately results in the damage to the insured property. Events that may initiate such a flooding event include, but are not limited to, the following: <ul style="list-style-type: none"> – A spillway is opened; – A levee is breached; – Water is released from a dam; and – Water escapes from the banks of a waterway (stream, river, creek, etc.). • The applicability of this exclusion will be evaluated upon the assertion by a policyholder of the right to be paid for a loss under this policy.
Flood Insurance Rate Map (FIRM)	Official map of a community on which FEMA has delineated the Special Flood Hazard Areas (SFHAs), the Base Flood Elevations (BFEs), and the risk premium zones applicable to the community.
Floodplain Management	The operation of an overall program of corrective and preventive measures for reducing flood damage, including but not limited to emergency preparedness plans, flood control works, and floodplain management regulations.
Foundation Walls	Masonry walls, poured concrete walls, or precast concrete walls, regardless of height, that extend above grade and support the loads of a building.
Freeboard	An additional amount of height above the Base Flood Elevation (BFE) used as a factor of safety (e.g., 2 feet above the Base Flood) in determining the level at which a building's lowest floor must be elevated or floodproofed to be in accordance with state or community floodplain management regulations.
Full-Risk Premium Rate	A rate charged to a group of policies that results in aggregate premiums sufficient to pay anticipated losses and expense for that group.
Grade Elevation	The lowest or highest finished ground level that is immediately adjacent to the walls of the building. Use natural (pre-construction) ground level, if available, for Zone AO and Zone A (without BFE).
Grandfathering	<p>A rating procedure that enables policyholders to use a prior flood map for rating if the building was built in compliance or continuously insured.</p> <ul style="list-style-type: none"> • Under NFIP administrative grandfathering, Post-FIRM buildings in the Regular Program built in compliance with the floodplain management regulations in effect at the start of construction will continue to have favorable rate treatment even though higher Base Flood Elevations (BFEs) or more restrictive, greater risk zone designations result from Flood Insurance Rate Map (FIRM) revisions. • Policyholders who have remained loyal customers of the NFIP by maintaining continuous coverage (since coverage was first obtained on the building) are also eligible for administrative grandfathering.
Group Flood Insurance Policy	A policy issued by the NFIP Direct in response to a presidential disaster declaration. Disaster assistance applicants, in exchange for a modest premium, receive a minimum amount of building and/or contents coverage for a 3-year policy period. An applicant may cancel the group policy at any time and secure a regular Standard Flood Insurance Policy (SFIP) through the NFIP.

Term	Definition
HFIAA Surcharge	The statutory surcharge imposed by Section 1308A of the Act (42 U.S.C. 4015a).
High-Rise Building	<p>High-rise condominium buildings have five or more units and at least three floors, excluding enclosures even if it is the lowest floor for rating purposes.</p> <ul style="list-style-type: none"> • An enclosure below an elevated building, even if it is the lowest floor for rating purposes, cannot be counted as a floor to avoid classifying the building as low rise. • Townhouses/rowhouses are not considered high-rise buildings, regardless of the number of floors.
Historic Building	<p>Any building that is:</p> <ul style="list-style-type: none"> • Listed individually in the National Register of Historic Places (a listing maintained by the Department of the Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register; or • Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary of the Interior to qualify as a registered historic district; or • Individually listed in a state inventory of historic places in states with preservation programs that have been approved by the Secretary of the Interior; or • Individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified either: <ul style="list-style-type: none"> – By an approved state program as determined by the Secretary of the Interior; or – Directly by the Secretary of the Interior in states without approved programs.
Increased Cost of Compliance (ICC)	Coverage for expenses that a property owner must incur, above and beyond the cost to repair the physical damage the building actually sustained from a flooding event, to comply with mitigation requirements of state or local floodplain management ordinances or laws. Acceptable mitigation measures are elevation, floodproofing, relocation, demolition, or any combination thereof.
Letter of Determination Review (LODR)	FEMA's ruling on the determination made by a lender or third party that a borrower's building is in a Special Flood Hazard Area (SFHA). A LODR deals only with the location of a building relative to the SFHA boundary shown on the Flood Insurance Rate Map (FIRM).
Letter of Map Amendment (LOMA)	An amendment to the currently effective FIRM map issued by FEMA that establishes that a property is not located in a Special Flood Hazard Area (SFHA).
Letter of Map Revision (LOMR)	An official amendment to the currently effective FIRM map. It is issued by FEMA and changes flood zones, delineations, and elevations.
Lowest Adjacent Grade	The lowest point of the ground level immediately next to a building.
Low-Rise Building	<p>A condominium building with fewer than five units regardless of the number of floors or five or more units with fewer than three floors including the basement.</p> <ul style="list-style-type: none"> • All townhouses/rowhouses, regardless of the number of floors or units, and all single-family detached condominium buildings are classified as low rise. • An enclosure below an elevated building, even if it is the lowest floor for rating purposes, cannot be counted as a floor to avoid classifying the building as low rise.

Term	Definition
Mandatory Purchase	Under the provisions of the Flood Disaster Protection Act of 1973, individuals, businesses, and others buying, building, or improving property located in identified areas of special flood hazards within participating communities are required to purchase flood insurance as a prerequisite for receiving any type of direct or indirect federal financial assistance (e.g., any loan, grant, guaranty, insurance, payment, subsidy, or disaster assistance) when the building or personal property is the subject of or security for such assistance.
Manufactured (Mobile) Home	A structure built on a permanent chassis transported to its site in one or more sections and affixed to a permanent foundation, but not including recreational vehicles.
Map Revision	A change in the Flood Hazard Boundary Map (FHBM) or Flood Insurance Rate Map (FIRM) for a community which reflects revised zone, base flood, or other information.
Masonry Walls	Walls constructed of individual components laid in and bound together with mortar. These components can be brick, stone, concrete block, poured concrete, etc.
Mixed-Use Building	A building that has both residential and non-residential uses.
Modular Building	A building that is usually transported to its site on a steel frame or special trailer because it does not have a permanent chassis like a manufactured (mobile) home. A modular building is classified and rated under one of the other building types.
Mortgage Portfolio Protection Program (MPPP)	A program designed to help lending institutions maintain compliance with the Flood Disaster Protection Act of 1973. Policies written under the MPPP can be placed only through a Write Your Own (WYO) company.
Mudflow	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. Other earth movements, such as landslide, slope failure, or a saturated soil mass moving by liquidity down a slope, are not mudflows.
National Flood Insurance Program (NFIP)	The program of flood insurance coverage and floodplain management administered under the Act and applicable federal regulations in Title 44 of the Code of Federal Regulations, Subchapter B.
Natural Grade	The grade unaffected by construction techniques such as fill, landscaping, or berming.
New Construction	Buildings for which the “start of construction” commenced on or after the effective date of an initial Flood Insurance Rate Map (FIRM) or after December 31, 1974, whichever is later, including any subsequent improvements.
Newly Mapped (A Property Newly Mapped into the SFHA)	A property that was once designated outside of the Special Flood Hazard Area (SFHA) on an effective Flood Insurance Rate Map (FIRM), and following a map revision, is designated within the SFHA. Refer to the Newly Mapped section for additional information.
NFIP Bureau and Statistical Agent	A corporation, partnership, association, or any other organized entity that contracts with FEMA to be the focal point of support operations for the NFIP.
NFIP Direct Servicing Agent (NFIP Direct)	A corporation, partnership, association, or any other organized entity that contracts with FEMA to service insurance policies as direct business.
NFIP Special Direct Facility (SDF)	A branch of the NFIP Servicing Agent to which Write Your Own (WYO) Companies transfer renewals for identified Severe Repetitive Loss (SRL) properties so that mitigation assistance can be offered to the policyholders.

Term	Definition
Non-Primary Residence	A residential building that is not the primary residence of the policyholder.
Non-Primary Residential Property	Either a non-primary residence or the contents within a non-primary residence, or both.
Non-Residential Building	A commercial or mixed-use building where the primary use is commercial or non-habitational.
Non-Residential Property	Either a non-residential building, the contents within a non-residential building, or both.
Nullification	The act of declaring an insurance contract invalid from its inception so that, from a legal standpoint, the insurance contract never existed.
Other Non-Residential Building	A non-habitational building that does not qualify as a business building or residential building.
Other Residential Building	A residential building that is designed for use as a residential space for five or more families or a mixed-use building in which the total floor area devoted to non-residential uses is less than 25% of the total floor area within the building.
Other Residential Property	Either an other residential building, the contents within an other residential building, or both.
Otherwise Protected Area (OPA)	An area established under federal, state, or local law, or held by a qualified organization, primarily for wildlife refuge, sanctuary, recreational, or natural resource conservation purposes.
Out-As-Shown Determination	An alternative outcome of the FEMA Letter of Map Amendment (LOMA) review process stating that a specific property is located outside the Special Flood Hazard Area (SFHA) as indicated on the Flood Hazard Boundary Map (FHBM) or Flood Insurance Rate Map (FIRM).
Participating Community	A community for which FEMA has authorized the sale of flood insurance under the NFIP.
Policy	<p>The entire written contract between the insured and the insurer. The written contract includes the following:</p> <ul style="list-style-type: none"> • The printed policy form; • The application and declarations page; • Any endorsement(s) that may be issued; <i>and</i> • Any renewal certificate indicating that coverage has been instituted for a new policy and new policy term.
Post-FIRM Building	A building for which construction or substantial improvement occurred after December 31, 1974, or on or after the effective date of an initial Flood Insurance Rate Map (FIRM), whichever is later.
Pre-FIRM Building	A building for which construction or substantial improvement occurred on or before December 31, 1974, or before the effective date of an initial Flood Insurance Rate Map (FIRM).
Preferred Risk Policy (PRP)	A lower-cost Standard Flood Insurance Policy (SFIP), written under the Dwelling Form or General Property Form. It offers fixed combinations of building/contents coverage limits or contents-only coverage.
Presentment of Premium Payment	The date of the check or credit card payment by the applicant or applicant's representative if the premium payment is not part of a loan closing, or the date of closing, if the premium payment is part of a loan closing.

Term	Definition
Primary Residence	<p>A single-family building, condominium unit, apartment unit, or unit within a cooperative building that will be lived in by the policyholder or the policyholder's spouse for:</p> <ul style="list-style-type: none"> • More than 50% of the 365 calendar days following the current policy effective date; or • 50% or less of the 365 calendar days following the current policy effective date if the policyholder has only one residence and does not lease that residence to another party or use it as rental or income property at any time during the policy term.
Primary Residential Property	Either a primary residence or the contents within a primary residence, or both.
Principal Residence	A single-family dwelling in which, at the time of loss, the named insured or the named insured's spouse has lived for either 80% of the 365 days immediately preceding the loss, or 80% of the period of ownership, if less than 365 days.
Probation	A FEMA-imposed change in a community's status resulting from violations and deficiencies in the administration and enforcement of NFIP local floodplain management regulations.
Probation Surcharge (Premium)	A flat charge that the policyholder must pay on each new or renewed policy issued covering property in a community that the NFIP has placed on probation under the provisions of 44 CFR 59.24.
Proper Openings	<p>In Enclosures (Applicable to Zones A, A1–A30, AE, AO, AH, AR, and AR Dual) – All enclosures below the lowest elevated floor must be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. Requirements for proper openings:</p> <ul style="list-style-type: none"> • A minimum of 2 openings, with positioning on at least 2 walls, • A total net area of not less than 1 square inch for every square foot of enclosed area subject to flooding. • The bottom of all openings must be no higher than 1 foot above the higher of the exterior or interior grade (adjacent) or floor immediately below the openings.
Provisional Rating	A method for placing flood coverage prior to the receipt of a FEMA Elevation Certificate.
Regular Program	The final phase of a community's participation in the NFIP. In this phase, a Flood Insurance Rate Map (FIRM) is in effect and full limits of coverage are available under the Act.
Regular Program Community	A community wherein a Flood Insurance Rate Map (FIRM) is in effect and full limits of coverage are available under the Act.
Replacement Cost Value (RCV)	The cost to replace property with the same kind of material and construction without deduction for depreciation.
Reserve Fund Assessment	An amount dedicated to the NFIP Reserve Fund added to the insured's premium pursuant to section 1310A of the Act (42 U.S.C. 4017a).
Residential Building	A non-commercial building designed for habitation by one or more families or a mixed-use building that qualifies as a single-family, 2-4 family, or other residential building.
Residential Condominium Building	A building, owned and administered as a condominium, containing one or more family units and in which at least 75% of the floor area is residential.
Residential Property	Either a residential building or the contents within a residential building, or both.

Term	Definition
Severe Repetitive Loss Building	<p>Any building that:</p> <ul style="list-style-type: none"> • Is covered under a Standard Flood Insurance Policy; • Has incurred flood-related damage for which: <ul style="list-style-type: none"> – Four or more separate claim payments have been made under a Standard Flood Insurance Policy, with the amount of each such claim exceeding \$5,000, and with the cumulative amount of such claims payments exceeding \$20,000; or – At least two separate claims payments have been made under a Standard Flood Insurance Policy, with the cumulative amount of such claim payments exceed the fair market value of the insured building on the day before each loss.
Severe Repetitive Loss Property	Either a severe repetitive loss building or the contents within a severe repetitive loss building, or both.
Shear Walls	Walls used for structural support but not structurally joined or enclosed at the ends (except by breakaway walls). Shear walls are parallel, or nearly parallel, to the flow of the water and can be used in any flood zone.
Single Building	A building that is separated from other buildings by intervening clear space or solid, vertical, load-bearing division walls.
Single-Family Dwelling	<p>Either:</p> <ul style="list-style-type: none"> • A residential single-family building in which the total floor area devoted to non-residential uses is less than 50% of the building's total floor area; or • A single-family residential unit within a 2–4 family building, other residential building, business, or non-residential building, in which commercial uses within the unit are limited to less than 50% of the unit's total floor area.
Solid (Perimeter) Foundation Walls	Walls that are used as a means of elevating a building.
Special Flood Hazard Area (SFHA)	An area having special flood, mudflow, or flood-related erosion hazards, and shown on a Flood Hazard Boundary Map (FHBM) or Flood Insurance Rate Map (FIRM) as Zone A, AO, A1–A30, AE, A99, AH, AR, AR/A, AR/AE, AR/ AH, AR/AO, AR/A1–A30, V1–V30, VE, or V.
Split Level	A foundation with a vertical offset in the floor framing on either side of a common wall.
Standard Flood Insurance Policy (SFIP)	<ul style="list-style-type: none"> • Dwelling Form. The policy form used to insure a building designed for use as a residence for no more than 4 families or a single-family unit in a residential building under a condominium form of ownership. This form is also used to insure residential contents in any building. The owner of a residential building with 5 or more units can use this form to insure contents only in his or her own residential unit. • General Property Form. The policy form used to insure a non-residential building or a 5-or-more-unit residential building not eligible for the Residential Condominium Building Association Policy (RCBAP). This form is also used to insure non-residential contents in any building or a building owner's residential contents located in multiple units within a building with 5 or more units. • Residential Condominium Building Association Policy (RCBAP). The policy form used to insure a building, owned and administered as a condominium, containing 1 or more units and in which at least 75% of the floor area is residential. The building must be located in a Regular Program community.

Term	Definition
Start of Construction	<p>For other than new construction or substantial improvements, under the Coastal Barrier Resources Act (CBRA), this is the date the building permit was issued, provided the actual start of construction, repair, reconstruction, rehabilitation, addition placement, or other improvement was within 180 days of the permit date.</p> <ul style="list-style-type: none"> • The actual start means either the first placement of permanent construction of a building on site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured (mobile) home on a foundation. • For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.
Stock	<p>Merchandise held in storage or for sale, raw materials, and in-process or finished goods, including supplies used in their packing or shipping. “Stock” does not include any property not covered under “Section IV. Property Not Covered” of the General Property Form, except the following:</p> <ul style="list-style-type: none"> • Parts and equipment for self-propelled vehicles; • Furnishings and equipment for watercraft; • Spas and hot tubs, including their equipment; <i>and</i> • Swimming pool equipment.
Subgrade Crawlspace	<p>A crawlspace foundation where the subgrade under-floor area is no more than 5 feet below the top of the next-higher floor and no more than 2 feet below the lowest adjacent grade on all sides.</p>
Subsidized Premium Rate	<p>A rate charged to a group of policies that results in aggregate premiums insufficient to pay anticipated losses and expenses for that group.</p>
Substantially Damaged Building	<p>A building that has incurred damage of any origin whereby the cost of restoring the building to its condition before damage would equal or exceed 50% of the market value of the building before the damage occurred.</p>
Substantially Damaged Property	<p>Either a substantially damaged building or the contents within a substantially damaged building, or both.</p>
Substantially Improved Building	<p>A building that has undergone reconstruction, rehabilitation, addition, or other improvement, the cost of which equals or exceeds 50% of the market value of the building before the “start of construction” of the improvement. This term does not include a building that has undergone reconstruction, rehabilitation, addition, or other improvement related to:</p> <ul style="list-style-type: none"> • Any project or improvement of a building to correct existing violations of a state or local health, sanitary, or safety code specifications that have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions; <i>or</i> • Any alteration of a “historic building”, provided that the alteration will not preclude the structure’s continued designation as a “historic building”.
Substantially Improved Property	<p>Either a substantially improved building or the contents within a substantially improved building, or both.</p>
Suspension	<p>FEMA’s removal of an NFIP participating community from the Program because the community has not enacted and/or enforced the proper floodplain management regulations required for participation.</p>
Tentative Rates	<p>NFIP rates used to issue policies for applications that fail to provide the NFIP with valid actuarial rating information.</p>

Term	Definition
Travel Trailer	Under the NFIP, a travel trailer can be considered a building only if it is without wheels, built on a chassis and affixed to a permanent foundation, and regulated under the community's floodplain management and building ordinances or laws.
Two-to-Four-Family Building	A residential building, including an apartment building, containing 2–4 residential spaces and in which commercial uses are limited to less than 25% of the building's total floor area.
Underground Building	A building for which 50% or more of the Actual Cash Value (ACV), including machinery and equipment that are part of the building, is below ground.
Unfinished Area	An enclosed area that is used only for the parking of vehicles, building access, or storage purposes and that does not meet the definition of a finished (habitable) area. Drywall used for fire protection is permitted in unfinished areas.
Unit	<ul style="list-style-type: none"> • Under the Dwelling Form: A single-family unit owned by the policyholder in a condominium building. • Under the General Property Form: A unit in a condominium building. • Under the Residential Condominium Building Association Policy Form: A single-family unit in a residential condominium building.
Variance	A grant of relief by a participating community from the terms of its floodplain management regulations.
Waiting Period	The time between the date of application and the policy effective date.
Walled and Roofed Building	A building that has two or more exterior rigid walls and a fully secured roof and that is affixed to a permanent site.
Wave Height Adjustment	A measurement that is added to the Base Flood Elevation (BFE) for V Zones shown on the Flood Insurance Rate Map (FIRM) published prior to 1981. For coastal communities, the BFE shown on FIRMs published prior to 1981 are stillwater elevations, which include only the effects of tide and storm surge, and not the height of wind-generated waves.
Write Your Own (WYO) Program	The program under which the Federal Emergency Management Agency enters into a standard arrangement with private property insurance companies to sell contracts for flood insurance coverage under their own business lines of insurance, and to adjust and pay claims arising under such contracts.
Zone	A geographical area shown on a Flood Hazard Boundary Map (FHBM) or a Flood Insurance Rate Map (FIRM) that reflects the severity or type of flooding in the area.