DEFINITIONS

This list of terms is intended to include those that have specific meaning to the National Flood Insurance Program (NFIP). In a few instances, standard industry terms have been added for additional focus and emphasis.

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

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

Adjuster Control Office. An NFIP claims office similar to a Flood Insurance Claims Office (FICO) with the exception that the Adjuster Control Office does not house insured files, maintain a claims examiner staff at the site, or issue claim payments.

Alternative Rating. A rating method used when a building is Pre-FIRM, the 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 policyholder 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. The application is part of the flood insurance policy. For a policy to be issued, the correct premium payment must accompany the application.

Appurtenant Structure. A detached garage servicing a 1-4 family dwelling.

Assignment. The transfer by a policyholder of his/her legal right or interest in a policy contract to a third party. In the NFIP, written assignment of a policy is permissible upon transfer of title, without the consent of the Federal Emergency Management Agency (FEMA), except in the case where a residential (household) contents-only policy is involved or a policy was issued to cover a building in the course of construction.

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

Base Flood Depth (BFD). The depth shown on the Flood Insurance Rate Map for Zone AO that indicates the depth of water above highest adjacent grade resulting from a flood that has a 1 percent chance of equaling or exceeding that level in any given year.

Base Flood Elevation (BFE). The elevation shown on the Flood Insurance Rate Map for Zones AE, AH, A1-A30, AR, AR/A, AR/AE, AR/A1-A30, AR/AH, AR/AO, V1-V30, and VE that indicates the water surface elevation resulting from a flood that has a one percent chance of equaling or exceeding that level in any given year.

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.

Binder. A temporary agreement between company, producer, and insured that the policy is in effect. Binders are not permitted under the NFIP.

Blanket Insurance. A single amount of insurance applying to more than one building and/or contents. Blanket insurance is not permitted under the NFIP.

Breakaway Wall. A wall that is not part of the structural support of the 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.

- 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.

"Building" does not mean a gas or liquid storage tank or a recreational vehicle, park trailer, or other similar vehicle, except as described above.

Building in the Course of Construction. A walled and roofed building (see page GR 4 for exception) 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.

Cancellation. The ending of the insurance coverage provided by a policy before the expiration date.

Cistern. Covered cisterns and the water in them 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.

Claims Coordinating Office (CCO). A clearinghouse for the various insurers who are responding to a multi-peril catastrophe. Through voluntary participation, all losses are reported to the Claims Coordinating Office and are processed to locate address matches among the reported claims. The interest of each carrier is protected as the Claims Coordinator maintains sole control over the policy and loss information. If a match is found, special care is taken to direct the assigned adjuster(s) to a mutually agreeable adjustment or to have one adjuster surrender his/her loss with the assurance that every effort will be made to replace it.

Closed Basin Lake. A natural lake from which water leaves primarily through evaporation and whose surface area exceeds or has exceeded 1 square mile at any time in the recorded past. NFIP-insured buildings that are subject to continuous lake flooding from a closed basin lake are covered under the provisions of Standard Flood Insurance Policy.

Coastal Barrier. A naturally occurring island, sandbar, or other strip of land, including coastal mainland, that protects the coast from severe wave wash.

Coastal Barrier Improvement Act of 1990 (CBIA). Enacted on November 16, 1990, the Act greatly expanded the identified land in the Coastal Barrier Resources System established pursuant to the Coastal Barrier Resources Act of 1982.

Coastal Barrier Resources Act of 1982 (CBRA). For the purposes of the NFIP, the Coastal Barrier Resources Act of 1982 designated certain portions of the Gulf and East Coasts 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 other protected areas identified by the Department of the Interior legislation defined above.

Coastal High Hazard Areas. Special Flood Hazard Areas along the coasts that have additional hazards due to wind and wave action. These areas are identified on Flood Insurance Rate Maps as Zones V, V1-V30, and VE.

Coinsurance. A penalty imposed on the loss payment unless the amount of insurance carried on the damaged building is at least 80 percent of its replacement cost or the maximum amount of insurance available for that building under the NFIP, whichever is less. Coinsurance applies only to building coverage under the Residential Condominium Building Association Policy.

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 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. That form of ownership of real property in which each unit owner has an undivided interest in common elements.

Condominium Association. The entity made up of the unit owners responsible for the maintenance and operation of:

- Common elements owned in undivided shares by unit owners;
- Other real property in which the unit owners have use rights;

where membership in the entity is a required condition of unit ownership.

Countywide Map. A Flood Insurance Rate Map that shows flooding information for the entire geographic area of a county, including the incorporated communities within the county.

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.

Declarations Page. A computer-generated summary of information provided by the prospective policyholder in the application for flood insurance. The Declarations Page also describes the term of the policy and the limits of coverage and displays the premium and the insurer's name. The Declarations Page is a part of the flood insurance policy.

Deductible Buyback. The option whereby, for an additional premium, policyholders who wish to reduce their deductibles from the standard deductibles of $1,000 per building loss and per contents loss for Pre-FIRM risks may purchase separate $500 deductibles for building and contents coverages.

Described Location. The location where the insured building or personal property is found. The described location is shown on the Declarations Page.

Diagram Number. Any of the numbers used in the instructions to the FEMA Elevation Certificate to identify the diagrams of the eight main types of buildings.

Direct Physical Loss By or From Flood. Loss or damage to insured property, directly caused by a flood. There must be evidence of physical changes to the property.

Doublewide Manufactured (Mobile) Home. A manufactured (mobile) home that, when assembled as a nonmovable, permanent building, is at least 16 feet wide and has an area within its perimeter walls of at least 600 square feet.

Dwelling. A building designed for use as a residence for no more than four families or a single-family unit in building under a condominium form of ownership.

Dwelling Form. See "Standard Flood Insurance Policy–Dwelling Form."

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 foundations 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. During this phase, only limited amounts of insurance are available under the Act.

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.

Expense Constant. A flat fee formerly charged on each new and renewal policy, the Expense Constant was eliminated effective May 1, 2003, and no longer affects the premium calculation for new and renewal business. However, the Expense Constant may affect the calculation of refunds going back prior to May 1, 2003, for policy cancellations and endorsements.

Federal Emergency Management Agency (FEMA). The federal agency under which the National Flood Insurance Program (NFIP) is administered. In March 2003, FEMA became part of the newly created U.S. Department of Homeland Security.

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 the National Flood Insurance Program.

Financial Assistance/Subsidy Arrangement. The arrangement between an insurance company and FEMA to initiate the company's 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 walls (paneling, etc.) or used for any purpose other than solely for parking of vehicles, building access, or storage.

Flood.

- A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is the policyholder's property) from:

- Overflow of inland or tidal waters;
- Unusual and rapid accumulation or runoff of surface waters from any source; or
- Mudflow; or

- Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above.

Flood Hazard Boundary Map (FHBM). Official map of a community issued by FEMA, where the boundaries of the flood, mudflow, and related erosion areas having special hazards have been designated.

Flood Insurance Claims Office (FICO). An NFIP claims processing office set up in a catastrophe area when a sufficient number of flood claims result from a single event.

Flood Insurance Rate Map (FIRM). Official map of a community on which FEMA has delineated both the special hazard areas and the risk premium zones applicable to the community.

Flood Response Office (FRO). The FRO provides a local presence in the affected area and supports the WYO companies, the NFIP Servicing Agent, and various federal, state, and local officials in providing answers to claims coverage questions, forms for claims handling, and survey and statistical input. One of the key requirements of personnel at the FRO is to coordinate and conduct reinspections of WYO and NFIP Direct losses. The FRO also tracks adjuster performance and provides such information to interested WYO and NFIP Direct companies.

Floodplain. Any land area susceptible to being inundated by flood waters from any source.

Floodplain Management. The operation of an overall program of corrective and preventive measures for reducing flood damage, including but not limited to, emergency preparedness plans, flood control works, and floodplain management regulations.

Floodproofing. Any combination of structural and nonstructural additions, changes, or adjustments to structures, which reduce or eliminate risk of flood damage to real estate or improved real property, water and sanitation facilities, or structures with their contents.

Freeboard. An additional amount of height above the Base Flood Elevation used as a factor of safety (e.g., 2 feet above the Base Flood) in determining the level at which a structure's lowest floor must be elevated or floodproofed to be in accordance with State or community floodplain management regulations.

General Property Form. See "Standard Flood Insurance Policy–General Property Form."

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. An exemption based on circumstances previously existing. Under the NFIP, buildings located in Emergency Program communities and Pre–FIRM buildings in the Regular Program are eligible for subsidized flood insurance rates. 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 or more restrictive, greater risk zone designations result from FIRM revisions.

Group Flood Insurance. Issued by the NFIP Direct Program in response to a Presidential disaster declaration. Disaster assistance applicants, in exchange for a modest premium, receive a minimum amount of building and/or contents coverage for a 3-year policy period. An applicant may cancel the group policy at any time and secure a regular Standard Flood Insurance Policy through the NFIP.

High-Rise Building. High-rise condominium buildings have five or more units and at least three floors excluding enclosure even if it is the lowest floor for rating purposes. 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.

Historic Building. Any building that is:

- 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 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:
  - 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.

Improvements. Fixtures, alterations, installations, or additions comprising a part of the insured building.

Increased Cost of Compliance. Coverage for expenses that a property owner must incur, above and beyond the cost to repair the physical damage the structure 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.

Letter of Map Amendment (LOMA). An amendment to the currently effective FEMA map which establishes that a property is not located in a Special Flood Hazard Area. A LOMA is issued only by FEMA.

Letter of Map Revision (LOMR). An official amendment to the currently effective FEMA map. It is issued by FEMA and changes flood zones, delineations, and elevations.

Loss in Progress. A loss that is already in progress as of 12:01 a.m. on the first day of the policy term; or, as to any increase in the limits of coverage which is requested, a loss that is already in progress when the additional coverage is requested.

Lowest Adjacent Grade. The lowest point of the ground level next to the building.

Lowest Floor. The lowest floor of the lowest enclosed area (including a basement). An unfinished or flood-resistant enclosure, usable solely for parking of vehicles, building access, or storage in an area other than a basement area, is not considered a building's lowest floor provided that such enclosure is not built so as to render the structure in violation of requirements.

Lowest Floor Elevation (LFE). The measured distance of a building's lowest floor above the National Geodetic Vertical Datum (NGVD) or other datum specified on the FIRM for that location.

Low-Rise Building. Low-rise condominium buildings have fewer than five units regardless of the number of floors or five or more units with fewer than three floors including basement. 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.

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. "Manufactured (mobile) home" does not include recreational vehicles.

Manufactured (Mobile) Home Park or Subdivision, Existing. A manufactured (mobile) home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured (mobile) homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed on or before December 31, 1974, or before the effective date of the community's initial FIRM, whichever is later.

Manufactured (Mobile) Home Park or Subdivision, Expansion to Existing Site. The preparation of additional sites by the construction of facilities for servicing the lots on which manufactured (mobile) homes are to be affixed (including the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads).

Manufactured (Mobile) Home Park or Subdivision, New. A manufactured (mobile) home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured (mobile) homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed after December 31, 1974, or on or after the effective date of the community's initial FIRM, whichever is later.

Map Revision. A change in the FHBM or FIRM for a community which reflects revised zone, base flood, or other information.

Mean Sea Level. See National Geodetic Vertical Datum (NGVD).

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, as amended. Policies written under the MPPP can be placed only through a 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 promulgated in Title 44 of the Code of Federal Regulations, Subchapter B.

National Geodetic Vertical Datum (NGVD). National standard reference datum for elevations, formerly referred to as Mean Sea Level (MSL) of 1929. NGVD is used as the reference datum on most FIRMs.

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 FIRM or after December 31, 1974, whichever is later, including any subsequent improvements.

NFIP Bureau and Statistical Agent. A corporation, partnership, association, or any other organized entity that contracts with the Federal Emergency Management Agency to be the focal point of support operations for the NFIP.

NFIP Servicing Agent. A corporation, partnership, association, or any other organized entity that contracts with the Federal Emergency Management Agency to service insurance policies as direct business.

NFIP Special Direct Facility (SDF). Formed in 2000, a branch of the NFIP Servicing Agent to which WYO companies transfer renewals for identified properties in the Repetitive Loss Target Group so that mitigation assistance can be offered to the policyholders.

Non-Residential. Includes, but is not limited to: small business concerns, churches, schools, farm buildings (including grain bins and silos), poolhouses, clubhouses, recreational buildings, mercantile structures, agricultural and industrial structures, warehouses, hotels and motels with normal room rentals for less than 6 months' duration, and nursing homes.

Nullification. The act of declaring an insurance contract invalid from its inception so that, from a legal standpoint, the insurance contract never existed.

Other Residential. Hotels or motels where the normal occupancy of a guest is 6 months or more; a tourist home or rooming house which has more than four roomers. A residential building (excluding hotels and motels with normal room rentals for less than 6 months' duration) containing more than four dwelling units. Incidental occupancies such as office, professional private school, or studio occupancy, are permitted if the total area of such incidental occupancies is limited to less than 25 percent of the total floor area within the building.

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 as indicated on the Flood Hazard Boundary Map or Flood Insurance Rate Map.

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

Policy. The entire written contract between the insured and the insurer. It includes:

- The printed policy form;
- The application and Declarations Page;
- Any endorsement(s) that may be issued; and
- Any renewal certificate indicating that coverage has been instituted for a new policy and new policy term.

Only one dwelling, specifically described by the prospective policyholder in the application, may be insured under a policy.

Pollutants. Substances that include, but are not limited to, any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned, or reclaimed.

Ponding Hazard. A flood hazard that occurs in flat areas when there are depressions in the ground that collect "ponds" of water. The ponding hazard is represented by the zone designation AH on the FIRM.

Post-FIRM Building. A building for which construction or substantial improvement occurred after December 31, 1974, or on or after the effective date of an initial Flood Insurance Rate Map (FIRM), whichever is later.

Pre-FIRM Building. A building for which construction or substantial improvement occurred on or before December 31, 1974, or before the effective date of an initial Flood Insurance Rate Map (FIRM).

Preferred Risk Policy (PRP). A policy that offers fixed combinations of building/contents coverage or contents-only coverage at modest, fixed premiums. The PRP is available for property located in B, C, and X Zones in Regular Program communities that meets eligibility requirements based on the property's flood loss history.

Prepaid Amount (Total). The total amount that must be submitted with an application or renewal in order to be acceptable for coverage. It is determined by adding the Federal Policy Fee to the Total Prepaid Premium.

Prepaid Premium (Total). The amount on the application (excluding the Preferred Risk Application) that includes the Annual Subtotal, the ICC Premium, the CRS Premium Discount (if applicable), and the Probation Surcharge (if applicable).

Presentment of Payment (Premium). The date of receipt of premium at the office of the NFIP or the date of certified mail. In the case of transfer of title, the date of settlement or closing, when the premium is paid at that time.

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 percent of the 365 days immediately preceding the loss, or 80 percent of the period of ownership, if less than 365 days.

Principally Above Ground Building. A building that has at least 51 percent of its actual cash value, including machinery and equipment, above ground.

Probation. A FEMA-imposed change in a community's status resulting from violations and deficiencies in the administration and enforcement of NFIP local floodplain management regulations.

Probation Surcharge (Premium). A flat charge that the policyholder must pay on each new or renewal policy issued covering property in a community that the NFIP has placed on probation under the provisions of 44 CFR 59.24.

Proper Openings - 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. A minimum of two openings, with positioning on at least two walls, having a total net area of not less than 1 square inch for every square foot of enclosed area subject to flooding must be provided. The bottom of all openings must be no higher than 1 foot above grade.

Property Removed to Safety Expense. Up to $1,000 of reasonable expenses incurred by the insured to temporarily remove insured property from the described location because of flood or the imminent danger of flood.

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 National Flood Insurance Program. In this phase, a Flood Insurance Rate Map is in effect and full limits of coverage are available under the Act.

Regular Program Community. A community wherein a FIRM is in effect and full limits of coverage are available under the Act.

Repetitive Loss Structure. An NFIP-insured structure that has had at least two paid flood losses of more than $1,000 each in any 10-year period since 1978.

Repetitive Loss Target Group. NFIP-insured properties that, on the basis of losses since 1978, meet one or more of the loss criteria described on page RL 1. WYO companies began transferring renewals for identified properties in this group to the NFIP Special Direct Facility (SDF, a branch of the NFIP Servicing Agent) on August 1, 2000, so that mitigation assistance can be offered to the policyholders.

Replacement Cost Value (RCV). The cost to replace property with the same kind of material and construction without deduction for depreciation.

Residential Condominium Building. A building, owned and administered as a condominium, containing one or more family units and in which at least 75 percent of the floor area is residential.

Residential Condominium Building Association Policy (RCBAP). See "Standard Flood Insurance Policy–Residential Condominium Building Association Policy (RCBAP)."

Scheduled Building Policy. A policy that requires a specific amount of insurance to be designated for each building and its contents.

Section 1316. Section of the National Flood Insurance Act of 1968, as amended, which states that no new flood insurance coverage shall be provided for any property that FEMA finds has been declared by a duly constituted state or local zoning authority or other authorized public body to be in violation of state or local laws, regulations, or ordinances that are intended to discourage or otherwise restrict land development or occupancy in flood-prone areas.

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.

Sheet Flow Hazard. A type of flood hazard with flooding depths of 1 to 3 feet that occurs in areas of sloping land. The sheet flow hazard is represented by the zone designation AO on the FIRM.

Single Adjuster Program. A procedure implemented among the NFIP, various wind pools, and WYO Companies to allow one adjuster to represent both carriers in adjusting a combined wind-water loss where the NFIP has the flood coverage and another carrier has the wind coverage.

Single Building. A building that is separated from other buildings by intervening clear space or solid, vertical, load-bearing division walls.

Single-Family Residence. A residential single-family dwelling. Incidental office, professional, private school, or studio occupancies, including a small service operation, are permitted if such incidental occupancies are limited to less than 50 percent of the building's total floor area.

Solid Perimeter Foundation Walls. Walls that are used as a means of elevating a building in A Zones and that must contain sufficient openings to allow for the unimpeded flow of floodwaters more than 1 foot deep.

Special Flood Hazard Area (SFHA). An area having special flood, mudflow, or flood-related erosion hazards, and shown on a Flood Hazard Boundary Map or Flood Insurance Rate Map 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. For the purpose of determining Community Rating System premium discounts, all AR and A99 zones are treated as non-SFHAs.

Standard Flood Insurance Policy–Dwelling Form. Policy issued to insure a building and/or residential contents on a single-family or a 2-4 family dwelling.

Standard Flood Insurance Policy–General Property Form. Policy issued to insure a building and/or contents on other residential or non-residential buildings.

Standard Flood Insurance Policy–Residential Condominium Building Association Policy (RCBAP). Policy issued to insure a residential condominium building and all units within the

building, provided that the building is located in a Regular Program community and at least 75 percent of the total floor area is residential.

Start of Construction. For other than new construction or substantial improvements, under the Coastal Barrier Resources Act, this is the date when the building permit was issued, provided that the actual start of construction, repair, rehabilitation, addition, placement, or other improvement was within 180 days of the permit date. The actual start means either the first placement of permanent construction of a building on site, such as the pouring of a slab or footing, 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, 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. 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:

- Parts and equipment for self-propelled vehicles;
- Furnishings and equipment for watercraft;
- Spas and hot-tubs, including their equipment; and
- Swimming pool equipment.

Submit-for-Rate. An application for flood insurance on a building for which no risk rate is published in the *Flood Insurance Manual*. Insurance coverage can be obtained only after the NFIP has approved the application and has established the risk premium rate.

Substantial Damage. Damage of any origin sustained by a building whereby the cost of restoring the building to its before-damaged condition would equal or exceed 50 percent of the market value of the building before the damage occurred.

Substantial Improvement. Any reconstruction, rehabilitation, addition, or other improvement of a building, the cost of which equals or exceeds 50 percent of the market value of the building before the "start of construction" of the improvement. Substantial improvement includes buildings that have incurred "substantial damage," regardless of the actual repair work performed. The term does not, however, include either any project for improvement of a building to correct existing state or local code violations or any alteration to a "historic building," provided that the alteration will not preclude the building's continued designation as a "historic building."

Suspension. FEMA's removal of an NFIP participating community from the Program because the community has not enacted and/or enforced the proper floodplain management regulations required for participation.

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

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.

2- to 4-Family Residence. A residential building (excluding hotels and motels with normal room rentals for less than 6 months' duration) containing no more than four dwelling units. Incidental occupancies such as office, professional, private school, or studio space are permitted if the total area of such occupancies is limited to less than 25 percent of the total floor area within the building.

Underground Building. A building for which 50 percent or more of the actual cash value, 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. A single-family unit owned by the policyholder in a condominium building.

Valued Policy. A policy in which the insured and the insurer agree on the value of the property insured, that value being payable in the event of a total loss. The Standard Flood Insurance Policy is not a valued policy.

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. 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 for V Zones shown on the Flood Insurance Rate Map published prior to 1981. For coastal communities, the base flood elevation shown on Flood Insurance Rate Maps published prior to 1981 are still-water elevations, which include only the effects of tide and storm surge, and not the height of wind-generated waves.

Write Your Own (WYO) Program. A cooperative undertaking of the insurance industry and the Federal Emergency Management Agency begun in October 1983. The WYO Program operates within the context of the NFIP and involves private insurance carriers who issue and service National Flood Insurance Program policies.

Zone. A geographical area shown on a Flood Hazard Boundary Map or a Flood Insurance Rate Map that reflects the severity or type of flooding in the area.