

NFIP Claims Manual Table of Changes

Updates to the October 1, 2021 NFIP Claims Manual

These tables note specific and substantive changes, additions, and deletions in the 2021 *NFIP Claims Manual*, as compared to the May 2020 version.

Section 1 compares the October 2015 SFIPs shown in the May 2020 *NFIP Claims Manual* to the October 2021 SFIPs shown in this Manual.

FEMA made corrections throughout the entire document to sentence structure, capitalization, acronyms, formatting (font, paragraphs, spacing, bullets, numbering, etc.), plain language, word choice, grammar, punctuation, and repetitiveness. We will continue to refine this product at each update.

INTRODUCTION	Comment	October 2021 Claims Manual Text
<p>2. National Flood Insurance Program</p>	<p>Expanded description of NFIP partners.</p>	<p>The National Flood Insurance Act of 1968 (Title XIII of the Housing and Urban Development Act of 1968, Public Law 90-448, codified as amended at 42 U.S.C § 4001 <i>et seq.</i>) created the NFIP. More broadly, the NFIP involves effective partnership between the federal government; the property and casualty insurance industry; state, local, tribal, and territorial governments; lending institutions; and property owners. The federal government develops and sets insurance rates, provides the necessary risk studies to communities, and establishes floodplain management criteria guiding construction in the floodplain.</p>
<p>2. National Flood Insurance Program</p>	<p>New text</p>	<p>Whether written with a WYO company or the NFIP Direct, all NFIP policy forms are subject to the same guidance, rating methodology, and processes stated in the <i>NFIP Flood Insurance Manual</i> and <i>RR2.0 Flood Insurance Manual</i>.</p> <p>FEMA's Federal Insurance and Mitigation Administration (FIMA) implements a variety of programs authorized by Congress. The Federal Insurance Directorate (FID) manages the insurance aspects of the National Flood Insurance Program charged with administrating flood insurance available under the NFIP.</p>
<p>3 Standard Flood Insurance Policy</p>	<p>The 2021 Claims Manual now includes Table 1. Standard Flood Insurance Policy Forms which shows Eligible Policyholders and</p>	<p>FEMA must establish the terms and conditions of flood insurance coverage by regulation. FEMA did this through the Standard Flood Insurance Policy (SFIP). Therefore, NFIP insurers must use the SFIP. The SFIP defines the coverages, limitations, and exclusions for NFIP flood insurance policies and includes terms and conditions that are unique to the NFIP. The SFIP outlines flood insurance</p>

INTRODUCTION	Comment	October 2021 Claims Manual Text
	Eligible Building Occupancies for each SFIP.	coverage for a one-year policy term under three different forms: the Dwelling Form, the General Property Form, and the Residential Condominium Building Association Policy (RCBAP) Form.
4.1 Emergency Program	Includes language clarifying communities participation and the enforcement of floodplain management ordinances	<p>The emergency program is the initial phase of a community's participation in the NFIP if no flood hazard information is available, or the community has a Flood Hazard Boundary Map (FHBM) but no Flood Insurance Rate Map (FIRM). A limited amount of flood insurance coverage is available for all residents of the community. The community must adopt minimum floodplain management standards to control future use of its floodplains. Communities convert to the regular program upon completion of a <u>flood elevation study</u> and issuance of a FIRM or a determination that the community has no special flood areas.</p> <p>Note: A community's participation in the NFIP is based on an agreement between local communities and the federal government that states if a community will adopt and enforce a floodplain management ordinance to reduce future flood risks to new construction in special flood hazard areas, the federal government will make flood insurance available within the community as a financial protection against flood losses.</p>
7. Group Flood Insurance Policy	New language regarding potential eligibility for replacement cost coverage under the GFIP.	<p>Table 5. GFIP Policy Details, Replacement Cost Coverage Row</p> <p>As a result of the <u>Disaster Recovery Reform Act of 2018 (DRRA)</u>, section 1212 (Expanded Individuals and Households Assistance), a GFIP certificate holder may qualify for replacement cost coverage if they meet the eligibility requirements in the SFIP, Dwelling Form, VII. R.</p> <p>There are no special terms in the GFIP regarding RCV eligibility. If it is the certificate holder's principle residence and the building is insured up to 80 percent or more of the RCV, they may receive replacement cost coverages as stated in the Dwelling Form, see Section VII. General Conditions, R. Loss Settlement.</p>
Disaster Response	New language defining the roles of various FEMA Disaster Offices	<p>The FEMA Joint Field Office (JFO) is a multiagency coordination center that is a temporary federal facility established close to a disaster or a multi-state event. FEMA may establish JFOs that function as central points for federal, state, local, and tribal executives with responsibility for incident oversight, direction, or assistance to coordinate protection, prevention, preparedness, response, and recovery actions.</p> <p>Federal Insurance assists the JFO in several capacities pre- and post-disaster. It oversees and coordinates response efforts between other divisions of FEMA and the NFIP to ensure the execution of flood response activities. In the event of multiple incidents, multiple JFOs may be established.</p>

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		<p>In addition, when the President declares a major disaster, the declaration will appoint a Federal Coordinating Officer (FCO). The FCO will manage federal resource support activities following a presidential disaster or emergency declaration under the Stafford Act. The FCO is responsible for coordinating the timely delivery of federal disaster assistance resources and programs to the affected State, local, and tribal governments, individual victims, and the private sector.</p> <p>Adjuster Control Office: NFIP Direct establishes the Adjuster Control Office, either on-site or virtual, following a major flood event to control the assignment and coordination of NFIP Direct claims, including the GFIP, and Severe Repetitive Loss (SRL) policies.</p> <p>Integrated Flood Insurance Claims Office: NFIP Direct may establish an on-site or virtual Integrated Flood Insurance Claims Office following a major flooding event to process NFIP Direct flood claim payments. Examiner staff and general adjuster (GA) staff assist flood adjusters, agents, and policyholders in the handling of NFIP Direct flood claims.</p> <p>FEMA Flood Response Office: Conduct on-site or virtual flood surveys assessing the severity of damage to buildings, contents, documenting water depths, damage to infrastructure (accessibility to roads, down power lines, etc.).</p>
<p>10.1 Role of the Adjuster</p>	<p>Rewrite commentary to be clearer and concise.</p>	<p>FEMA expects every adjuster handling NFIP flood losses:</p> <ul style="list-style-type: none"> • To explain the policy to the policyholder and make recommendations to the insurer; • To communicate to the policyholder that the adjuster does not have the authority to approve or deny a claim but should explain the policy to the policyholder and make recommendations to the insurer; • To understand that all adjustments are only recommendations subject to review by the NFIP insurer; • Adjust all claims in compliance with the SFIP, this Claims Manual, and any applicable bulletin issued by FEMA after publication of this Manual; • To review and explain the building estimates and proactively assist policyholders with the contents claim and proof of loss; and • To help the policyholder to document their loss as completely and accurately as reasonably possible.
<p>10.6 Independent Adjuster Registration and Code of Conduct</p>	<p>Includes requirements for adjusting claims under the Flood Adjuster Capacity Program (FACP)</p>	<p>A. Adjusting Claims on Behalf of the NFIP under the Flood Adjuster Capacity Program (FACP)</p> <p>Adjusters registered under the Flood Adjuster Capacity Program (FACP) must have a FCN to work flood claims for FEMA. Adjusters may only perform flood claim inspections in the categories displayed on their FCN cards. See Figure 1. Through the FACP, the NFIP establishes a pool of registered adjusters for its stakeholders. The FACP classifies adjusters into levels based on a set of</p>

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		<p>criteria. The intent of the FACP is to attach a measure of competence at each level, establish levels of required supervision, and to accommodate the NFIP’s ability to surge based on the needs of its partners at the time of a disaster.</p> <p>FACP allows their external stakeholders to customize their training, supervision, and oversight, which allows them to qualify adjusters to meet needs specific to a flood event, the insurer, the adjusting firms, or to the individual adjuster. While FACP allows for customization, FEMA expects that all of its partners will handle NFIP claims consistently with the NFIP standards and expectations, a customer-focused quality claim handling experience. To this end, FACP requires there be (1) training, (2) documented adjuster performance, (3) active supervision, and (4) operational oversight.</p> 
<p>B. Code of Conduct</p>	<p>FEMA wants to avoid focusing on the particular methods of employment or contractor status for any adjuster, but instead highlight the values it expects of its adjusters.</p>	<p>All Individuals handling NFIP claims are independent contractors who work for adjusting firms employed a WYO or the NFIP Direct to adjust claims on behalf of the NFIP and are not employees of the federal government. However, adjusters who represent the NFIP and handle claims on behalf of its’ policyholders’ will maintain the highest standards of honesty, impartiality, character, and conduct to ensure the proper performance of NFIP business and the continued trust and confidence of the NFIP policyholders. Adjusters must conduct themselves with courtesy and integrity, a deep sense of responsibility for policyholder trust, and promptness in dealing with and serving the policyholder. Adjusters will display a standard of professional behavior that reflects positively upon and will be a credit to both themselves and the NFIP.</p>
<p>12. Training for Claims Professionals</p> <p>FEMA’s Emergency Management Institute (EMI) offers independent study courses for claims professionals that reinforce information offered at the</p>	<p>EMI classes removed</p>	<p>In 2016, FEMA encouraged independent adjusters to take a series of claims-specific online independent study courses offered through its Emergency Management Institute (EMI). See NFIP Bulletin w-16005 (archived).</p> <p>Since then, FEMA has undertaken a multi-year transformation of its flood insurance program, including recent regulatory updates to the Standard Flood Insurance Policy forms and the introduction of new pricing methodology, known as Risk Rating 2.0: Equity in Action. Accordingly,</p>

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NFIP Adjuster Claims Presentations. EMI Independent Study courses are free and available to anyone. All students must have a FEMA Student Identification (SID) number to take a course and can register for a SID at https://cdp.dhs.gov/FEMASID .		the modules require significant, substantive revisions and should not be relied upon as a training tool. FEMA has therefore removed the EMI claims modules from the <i>Claims Manual</i> .

Section 1. Standard Flood Insurance Policy Forms

October 2015 SIP Sections	Comments	October 2021 SFIP Sections
<p style="text-align: center;">Dwelling and General Property Forms Section Outline:</p> I. Agreement II. Definitions III. Property Covered IV. Property Not Covered V. Exclusions VI. Deductibles VII. General Conditions VIII. Liberalization Clause IX. What Law Governs	The word “covered” was replaced with “insured” in the SFIPs because “covered” is a generic and undefined term that does not conform to common industry or Agency usage. NOTE: the word “covered” is replaced with “insured” throughout the SFIP forms.	<p style="text-align: center;">Dwelling and General Property Forms Section Outline:</p> I. Agreement II. Definitions III. Property Insured IV. Property Not Insured V. Exclusions VI. Deductibles VII. General Conditions VIII. Policy Nullification, Cancellation, And Non-Renewal IX. Liberalization Clause X. What Law Governs
<p style="text-align: center;">Residential Condominium Building Association Policy (RCBAP) Section Outline</p> I. Agreement II. Definitions III. Property Covered IV. Property Not Covered V. Exclusions VI. Deductibles VII. Coinsurance VIII. General Conditions IX. Liberalization Clause X. What Law Governs	The word “covered” was replaced in the SFIPs because “covered” is a generic and undefined term that does not conform to common industry or Agency usage. NOTE: the word “covered” is replaced with “insured” throughout the SFIP forms.	<p style="text-align: center;">Residential Condominium Building Association Policy (RCBAP) Section Outline</p> I. Agreement II. Definitions III. Property Insured IV. Property Not Insured V. Exclusions VI. Deductibles VII. Coinsurance VIII. General Conditions IX. Policy Nullification, Cancellation, and Non-Renewal X. Liberalization Clause

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		XI. What Law Governs
<p>Page 1 header in all three SFIPs.</p> <p>FEDERAL EMERGENCY MANAGEMENT AGENCY FEDERAL INSURANCE ADMINISTRATION</p>	<p>FEMA replaced all references to the Federal Insurance Administrator with the current organization title, Federal Insurance and Mitigation Administrator.</p>	<p>Page 1 header in all three SFIPs.</p> <p>FEDERAL EMERGENCY MANAGEMENT AGENCY, FEDERAL INSURANCE AND MITIGATION ADMINISTRATION</p>
Text before I. AGREEMENT	Dwelling Form	Text before I. AGREEMENT
<p>Please read the policy carefully. The flood insurance provided is subject to limitations, restrictions, and exclusions.</p> <p>1. A non-condominium residential building designed for principal use as a dwelling place of one to four families, or</p> <p>2. A single family dwelling unit in a condominium building.</p>		<p>Please read the policy carefully. The flood insurance provided is subject to limitations, restrictions, and exclusions.</p>
I. AGREEMENT	Dwelling Form	I. AGREEMENT
<p>(In text above Agreement)</p> <p>1. A non-condominium residential building designed for principal use as a dwelling place of one to four families, or</p> <p>2. A single family dwelling unit in a condominium building.</p>		<p>A. This policy insures the following types of property only:</p> <p>1. A one to four family residential building, not under a condominium form of ownership;</p> <p>2. A single-family dwelling unit in a condominium building; and</p> <p>3. Personal property in a building.</p>
N/A	<p>New content in the 2021 Dwelling form.</p>	<p>E. This policy insures only one building. If you own more than one building, coverage will apply to the single building specifically described in the Flood Insurance Application.</p> <p>F. Subject to the exception in I.G below, multiple policies with building coverage cannot be issued to insure a single building to one insured or to different insureds, even if separate policies were issued through different NFIP insurers. Payment for damages may only be made under a single policy for building damages under Coverage A– Building Property.</p>

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October 2015 SIP Sections	Comments	October 2021 SFIP Sections
N/A	<p>October 2021—No more than \$250,000 may be paid in combined benefits under Coverage A—Building Property for a single unit under the Dwelling Form and the RCBAP. Insureds may not claim the same damaged items under more than one policy. The NFIP will only pay for damaged items under one policy.</p>	<p>G. A Dwelling Form policy with building coverage may be issued to a unit owner in a condominium building that is also insured under a Residential Condominium Building Association Policy (RCBAP). However, no more than \$250,000 may be paid in combined benefits for a single unit under the Dwelling Form policy and the RCBAP. We will only pay for damage once. Items of damage paid for under an RCBAP cannot also be claimed under the Dwelling Form policy.</p>
Text before I. AGREEMENT	General Property Form	Text before I. AGREEMENT
<p>Please read the policy carefully. The flood insurance coverage provided is subject to limitations, restrictions, and exclusions.</p> <p>This policy provides no coverage:</p> <ol style="list-style-type: none"> 1. In a regular program community, for a residential condominium building, as defined in this policy; and 2. Except for personal property coverage, for a unit in a Condominium building. 		<p>Please read the policy carefully. The flood insurance coverage provided is subject to limitations, restrictions, and exclusions.</p>
I. AGREEMENT	General Property Form	I. AGREEMENT
<p>(In text above Agreement)</p> <p>This policy provides no coverage:</p> <ol style="list-style-type: none"> 1. In a regular program community, for a residential condominium building, as defined in this policy; and 2. Except for personal property coverage, for a unit in a Condominium building. 		<p>A. Coverage Under This Policy</p> <ol style="list-style-type: none"> 1. Except as provided in I.A.2, this policy provides coverage for multifamily buildings (residential buildings designed for use by 5 or more families that are not condominium buildings), non-residential buildings, and their contents. 2. There is no coverage for a residential condominium building in a regular program community, except for personal property coverage for a unit in a condominium building.
We will pay you for direct physical loss by or from flood to your insured property if you:		<p>C. We will pay you for direct physical loss by or from flood to your insured property if you:</p>

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October 2015 SIP Sections	Comments	October 2021 SFIP Sections
<p>1. Have paid the correct premium; 2. Comply with all terms and conditions of this policy; and 3. Have furnished accurate information and statements. We have the right to review the information you give us at any time and to revise your policy based on our review.</p>		<p>1. Have paid the full amount due (including applicable premiums, surcharges, and fees); 2. Comply with all terms and conditions of this policy; and 3. Have furnished accurate information and statements D. We have the right to review the information you give us at any time and revise your policy based on our review.</p>
<p>N/A</p>	<p>New content in the 2021 General Property form.</p>	<p>E. This policy insures only one building. If you own more than one building, coverage will apply to the single building specifically described in the Flood Insurance Application. F. Multiple policies with building coverage cannot be issued to insure a single building to one insured or to different insureds, even if issued through different NFIP insurers. Payment for damages may only be made under a single policy for building damages under Coverage A—Building Property.</p>
<p>I. AGREEMENT</p>	<p>RCBAP</p>	<p>I. AGREEMENT</p>
<p>This policy covers only a residential condominium building in a regular program community. If the community reverts to emergency program status during the policy term and remains as an emergency program community at time of renewal, this policy cannot be renewed. We have the right to review the information you give us at any time and to revise your policy based on our review</p>		<p>A. This policy insures only a residential condominium building in a regular program community. If the community reverts to emergency program status during the policy term and remains as an emergency program community at time of renewal, this policy cannot be renewed.</p>
<p>We will pay you for direct physical loss by or from flood to your insured property if you: 1. Have paid the correct premium; 2. Comply with all terms and conditions of this policy; <i>and</i> 3. Have furnished accurate information and statements.</p>		<p>B. We will pay you for direct physical loss by or from flood to your insured property if you: 1. Have paid the full amount due (including applicable premiums, surcharges, and fees); 2. Comply with all terms and conditions of this policy; <i>and</i> 3. Have furnished accurate information and statements.</p>

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October 2015 SIP Sections	Comments	October 2021 SFIP Sections
N/A		<p>C. This policy insures only one building. If you own more than one building, coverage will apply to the single building specifically described in the Flood Insurance Application.</p> <p>D. Subject to the exception in Section I.G below, multiple policies with building coverage cannot be issued to insure a single building to one insured or to different insureds, even if issued through different NFIP insurers. Payment for damages may only be made under a single policy for building damages under Coverage A—Building Property.</p> <p>E. A Dwelling Form policy with building coverage may be issued to a unit owner in a condominium building that is also insured under a Residential Condominium Building Association Policy (RCBAP). However, no more than \$250,000 may be paid in combined benefits for a single unit under the Dwelling Form and the RCBAP. We will only pay for damage once. Items of damage paid for under a RCBAP cannot also be claimed under the Dwelling Form policy.</p>
II. DEFINITIONS	Dwelling, General Property & RCBAP unless otherwise noted	II. DEFINITIONS
<p>A. In this policy, “you” and “your” refer to the insured(s) shown on the Declarations Page of this policy and your spouse, if a resident of the same household. Insured(s) includes: Any mortgagee and loss payee named in the Application and Declarations Page, as well as any other mortgagee or loss payee determined to exist at the time of loss in the order of precedence. “We,” “us,” and “our” refer to the insurer. Some definitions are complex because they are provided as they appear in the law or regulations, or result from court cases. The precise definitions are intended to protect you.</p>		<p>A. In this policy, “you” and “your” refer to the named insured(s) shown on the Declarations Page of this policy. The named insured must also include the building owner if building coverage is purchased. Insured(s) includes: any mortgagee and loss payee named in the Application and Declarations Page, as well as any other mortgagee or loss payee determined to have an existing interest at the time of loss, in the order of precedence. “We,” “us,” and “our” refer to the insurer. Some definitions are complex because they are provided as they appear in the law or regulations, or result from court cases.</p>
<p>3. Application. The statement made and signed by you or your agent in applying for this policy. The application gives information we use to determine the eligibility of the risk, the</p>	<p>Language removed from the October 2021 SFIPs:</p>	<p>3. Application. The statement made and signed by you or your agent in applying for this policy. The application gives information we use to determine the eligibility of the risk, the</p>

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October 2015 SIP Sections	Comments	October 2021 SFIP Sections
<p>kind of policy to be issued, and the correct premium payment. The application is part of this flood insurance policy. For us to issue you a policy, the correct premium payment must accompany the application.</p>	<p>“For us to issue you a policy, the correct premium payment must accompany the application.”</p>	<p>kind of policy to be issued, and the correct premium payment. The application is part of this flood insurance policy.</p>
<p>5. 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.</p>	<p>The word “subgrade” is removed from the October 2021 SFIP Forms</p>	<p>5. Basement. Any area of a building, including any sunken room or sunken portion of a room, having its floor below ground level on all sides.</p>
<p>6. Building.</p> <p>a. A structure with two or more outside rigid walls and a fully secured roof, that is affixed to a permanent site;</p> <p>b. 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</p> <p>c. 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> <p>Building does not mean a gas or liquid storage tank or a recreational vehicle, park trailer or other similar vehicle, except as described in B.6.c. above.</p>	<ul style="list-style-type: none"> • A “manufactured home” is removed for clarity • Shipping container specifically described as a excluded unit 	<p>6. Building</p> <p>a. A structure with two or more outside rigid walls and a fully secured roof that is affixed to a permanent site</p> <p>b. 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</p> <p>c. 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> <p>Building does not mean a gas or liquid storage tank, shipping container, or a recreational vehicle, park trailer, or other similar vehicle, except as described in C.6.c above.</p>
<p>8. Condominium. That form of ownership of real property in which each unit owner has an undivided interest in common elements.</p>	<ul style="list-style-type: none"> • Clarification of occupancy 	<p>8. Condominium. That form of ownership of one or more buildings in which each unit owner has an undivided interest in common elements.</p>
<p>N/A</p>	<ul style="list-style-type: none"> • Definition of Condominium Building included for clarity. 	<p>10. Condominium Building. A type of building for which the form of ownership is one in which each unit owner has an undivided interest in common elements of the building.</p>
<p>N/A</p>	<ul style="list-style-type: none"> • Definition of Deductible included for clarity 	<p>12. Deductible. The amount of an insured loss that is your responsibility and that is incurred by you before any amounts are paid for the insured loss under this policy.</p>

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October 2015 SIP Sections	Comments	October 2021 SFIP Sections
<p>13. Dwelling. A building designed for use as a residence for no more than four families or a single-family unit in a building under a condominium form of ownership.</p>	<p>NOTE: “Dwelling” is not defined in the General Property Form and RCBP</p>	<p>15. Dwelling. A building designed for use as a residence for no more than four families or a single-family unit in a condominium building.</p>
<p>16. Expense Constant. A flat charge you must pay on each new or renewal policy to defray the expenses of the Federal Government related to flood insurance.</p>	<p>There is no longer an expense constant charge</p>	<p>N/A</p>
<p>17. Federal Policy Fee. A flat charge you must pay on each new or renewal policy to defray certain administrative expenses incurred in carrying out the National Flood Insurance Program. This fee covers expenses not covered by the Expense Constant.</p>	<p>There is no longer an expense constant charge.</p>	<p>18. Federal Policy Fee. A flat rate charge you must pay on each new or renewal policy to defray certain administrative expenses incurred in carrying out the National Flood Insurance Program.</p>
<p>18. Improvements. Fixtures, alterations, installations, or additions comprising a part of the insured dwelling or the apartment in which you reside.</p>	<p>Dwelling Form</p>	<p>19. Improvements. Fixtures, alterations, installations, or additions comprising a part of the dwelling or apartment in which you reside.</p>
<p>17. Improvements. Fixtures, alterations, installations, or additions comprising a part of the insured building.</p>	<p>General Property Form</p>	<p>18. Improvements. Fixtures, alterations, installations, or additions comprising a part of the building.</p>
<p>22. 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.</p>	<p>General Property Form: maximum allowed for pollutants is \$10,000.</p>	<p>23. 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.</p>
<p>N/A</p>	<p>New language (October 2021 policy form). NFIP uses the term “principal residence” to determine eligibility for replacement cost loss settlement, see VII.R.</p>	<p>25. Principal Residence. The dwelling in which you or your spouse have lived for at least 80 percent of:</p> <ul style="list-style-type: none"> a. The 365 days immediately preceding the time of loss; <i>or</i> b. The period of ownership of you or your spouse, if either you or your spouse owned the dwelling for less than 365 days immediately preceding the time of loss.

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25. 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.	Clarity in interpretation in all SFIP forms	27. 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 and the regulations prescribed pursuant to the Act.
RCBAP Only B.25. 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	This definition applies to RCBAP only	RCBAP Only C.26. Residential Condominium Building. A building, condominium, containing one or more family units and in which at least 75 percent of the floor area is residential.
27. Unit. A single-family unit you own in a condominium building.	Dwelling Form	29. Unit. A single-family residential space you own in a condominium building.
27. Unit. A unit in a condominium building.	General Property Form	29. Unit. A single-family residential or non-residential space you own in a condominium building.
27. Unit. A single-family unit in a residential condominium building.	RCBAP	28. Unit. A single-family residential space in a residential condominium building.
III. PROPERTY COVERED	Dwelling, General Property & RCBAP unless otherwise noted	III. PROPERTY INSURED
8. Items of property in a building enclosure below the lowest elevated floor of an elevated post FIRM building located in Zones A1–A30, AE, AH, AR, AR/A, AR/AE, AR/AH, AR/A1–A30, V1–V30, or VE, or in a basement, regardless of the zone. Coverage is limited to the following:	Clarification in coverage, see FIM for additional information For policies issued prior to RR2.0, when the Declarations Page reflects two zones, the current zone and the rating zone, use the rating zone for coverage.	8. Items of property below the lowest elevated floor of an elevated post-FIRM building located in Zones A1–A30, AE, AH, AR, AR/A, AR/AE, AR/AH, AR/A1–A30, V1–V30, or VE, or in a basement regardless of the zone. Coverage is limited to the following:
3. Condominium Loss Assessments	Dwelling Form Only	3. Condominium Loss Assessments

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<p>a. If this policy insures a unit, we will pay, up to the Coverage A limit of liability, your share of loss assessments charged against you by the condominium association in accordance with the condominium association’s articles of association, declarations and your deed.</p> <p>The assessment must be made as a result of direct physical loss by or from flood during the policy term, to the building’s common elements.</p>		<p>a. Subject to III.C.3.b below, if this policy insures a condominium unit, we will pay, up to the Coverage A limit of liability, your share of loss assessments charged against you by the condominium association in accordance with the condominium association’s articles of association, declarations and your deed. The assessment must be made because of direct physical loss by or from flood during the policy term, to the unit or to the common elements of the NFIP insured condominium building in which this unit is located.</p>
<p>b. We will not pay any loss assessment charged against you:</p> <ol style="list-style-type: none"> (1) And the condominium association by any governmental body; (2) That results from a deductible under the insurance purchased by the condominium association insuring common elements; (3) That results from a loss to personal property, including contents of a condominium building; (4) That results from a loss sustained by the condominium association that was not reimbursed under a flood insurance policy written in the name of the SFIP DWELLING association under the Act because the building was not, at the time of loss, insured for an amount equal to the lesser of: <ol style="list-style-type: none"> (a) 80% or more of its full replacement cost; or (b) The maximum amount of insurance permitted under the Act; (5) To the extent that payment under this policy for a condominium building loss, in combination with payments under any other NFIP policies for the same building loss, exceeds the maximum amount of insurance permitted under the Act for that kind of building; <i>or</i> 	<p>Dwelling Form Only</p>	<p>b. We will not pay any loss assessment:</p> <ol style="list-style-type: none"> (1) Charged against you and the condominium association by any governmental body; (2) That results from a deductible under the insurance purchased by the condominium association insuring common elements; (3) That results from a loss to personal property, including contents of a condominium building; (4) In which the total payment combined under all policies exceeds the maximum amount of coverage available under the Act for a single unit in a condominium building where the unit is insured under both a Dwelling Policy and a RCBAP; <i>or</i> (5) On any item of damage that has already been paid under a RCBAP where a single unit in a condominium building is insured by both a Dwelling Policy and a RCBAP. <p>c. Condominium Loss Assessment coverage does not increase the Coverage A Limit of Liability and is subject to the maximum coverage limits available for a single-family dwelling under the Act, payable between all policies issued and covering the unit, under the Act.</p>

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<p>(6) To the extent that payment under this policy for a condominium building loss, in combination with any recovery available to you as a tenant in common under any NFIP condominium association policies for the same building loss, exceeds the amount of insurance permitted under the Act for a single-family dwelling.</p> <p>Loss assessment coverage does not increase the Coverage A limit of liability</p>		
<p>D. Coverage D—Increased Cost of Compliance</p> <p>1. General</p> <p>This policy pays you to comply with a State or local floodplain management law or ordinance affecting repair or reconstruction of a structure suffering flood damage. Compliance activities eligible for payment are: elevation, floodproofing, relocation, or demolition (or any combination of these activities) of your structure.</p> <p>Eligible floodproofing activities are limited to:</p> <ul style="list-style-type: none"> a. Non-residential structures. b. Residential structures with basements that satisfy FEMA’s standards published in the Code of Federal Regulations [44 CFR 60.6 (b) or (c)]. 	<p>FEMA replaced the word structure with building throughout this section except at III.D.5.c.</p> <p>FEMA replaces the wording “this coverage” with “Coverage D” to clarify that the coverage references the provisions in Coverage D. The change does not alter coverage, but provides clarity.</p>	<p>D. Coverage D—Increased Cost of Compliance</p> <p>1. General</p> <p>This policy pays you to comply with a State or local floodplain management law or ordinance affecting repair or reconstruction of a building suffering flood damage. Compliance activities eligible for payment are: elevation, floodproofing, relocation, or demolition (or any combination of these activities) of your building.</p> <p>Eligible floodproofing activities are limited to:</p> <ul style="list-style-type: none"> a. Non-residential buildings. b. Residential buildings with basements that satisfy FEMA’s standards published in the Code of Federal Regulations [44 CFR 60.6(b) or (c)]
<p>IV. PROPERTY NOT COVERED</p>	<p>Dwelling, General Property & RCBAP unless otherwise noted</p>	<p>IV. PROPERTY NOT INSURED</p>
<p>We do not cover any of the following:</p> <ul style="list-style-type: none"> 1. Personal property not inside a building; 2. A building, and personal property in it, located entirely in, on, or over water or seaward of mean high tide if it was constructed or substantially improved after September 30, 1982; 	<p>The word “cover” was replaced with “insure” in the SFIPs.</p> <p>Example: Dwelling Form: We do not insure any of the following:</p>	<p>We do not insure any of the following:</p> <ul style="list-style-type: none"> 1. Personal property not inside the fully enclosed building. 2. A building, and personal property in it, located entirely in, on, or over water or seaward of mean high tide if it was constructed or substantially improved after September 30, 1982.

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<p>3. Open structures, including a building used as a boathouse or any structure or building into which boats are floated, and personal property located in, on, or over water;</p> <p>4. Recreational vehicles other than travel trailers described in the Definitions section (see II.B.6.c.) whether affixed to a permanent foundation or on wheels;</p> <p>5. Self-propelled vehicles or machines, including their parts and equipment. However, we do cover self-propelled vehicles or machines, provided they are not licensed for use on public roads and are:</p> <p style="padding-left: 20px;">a. Used mainly to service the described location or</p> <p>11. Buildings or units and all their contents if more than 49% of the actual cash value of the building is below ground, unless the lowest level is at or above the base flood elevation and is below ground by reason of earth having been used as insulation material in conjunction with energy efficient building techniques;</p> <p>15. Property not eligible for flood insurance pursuant to the provisions of the Coastal Barrier Resources Act and the Coastal Barrier Improvement Act and amendments to these Acts;</p> <p>16. Personal property you own in common with other unit owners comprising the membership of a condominium association.</p>	<p>General Property Form: We do not insure any of the following property:</p> <p>RCBAP: We do not cover any of the following:</p> <p>1. Personal property not inside the fully enclosed building;</p>	<p>3. Open structures, including a building used as a boathouse or any structure or building into which boats are floated, and personal property located in, on, or over water.</p> <p>4. Recreational vehicles other than travel trailers described in the Definitions section (see II.C.6.c) whether affixed to a permanent foundation or on wheels.</p> <p>5. Self-propelled vehicles or machines, including their parts and equipment. However, we do cover self-propelled vehicles or machines not licensed for use on public roads that are:</p> <p>11. Buildings or units and all their contents if more than 49 percent of the actual cash value of the building is below ground, unless the lowest level is at or above the base flood elevation and is below ground by reason of earth having been used as insulation material in conjunction with energy efficient building techniques.</p>
<p>V. EXCLUSIONS</p>	<p>Dwelling, General Property & RCBAP unless otherwise noted</p>	<p>V. EXCLUSIONS</p>
<p>B. We do not insure a loss directly or indirectly caused by a flood that is already in progress at the time and date:</p> <p>1. The policy term begins; or</p> <p>2. Coverage is added at your request.</p>	<p>New Language</p>	<p>B. Flood in Progress. If this policy became effective as of the time of a loan closing, as provided by 44 CFR 61.11(b), we will not pay for a loss caused by a flood that is a continuation of a flood that existed prior to coverage becoming effective. In all other circumstances, we will not pay for a loss caused by a flood that is a continuation of a flood that existed on or before the day you submitted the application for coverage under this policy and the full amount due. We will determine the date of application using 44 CFR 61.11(f).</p>

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VII. GENERAL CONDITIONS	Dwelling, General Property & RCBAP unless otherwise noted	VII. GENERAL CONDITIONS
<p>B. CONCEALMENT OR FRAUD AND POLICY VOIDANCE</p> <p>1. With respect to all insureds under this policy, this policy:</p> <ul style="list-style-type: none"> a. Is void; b. Has no legal force or effect; c. Cannot be renewed; and d. Cannot be replaced by a new NFIP policy, if, before or after a loss, you or any other insured or your agent have at any time: <ul style="list-style-type: none"> (1) Intentionally concealed or misrepresented any material fact or circumstance; (2) Engaged in fraudulent conduct; <i>or</i> (3) Made false statements; relating to this policy or any other NFIP insurance. 	<p>FEMA moved relevant contents of “VII.B. Concealment of Fraud and Policy Voidance” from “VII. General Conditions” to a new policy section “VIII.A. Policy Nullification, Cancellation, and Non-Renewals.”</p> <p>This does not change coverage but provides better clarity.</p>	<p>VIII. POLICY NULLIFICATION, CANCELLATION, AND NON-RENEWAL</p> <p>A. Policy Nullification for Fraud, Misrepresentation, or Making False Statements</p> <p>1. With respect to all insureds under this policy, this policy is void and has no legal force and effect if at any time, before or after a loss, you or any other insured or your agent have, with respect to this policy or any other NFIP insurance:</p> <ul style="list-style-type: none"> a. Concealed or misrepresented any material fact or circumstance; b. Engaged in fraudulent conduct; <i>or</i> c. Made false statements
N/A		<p>2. Policies voided under A.1 cannot be renewed or replaced by a new NFIP policy.</p>
<p>4. This policy is also void for reasons other than fraud, misrepresentation, or wrongful act. This policy is void from its inception and has no legal force under the following conditions:</p> <ul style="list-style-type: none"> a. If the property is located in a community that was not participating in the NFIP on the policy’s inception date and did not join or reenter the program during the policy term and before the loss occurred; or b. If the property listed on the application is otherwise not eligible for coverage under the NFIP. 	<p>FEMA moved relevant contents of “VII.B.4 Concealment of Fraud and Policy Voidance” from “VII. General Conditions” removed VIII.B. Policy Nullification for Reasons Other Than Fraud.”</p> <p>This does not change coverage but provides better clarity.</p>	<p>VIII.B. Policy Nullification for Reasons Other Than Fraud</p> <p>1. This policy is void from its inception, and has no legal force or effect, if:</p> <ul style="list-style-type: none"> a. The property listed on the application is located in a community that was not participating in the NFIP on this policy’s inception date and did not join or reenter the program during the policy term and before the loss occurred; b. The property listed on the application is otherwise not eligible for coverage under the NFIP at the time of the initial application; c. You never had an insurable interest in the property listed on the application;

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		<p>d. You provided an agent with an application and payment, but the payment did not clear; <i>or</i></p> <p>e. We receive notice from you, prior to the policy effective date, that you have determined not to take the policy and you are not subject to a requirement to obtain and maintain flood insurance pursuant to any statute, regulation, or contract.</p> <p>2. In such cases, you will be entitled to a full refund of all premium, fees, and surcharges received. However, if a claim was paid for a policy that is void, the claim payment must be returned to FEMA or offset from the premiums to be refunded before the refund will be processed.</p>
<p>C. OTHER INSURANCE</p> <p>1. If a loss covered by this policy is also covered by other insurance that includes flood coverage not issued under the Act, we will not pay more than the amount of insurance you are entitled to for lost, damaged, or destroyed property insured under this policy subject to the following:</p> <p>a. We will pay only the proportion of the loss that the amount of insurance that applies under this policy bears to the total amount of insurance covering the loss, unless C.1.b. or c. immediately below applies.</p> <p>b. If the other policy has a provision stating that it is excess insurance, this policy will be primary.</p> <p>c. This policy will be primary (but subject to its own deductible) up to the deductible in the other flood policy (except in C.1.b. above). When the other deductible amount is reached, this policy will participate in the same proportion that the amount of insurance under this policy bears to the total amount of both policies, for the remainder of the loss.</p>	<p>The word “covered” was replaced with “insured” in the SFIPs.</p>	<p>B. Other Insurance</p> <p>1. If a loss insured by this policy is also insured by other insurance that includes flood coverage not issued under the Act, we will not pay more than the amount of insurance you are entitled to for lost, damaged, or destroyed property insured under this policy subject to the following:</p> <p>a. We will pay only the proportion of the loss that the amount of insurance that applies under this policy bears to the total amount of insurance covering the loss, unless VII.B.1.b or c immediately below applies.</p> <p>b. If the other policy has a provision stating that it is excess insurance, this policy will be primary.</p> <p>c. This policy will be primary (but subject to its own deductible) up to the deductible in the other flood policy (except another policy as described in VII.B.1.b above). When the other deductible amount is reached, this policy will participate in the same proportion that the amount of insurance under this policy bears to the total amount of both policies, for the remainder of the loss.</p> <p>2. If there is other insurance issued under the Act in the name of your condominium association covering the same property</p>

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<p>2. If there is other insurance in the name of your condominium association covering the same property covered by this policy, then this policy will be in excess over the other insurance.</p>		<p>insured by this policy, then this policy will be in excess over the other insurance, except where a condominium loss assessment to the unit owner results from a loss sustained by the condominium association that was not reimbursed under a flood insurance policy written in the name of the association under the Act because the building was not, at the time of loss, insured for an amount equal to the lesser of:</p> <ul style="list-style-type: none"> a. 80 percent or more of its full replacement cost; or b. The maximum amount of insurance permitted under the Act. <p>3. The combined coverage payment under the other NFIP insurance and this policy cannot exceed the maximum coverage available under the Act, of \$250,000 per single unit.</p>
<p>D. AMENDMENTS, WAIVERS, ASSIGNMENT</p> <p>This policy cannot be changed nor can any of its provisions be waived without the express written consent of the Federal Insurance Administrator. No action we take under the terms of this policy constitutes a waiver of any of our rights. You may assign this policy in writing when you transfer title of your property to someone else except under these conditions:</p> <ul style="list-style-type: none"> 1. When this policy covers only personal property; <i>or</i> 2. When this policy covers a structure during the course of construction. 	<p>Throughout the SFIPs, changed “during the course of construction” to “under construction.”</p>	<p>C. Amendments, Waivers, Assignment</p> <p>This policy cannot be changed, nor can any of its provisions be waived, without the express written consent of the Federal Insurance Administrator. No action we take under the terms of this policy constitutes a waiver of any of our rights. You may assign this policy in writing when you transfer title of your property to someone else except under these conditions:</p> <ul style="list-style-type: none"> a. When this policy insures only personal property; <i>or</i> b. When this policy insures a building under construction.
<p>E. CANCELLATION OF THE POLICY BY YOU</p> <ul style="list-style-type: none"> 1. You may cancel this policy in accordance with the applicable rules and regulations of the NFIP. 2. If you cancel this policy, you may be entitled to a full or partial refund of premium also under the applicable rules and regulations of the NFIP 	<p>FEMA moved relevant contents of “VII.E. Non-Renewal of the Policy By Us” from “VII. General Conditions” to a new policy section “VIII. Policy Nullification, Cancellation, and Non-Renewals.”</p>	<p>VIII.C. Cancellation of the Policy by You</p> <ul style="list-style-type: none"> 1. You may cancel this policy in accordance with the terms and conditions of this policy and the applicable rules and regulations of the NFIP. 2. If you cancel this policy, you may be entitled to a full or partial refund of premium, surcharges, or fees under the terms and conditions of this policy and the applicable rules and regulations of the NFIP.

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	This does not change coverage but provides better clarity.	
<p>F. NON-RENEWAL OF THE POLICY BY US Your policy will not be renewed:</p> <ol style="list-style-type: none"> 1. If the community where your covered property is located stops participating in the NFIP, <i>or</i> 2. If your building <i>has been declared</i> ineligible under Section 1316 of the Act. 	<p>FEMA moved relevant contents of “VII.F. Cancellation of the Policy By You” from “VII. General Conditions” to a new policy section “VIII. Policy Nullification, Cancellation, and Non-Renewals.”</p> <p>This does not change coverage but provides better clarity.</p>	<p>E. Non-Renewal of the Policy by Us Your policy will not be renewed if:</p> <ol style="list-style-type: none"> 1. The community where your insured property is located <i>is suspended</i> or stops participating in the NFIP; 2. Your building <i>is otherwise</i> ineligible for flood insurance under the Act; 3. You have failed to provide the information we requested for the purpose of rating the policy within the required deadline.
<p>G. REDUCTION AND REFORMATION OF COVERAGE</p> <ol style="list-style-type: none"> 1. If the premium we received from you was not enough to buy the kind and amount of coverage you requested, we will provide only the amount of coverage that can be purchased for the premium payment we received. 2. The policy can be reformed to increase the amount of coverage resulting from the reduction described in G.1. above to the amount you requested as follows: <ol style="list-style-type: none"> a. Discovery of Insufficient Premium or Incomplete Rating Information Before a Loss: <ol style="list-style-type: none"> (1) If we discover before you have a flood loss that your premium payment was not enough to buy the requested amount of coverage, we will send you and any mortgagee or trustee known to us a bill for the required additional premium for the current policy term (or that portion of the current policy term following any endorsement changing the amount of coverage). If you or the mortgagee or trustee pay the additional premium within 30 days from the date of our bill, we will reform the policy to increase the amount of coverage to the originally requested amount effective to the beginning of the 		<p>C. Insufficient Premium or Rating Information</p> <ol style="list-style-type: none"> 1. Applicability. The following provisions apply to all instances where the premium paid on this policy is insufficient or where the rating information is insufficient, such as where an Elevation Certificate is not provided. 2. Reforming the Policy with Reduced Coverage. Except as otherwise provided in VII.D.1, if the premium we received from you was not sufficient to buy the kinds and amounts of coverage you requested, we will provide only the kinds and amounts of coverage that can be purchased for the premium payment we received. <ol style="list-style-type: none"> a. For the purpose of determining whether your premium payment is sufficient to buy the kinds and amounts of coverage you requested, we will first deduct the costs of all applicable fees and surcharges. b. If the amount paid, after deducting the costs of all applicable fees and surcharges, is not sufficient to buy any amount of coverage, your payment will be refunded. Unless the policy is reformed to increase the coverage amount to the amount originally requested pursuant to VII.D.3, this policy will be cancelled, and no claims will be paid under this policy.

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<p>current policy term (or subsequent date of any endorsement changing the amount of coverage).</p> <p>(2) If we determine before you have a flood loss that the rating information we have is incomplete and prevents us from calculating the additional premium, we will ask you to send the required information. You must submit the information within 60 days of our request. Once we determine the amount of additional premium for the current policy term, we will follow the procedure in G.2.a.(1) above.</p> <p>(3) If we do not receive the additional premium (or additional information) by</p> <p>b. Discovery of Insufficient Premium or Incomplete Rating Information <i>After a Loss</i>:</p> <p>(1) If we discover <i>after you have a flood loss that</i> your premium payment was not enough to buy the requested amount of coverage, we will send you and any mortgagee or trustee known to us a bill for the required additional premium for the current and the prior policy terms. If you or the mortgagee or trustee pay the additional premium within 30 days of the date of our bill, we will reform the policy to increase the amount of coverage to the originally requested amount effective to the beginning of the prior policy term.</p> <p>(2) If we discover after you have a flood loss that the rating information we have is incomplete and prevents us from calculating the additional premium, we will ask you to send the required information. You must submit the information before your claim can be paid. Once we determine the amount of additional premium for the current and prior policy terms, we will follow the procedure in G.2.b.(1) above.</p>		<p>c. Coverage limits on the reformed policy will be based upon the amount of premium submitted per type of coverage, but will not exceed the amount originally requested.</p> <p>3. Discovery of Insufficient Premium or Rating Information. <i>If we discover that your premium payment was not sufficient to buy the requested amount of coverage, the policy will be reformed as described in VII.D.2. You have the option of increasing the amount of coverage resulting from this reformation to the amount you requested as follows:</i></p> <p>a. Insufficient Premium. <i>If we discover that your premium payment was not sufficient to buy the requested amount of coverage, we will send you, and any mortgagee or trustee known to us, a bill for the required additional premium for the current policy term (or that portion of the current policy term following any endorsement changing the amount of coverage). If it is discovered that the initial amount charged to you for any fees or surcharges is incorrect, the difference will be added or deducted, as applicable, to the total amount in this bill.</i></p> <p>(1) If you or the mortgagee or trustee pays the additional premium amount due within 30 days from the date of our bill, we will reform the policy to increase the amount of coverage to the originally requested amount, effective to the beginning of the <i>current</i> policy term (or subsequent date of any endorsement changing the amount of coverage).</p> <p>(2) If you or the mortgagee or trustee do not pay the additional amount due within 30 days of the date of our bill, any flood insurance claim will be settled based on the reduced amount of coverage.</p> <p>(3) As applicable, you have the option of paying all or part of the amount due out of a claim payment based on the originally requested amount of</p>

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<p>(3) If we do not receive the additional premium by the date it is due, your flood insurance claim will be settled based on the reduced amount of coverage. The amount of coverage can only be increased by endorsement subject to any appropriate waiting period.</p> <p>3. However, if we find that you or your agent intentionally did not tell us, or falsified, any important fact or circumstance or did anything fraudulent relating to this insurance, the provisions of Condition B. Concealment or Fraud and Policy Voidance apply.</p>		<p>coverage.</p> <p>b. Insufficient Rating Information. If we determine that the rating information we have is insufficient and prevents us from calculating the additional premium, we will ask you to send the required information. You must submit the information within 60 days of our request.</p> <p>(1) If we receive the information within 60 days of our request, we will determine the amount of additional premium for the current policy term, and follow the procedure in VII.D.3.a above.</p> <p>(2) If we do not receive the information within 60 days of our request, no claims will be paid until the requested information is provided. Coverage will be limited to the amount of coverage that can be purchased for the payments we received, as determined when the requested information is provided.</p> <p>4. Coverage Increases. If we do not receive the amounts requested in VII.D.3.a or the additional information requested in VII.D.3.b by the date it is due, the amount of coverage under this policy can only be increased by endorsement subject to the appropriate waiting period. However, no coverage increases will be allowed until you have provided the information requested in VII.D.3.b.</p> <p>5. Falsifying Information. However, if we find that you or your agent intentionally did not tell us, or falsified any important fact or circumstance or did anything fraudulent relating to this insurance, the provisions of VIII.A apply.</p>
<p>U. DUPLICATE POLICIES NOT ALLOWED</p> <p>1. We will not insure your property under more than one NFIP policy. If we find that the duplication was not knowingly created, we will give you written notice. The notice will advise</p>	<p>FEMA moved the relevant contents of “VII.U. DUPLICATE POLICIES NOT ALLOWED” from “VII. General Conditions” to a new policy section “VIII. Policy</p>	<p>VIII.D. Cancellation of the Policy by Us</p> <p>3. Cancellation of Duplicate Policies</p> <p>a. Except as allowed under Article I.G, your property may not be insured by more than one NFIP policy, and</p>

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<p>you that you may choose one of several options under the following procedures:</p> <ul style="list-style-type: none"> a. If you choose to keep in effect the policy with the earlier effective date, you may also choose to add the coverage limits of the later policy to the limits of the earlier policy. The change will become effective as of the effective date of the later policy. b. If you choose to keep in effect the policy with the later effective date, you may also choose to add the coverage limits of the earlier policy to the limits of the later policy. The change will be effective as of the effective date of the later policy. <p>In either case, you must pay the pro rata premium for the increased coverage limits within 30 days of the written notice. In no event will the resulting coverage limits exceed the permissible limits of coverage under the Act or your insurable interest, whichever is less.</p> <p>We will make a refund to you, according to applicable NFIP rules, of the premium for the policy not being kept in effect.</p> <p>2. Your option under Condition U. Duplicate Policies Not Allowed to elect which NFIP policy to keep in effect does not apply when duplicates have been knowingly created. Losses occurring under such circumstances will be adjusted according to the terms and conditions of the earlier policy. The policy with the later effective date must be canceled.</p>	<p>Nullification, Cancellation, and Non-Renewals.”</p> <p>This does not change coverage but provides better clarity.</p>	<p>payment for damages to your property will only be made under one policy.</p> <ul style="list-style-type: none"> b. Except as allowed under Article I.G, if the property is insured by more than one NFIP policy, we will cancel all but one of the policies. The policy, or policies, will be selected for cancellation in accordance with 44 CFR 62.5 and the applicable rules and guidance of the NFIP. c. If this policy is cancelled pursuant to VIII.D.4.b, you may be entitled to a full or partial refund of premium, surcharges, or fees under the terms and conditions of this policy and the applicable rules and regulations of the NFIP.
<p>V. LOSS SETTLEMENT</p> <p>1. Introduction</p> <p>This policy provides three methods of settling losses: Replacement Cost, Special Loss Settlement, and Actual Cash Value. Each method is used for a different type of property, as explained in a–c. below.</p> <ul style="list-style-type: none"> a. Replacement Cost loss settlement, described in V.2. below, applies to a single-family dwelling provided: 	<p>Dwelling Form</p> <p>FEMA removed all language after “<i>it is your principal residence</i>” because it defined “principal residence” at II.C.25. This change reduces repetition.</p>	<p>R. Loss Settlement</p> <p>1. Introduction</p> <p>This policy provides three methods of settling losses: Replacement Cost, Special Loss Settlement, and Actual Cash Value. Each method is used for a different type of property, as explained in paragraphs a–c below.</p> <ul style="list-style-type: none"> a. Replacement Cost Loss Settlement, described in R.2 below, applies to a single-family dwelling provided:

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<p>(1) It is your principal residence, which means that, at the time of loss, you or your spouse lived there for 80% of:</p> <p>(a) The 365 days immediately preceding the loss; or</p> <p>(b) The period of your ownership, if you owned the dwelling for less than 365 days; and</p> <p>(2) At the time of loss, the amount of insurance in this policy that applies to the dwelling is 80% or more of its full replacement cost immediately before the loss, or is the maximum amount of insurance available under the NFIP.</p> <p>b. Special loss settlement, described in V.3. below, applies to a single-family dwelling that is a manufactured or mobile home or a travel trailer.</p> <p>c. Actual Cash Value loss settlement applies to a single-family dwelling not subject to replacement cost or special loss settlement, and to the property listed in V.4. below.</p>		<p>(1) It is your principal residence; and</p> <p>(2) At the time of loss, the amount of insurance in this policy that applies to the dwelling is 80 percent or more of its full replacement cost immediately before the loss, or is the maximum amount of insurance available under the NFIP.</p> <p>b. Special Loss Settlement, described in R.3 below, applies to a single-family dwelling that is a manufactured or mobile home or a travel trailer.</p> <p>c. Actual Cash Value Loss Settlement applies to a single-family dwelling not subject to replacement cost or special loss settlement, and to the property listed in R.4 below.</p>

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<p>3. Appraisal</p>	<p>Revised language for clarity.</p>	<p>The SFIP provides both the policyholder and the insurer with the option to demand appraisal.³ Claims professionals should only use appraisal to resolve disputes involving the amount to pay for flood damages. The Appraisal Clause cannot be used to determine the scope, coverage, or causation of damage. FEMA encourages the policyholder and the insurer to exhaust all other avenues available to determine the fair price of the agreed loss before invoking appraisal. For example, prior to appraisal, the policyholder should provide the insurer with contractors’ estimates, receipts, invoices, photographs, and any other relevant documentation or a written explanation to support their claim.</p> <p>However, when a pricing dispute remains, the SFIP allows appraisal under the following conditions:</p>

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		<ul style="list-style-type: none"> • The policyholder and the insurer must agree on the scope of loss (i.e., covered damage). There must be an agreed list of insured items damaged by flood. Appraisal is not available if the policyholder and insurer cannot agree on the scope of loss. • Policyholders and insurers cannot use appraisal if the policyholder submits an appeal to FEMA or initiates litigation.⁴ Appraisal must result in a complete resolution of the entire claim. • The policyholder must submit a timely and completed proof of loss with supporting documentation for the items subject to appraisal. If the policyholder submitted a signed and sworn proof of loss and the insurer paid the amount in full, there is no dispute regarding pricing and no need for appraisal. • A condition precedent to appraisal is a proof of loss, signed by the policyholder, that includes adequate documentation to justify the increased unit costs and pricing. An estimate, not supported by any other information (e.g., from a public adjuster or contractor), is not adequate. Absent this information, appraisal is not proper. Appraisal is only available for differences with unit pricing, meaning the scope of damage is agreed upon. Price differences related to different approaches to repair the agreed-to damage may arise in appraisal. • If the policyholder invokes appraisal and then attempts to resolve issues regarding eligibility, coverage, or scoping of loss, issue, then the policyholder did not properly invoke appraisal, rendering the appraisal process, including any award, invalid. If the WYO inappropriately issues payment to the policyholder or if the WYO inappropriately used the Appraisal Clause, the WYO is responsible to FEMA for any erroneous payments, including fees. <p>Appraisers must be competent and impartial. Appraisers and umpires cannot profit from a higher claim payment made to a policyholder. If the policyholder hires a public adjuster or attorney, and the basis of their fee is securing a higher claims payment for the policyholder, no one employed, affiliated with, or related to the public adjuster or attorney can serve as the appraiser or the umpire. The same rule applies to the insurer. In order to avoid a conflict of interest, no one employed, affiliated with, or related to the adjuster or owner of the adjusting company who receives a fee based upon the policyholder receiving a higher payment can serve as an appraiser or umpire.</p>
<p>4. Building Replacement Cost Value</p>	<p>New language for evaluating building replacement cost used for rating purposes under RR2.0</p>	<p>The adjuster must determine the building replacement cost at the time of loss, pursuant to the conditions established in the loss settlement procedures of the SFIP.</p> <p>The Building Replacement Cost Value used for rating purposes only under RR2.0 and has no bearing on the amount of coverage a policyholder can select, nor upon the replacement cost calculations following a notice of loss.</p>

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<p>4.1 Cisterns, Water Softeners, and Well Water Pumps</p>	<p>Additional language for clarification regarding well water pumps</p>	<p>The SFIP at III.A.8.a.(15) insures well water pumps and related components when located inside the insured building, including underneath the insured building, inside an attached utility shed, attached pump house, or an eligible detached garage. This equipment must be installed at or above ground level. The pumps and related components for building water supply or landscaping are eligible property.</p> <p>The SFIP does not cover a well water pump or its related components if they are below the ground level or installed inside a detached pump house or inside another building or structure that is not insured property. The SFIP does not insure pumps or related equipment used for hot tubs, spas, or swimming pools.</p> 
<p>6.5 Depreciation</p>	<p>Additional language for clarification</p>	<p>The adjuster should apply depreciation based on the age and physical condition of each item replaced in the building and personal property (contents) estimates. Because items of property come in a variety of materials, are purchased, or installed on different dates, and are used for different purposes, the life-expectancy of property items vary. Therefore, the application of the same rate of depreciation (lump-sum) to all building and personal property items is not an acceptable practice. The adjuster should apply depreciation to the material, labor, and equipment usage, including overhead and profit and sales tax, on all claimed replacement items of property. All claimed replacement items must reflect depreciation, regardless of whether the loss qualifies for replacement cost or ACV loss settlement. The adjuster should document the claim file to support the rate of depreciation or the lack of depreciation</p>

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		<p>When considering the rate of depreciation for any replaced item of property, the adjuster should take into account previous repairs or modifications, which may have extended the life of the item beyond its original condition.</p>
<p>9 Communications from Policyholder Representatives</p>	<p>Subsection title change from Communications from Attorneys, Public Adjusters, and Other Policyholder Representative</p> <p>Removed <i>Other types of representative</i> subsection for clarity.</p>	<p>Other types of representatives. Whether given the permission to speak with the NFIP stakeholder or not, only attorneys and public adjusters are legally permitted to negotiate coverage, scope, and price on behalf of the policyholder but are required to complete a signed privacy release or letter of representation. Neighbors, other adjusters, estimators, or contractors are not allowed to practice “public adjusting” on the claim; that is negotiating coverage, scope, and price with the insurer or one of its representatives. With the proper documentation provided, a policyholder’s representative may be the spouse or an immediate family member acting on the policyholder’s behalf. This is often the case when the policyholder is ill, in the hospital, out of the country, or otherwise incapacitated.</p>
<p>9 Condominium Claims Handling</p>	<p>Revised language for clarity. FEMA, in its rulemaking for the Dwelling Form SFIP, see 85 Fed. Reg. 43946 (Jul. 20, 2020), removed the policy language to which the struck through text refers.</p>	<p>Section 1312 of the National Flood Insurance Act (42 U.S.C. § 4019), as amended by section 100214 of the Biggert Waters Flood Insurance Reform Act of 2012 (BW12), prohibits the NFIP insurer from denying a payment requested by the condominium unit owner, who has building coverage under the Dwelling Form, when covered insured damages under the Dwelling Form are not payable under the association’s RCBAP due to policy limits or the application of coinsurance. In general, the law permits the BW12 here allows for the unit owner’s building coverage under the Dwelling Form, to act as a type of excess flood insurance coverage after the RCBAP addresses the building loss and the condominium association’s claim is settled.</p> <p>In a situation where the coinsurance provision of the RCBAP applies, the Dwelling Form may respond as if the RCBAP coverage is exhausted. In all other cases, the RCBAP will continue to be primary, and the Dwelling Form will act as an excess flood insurance policy.</p> <p>The limits of coverage established under 42 U.S.C. § 4013 continue to apply, and the SFIP does not allow more than one payment for the same damaged item. Accordingly, the combined building coverage of the RCBAP and the Dwelling Forms for units within the building insured by the RCBAP cannot exceed \$250,000 times the number of units, nor can the payment for any one unit exceed \$250,000 respectively.</p>
<p>14 Electronic Signatures</p>	<p>Additional language for clarity</p>	<p>FEMA expects insurers to handle NFIP claims in a customer-centric manner as part of their normal business practices. To improve the policyholder’s experience and to reduce administrative burden, FEMA approves is approving and encourages ing the use of electronic signatures on proofs of loss and other NFIP-related transactions. submissions. FEMA will not deny the legal effect, validity, or</p>

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		<p>enforceability of a signature solely because it is in electronic form. Insurers should accept electronic signatures in accordance with their general business practices and applicable laws. The General Services Administration (GSA) and the Federal Chief Information Officers Council have provided joint comprehensive guidance on the best practices for accepting electronic signatures.10 Insurers may find this guidance helpful.</p> <p>Electronic signatures must comply with the following requirements:</p> <ul style="list-style-type: none"> • The signer must use an acceptable electronic form of signature. • The electronic form of signature must be executed or adopted by a person with the intent to sign the electronic document. • The electronic form of signature must be attached to or associated with the electronic document being signed; • There must be a means to identify and authenticate a particular person as the signer; and • There must be a means to preserve the integrity of the signed document.
<p>17 Flood Map Service Center</p>	<p>New subsection for review and clarity regarding obtaining or researching flood maps.</p>	<p>See <i>NFIP Claims Manual</i>, Section 2.17: Flood Map Service Center for details</p>
<p>19 GFIP Claims Handling</p>	<p>Include language regarding qualification for replacement cost for clarity</p>	<p>Only the NFIP Direct services GFIPs (see Introduction at 7. Group Flood Insurance Policy) for additional information about the GFIP). Claim handling for the GFIP should mirror the SFIP Dwelling Form with the following exceptions:</p> <p>Group Flood Insurance Policies (GFIP) are handled solely by the NFIP Direct. They are assigned to adjusters and are handled the same as the SFIP with the following exceptions:</p> <ul style="list-style-type: none"> • Maximum GFIP coverage limit is equivalent to the maximum grant amount established under section 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5174) which FEMA updates at the start of each fiscal year through publication in the Federal Register, 83 Fed. Reg. 53,281. • The homeowner policyholder has the choice of whether to use the funds solely for owned building damages, solely for owned contents damages, or for a combination of owned building and contents damages; but the total cannot exceed the maximum GFIP limits. A separate \$200.00 deductible is applied to each coverage • The adjuster must verify the policyholder is the owner of the home to qualify for building coverage.

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		<ul style="list-style-type: none"> For renter policyholders, the GFIP is only for damaged contents owned by the policyholder. There is no underwriting review performed on a new GFIP. A GFIP does not include building rating information, and, among other items, the ownership, property address, and loss payee may be inaccurate. Before executing a proof of loss for the policyholder’s signature, the adjuster should verify required policy information.
27 Insurable Interest	<p>New subsection – included the essential requirements for ensuring property owners, tenant or mortgagee have an insurable interest at the time of loss.</p>	<p>See <i>NFIP Claims Manual</i>, Section 2.27: Insurable Interest for details</p>
30 Manufactured (Mobile) Home/Travel Trailer	<p>New subsection – provides clarity on manufactured (mobile) home and travel trailers, e.g., Definition of a Manufactured (Mobile) Home, Eligibility, Building Valuation, etc.</p>	<p>See <i>NFIP Claims Manual</i>, Section 2.30: Manufactured (Mobile)Home/Travel Trailer for details.</p>
31 NFIP Coverage for Structures Where Controlled Substances are Manufactured or Distributed	<p>Rewritten for clarification</p>	<p>The Controlled Substances Act makes it unlawful to knowingly open, lease, rent, use, purchase or maintain property for the primary or principal purpose of manufacturing, distributing, or using any controlled substance.⁸ Accordingly, FEMA will not issue a policy to a person or entity that acknowledges that the property to be insured is used in violation of 21 U.S.C. § 856 (for example: a marijuana dispensary). The NFIP will void a policy and deny a claim where the NFIP discovers the property is likely in violation of 21 U.S.C. § 856 because it is used primarily and principally for the manufacture or distribution of a controlled substance.</p> <p>FEMA must void a flood insurance policy and deny coverage where it determines, after a claim is filed, that it is more likely than not that the primary or principal use of the insured structure has been the manufacture or distribution of a controlled substance.</p> <p>When there is a question of coverage, the adjuster must conduct a reasonable investigation to confirm the use of the property and report the information to the WYO or NFIP Direct to confirm coverage.</p>

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<p>32 Nonflammable Insulation in Basements and Protective Barriers for Insulation in Basements or Elevated Post-FIRM Buildings</p>	<p>Additional commentary to be clearer and concise.</p>	<p>See <i>NFIP Claims Manual</i>, Section 2.32: Nonflammable Insulation in Basements and Protective Barriers for Insulation in Basements or Elevated Post-FIRM Buildings for details</p>
<p>Perimeter Wall Sheathing</p>	<p>FEMA is removing guidance specific to sheathing. The SFIP requires direct physical loss by or from flood, and there must be evidence of physical changes to the property for coverage. The adjuster should document damage caused by flood; determine whether any damage was pre-existing or from a cause other than flood (e.g., insect, wet/dry rot, improper installation, construction defect); and include the appropriate scope of repair for covered damage. As this approach mirrors general NFIP claim handling guidance, FEMA no longer believes a separate section addressing sheathing is warranted.</p>	<p>Removed.</p>
<p>37. Personally Identifiable Information (PII) and Sensitive Personally Identifiable Information (SPII)</p>	<p>New subsection – Describes the obligation by law on insurers, adjusters, and FEMA to protect policyholder PII.</p>	<p>See <i>NFIP Claims Manual</i>, Section 2.37: Personally Identifiable Information (PII) and Sensitive Personally Identifiable Information (SPII) for details.</p>
<p>39. Pollutants</p>	<p>Rewritten commentary for clarity.</p>	<p>See <i>NFIP Claims Manual</i>, Section 2.29: Pollutants for details.</p>
<p>47. Remote Claim Adjusting</p>	<p>New subsection on remote claim adjusting</p>	<p>See <i>NFIP Claims Manual</i>, Section 2.47: Remote Claim Adjusting for details</p>

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49. Request for Additional Payment	Update subsection name and revised language for clarification.	See <i>NFIP Claims Manual</i> , Section 2.49: Request for Additional Payment for details
53 Subrogation	Revised language for clarity	<p>When the adjuster or the policyholder the adjuster is assisting identifies a potential cause or contribution for the flood loss in addition to a weather event, which may entitle the policyholder to recovery from a third party for their loss, the adjuster should complete the Adjuster's Subrogation Referral form. The adjuster should provide available factual information as to the cause or contributing factor(s) for the loss. Claim handling, review, and payment should proceed as normal. The insurer should provide the information to its internal reviewers if it will handle the potential subrogation claim itself. If the insurer chooses to refer the matter to FEMA instead of pursuing any subrogation issue itself, then the entire claim file and the subrogation forms should be forwarded to FEMA for potential pursuit.</p> <p>Subrogation is the right of the insurer to claim damages caused by a third party and recover the claim payment by the insurer to the policyholder for the loss. Pursuant to 44 C.F.R. § 62.23(i)(8), FEMA has the right of first recovery in the event of any subrogation claim under the NFIP. The adjuster must consider subrogation on every flood claim, confirm the potential for subrogation, and address subrogation in the Narrative Report. This may require the use of an expert to confirm causation and verifying the potential at fault party. Investigations should be timely to prevent the loss of key evidence that would allow a successful recovery. If the adjuster believes there may be potential for subrogation, the adjuster should complete FEMA Form 086-0-16 Cause of Loss and Subrogation Report, to identify the potentially responsible third party and characterize how their actions may have caused or worsened flood damage. WYO companies and the NFIP Direct cannot waive subrogation or otherwise complicate FEMA's right to pursue subrogation. SALAE Type 3 does not apply to proactive litigation such as subrogation. FEMA's Office of Chief Counsel (OCC) assumes primary responsibility for all subrogation recovery matters upon refusal by the WYO. When reviewing a claim for subrogation, be sure to capture the who, what, where, when, and how of the third party event that caused the flooding. Adjusters should ask policyholders about events like recent residential or commercial construction, changes to neighboring properties, drainage issues, city pumps, and recent road work projects.</p>

No substantive changes occurred in Sections 3 or 4.

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<p>Section 5: NFIP Claims Oversight</p>	<p>New section regarding FEMA's oversight of the NFIP claims processing performed by insurers.</p>	<p>Contents of Section 5:</p> <ol style="list-style-type: none"> 1. Claims Operation Review <ol style="list-style-type: none"> 1.1 Incorrect Estimate/Worksheet Calculation 1.2 Insufficient Damage Documentation 1.3 Payment Processing Errors 1.4 Covered Loss Exceeded the Value of Certain Items 1.5 Case Loss Reserves 1.6 Questions and Answers about Case Loss Reserves 2. Description of Findings <ol style="list-style-type: none"> 2.1 Introduction
<p>Section 6: Special Allocated Loss Adjusting Expense (SALAE)</p>	<p>New section, FEMA recognizes that a WYO company will incur extraordinary expenses in the handling of a claim. When justified, these expenses will be reimbursed to the WYO company as a SALAE. Section 5 of the Manual explains expenses incurred outside of the adjuster fee schedule.</p>	<p>Contents of Section 6:</p> <ol style="list-style-type: none"> 1 SALAE Type 1 – Engineering and Other Expert Fees <ol style="list-style-type: none"> 1.1 General Guidance 1.2. Navigating to the SALAE Type 1 Module in Pivot 1.3. Submitting a New SALAE Type 1 Request 1.4 Providing Additional Information for a Specific SALAE Request 2 SALAE Type 2 – Adjustment Expenses <ol style="list-style-type: none"> 2.1 General Guidance 2.2 SALAE Type 2 Expense Details and Terms 2.3 Navigating to the SALAE Type 2 Module in Pivot 2.4 Submitting a NEW SALAE Type 2 Request 2.5 Notifying the Insurers 2.6 Providing Additional Information for a SALAE Type 2 Request 3 SALAE Type 3 (Litigation Expenses) Reimbursement Requests <ol style="list-style-type: none"> 3.1 Reimbursement of SALAE Type 3 4 SALAE Type 4 (Appraisal Expenses) Reimbursement Requests <ol style="list-style-type: none"> 4.1 General Guidance 4.2 Navigating to the SALAE Type 4 Module in Pivot 4.3 Submitting a NEW SALAE Type 4 Request

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		4.4 Notifying the Insurers 4.5 Providing Additional Information for a Specific SALAE Request
Section 7. NFIP Risk Rating 2.0: Equity in Action Guidance	New section , FEMA's new pricing methodology for the NFIP for all new policies. RR2.0 does not affect coverage under the policy forms, adjusters need to have a basic understanding of the changes in order to confirm information is accurately reported at the time of loss.	Contents of Section 7: 1 Claim Processes and Guidance 1.1 Underwriting Referrals 2 Risk Rating 2.0: Equity in Action 3 Building Occupancy and Description 3.1 Building Occupancy 3.2 Building Description 3.3 Claims History 3.4 Flood Hazard Zones and Base Flood Elevation 3.5 Foundation Type 3.6 Mitigation Discount