

**Table 3. Where the NFIP Does Not Offer Insurance** *continued*

LOCATION	DESCRIPTION
<p><b>Suspended NFIP Community</b></p>	<p>The NFIP may not sell or renew flood insurance in a community suspended from the NFIP. Current policies in the suspended community remain in effect until policy expiration.</p> <ul style="list-style-type: none"> <li>• The NFIP may not renew a policy while the community is suspended.</li> <li>• Insurers must cancel any policies issued in error or any policy renewed after the date of a community suspension.</li> <li>• To obtain coverage after the NFIP reinstates a community, property owners should contact their agent or insurer to submit a new Flood Insurance Application Form.</li> <li>• Insurers must use the applicable waiting period required to obtain coverage.</li> </ul>
<p><b>Areas Covered by the Coastal Barrier Resources Act</b></p>	<p>Flood insurance may not be available in System Units or Otherwise Protected Areas (OPAs) identified under the Coastal Barrier Resources System (CBRS). Such areas designated under the CBRS are typically undeveloped coastal barriers within the boundaries of areas established under federal, state, or local law, or that are held by a qualified organization, primarily for wildlife refuge, sanctuary, recreational, or natural resource conservation purposes. See Appendix E: Coastal Barrier Resources System for additional information.</p>

**B. Building Eligibility**

**1. General Information**

The NFIP will insure a building that:

- Is affixed to a permanent site;
- Has two or more outside rigid walls with a fully secured roof;
- Resists flotation, collapse, and lateral movement; *and*
- Has at least 51 percent of the Actual Cash Value (ACV) of the building, including machinery and equipment that are a part of the building, above ground level, unless the lowest level of the affixed structure is at or above the Base Flood Elevation (BFE) and is below ground, using earth as insulation material in conjunction with energy-efficient building techniques.<sup>4</sup>

**Base Flood Elevation**

BFE is the elevation of surface water resulting from a flood that has a 1 percent chance of equaling or exceeding that level in any given year. It is shown on the FIRM for Zones AE, AH, A1–A30, AR, AR/A, AR/AE, AR/A1–A30, AR/AH, AR/A0, V1–V30 and VE. BFE is no longer an NFIP rating factor to determine premium. However, the SFIP policy forms still reference BFE in defining a building’s eligibility for NFIP coverage when partially underground or under construction. Moreover, BFE continues to be a key factor determining compliance with NFIP floodplain management regulations. Such compliance affects eligibility for Community Rating System discounts and floodproofing discounts. The *Flood Insurance Manual* continues to reference BFE in these instances. While BFE remains relevant to NFIP insurers’ administration of certain NFIP policies, insurers are no longer responsible for reporting the information to FEMA’s system.

4. 44 CFR Part 61, Appendix A(1)-(3), II.C.6 & IV.11

### 2. Single and Multiple Buildings

To qualify as a single building, subject to the single-building limits of coverage, a building must be:

- Separated from other buildings by intervening clear space; *or*
- Separated into divisions by solid vertical load-bearing walls.
  - Division walls must divide the building from its lowest level to its highest ceiling and have no openings.
  - If there is access through the division wall by a doorway or other opening, the structure must be insured as one building unless it meets one of the following criteria:
    - > It is a separately titled building contiguous to the ground;
    - > It has a separate legal description; *or*
    - > It is regarded as a separate property for other real estate purposes, meaning that it has most of its own utilities and may be deeded, conveyed, and taxed separately.

**Note:** If writing multiple policies for multiple buildings at the same location, the insurer must maintain detailed information describing the ownership and insurable interest that pertains to each policy. Insurers can submit requests to FEMA seeking single-building determinations for complex structures with multiple building owners or mixed ownership types.

Where there are multiple separate buildings located at a single address (for example, a single-family residence and a guest house on the same property) and the property owners want to insure both buildings, the insurer should write two separate policies and use the property description field on each Application Form to distinguish the buildings.

Where there are multiple buildings on the same property connected by means of rigid exterior walls, solid load-bearing interior walls, stairways, an elevated walkway, or roof, the insurer may write a policy covering them as a single building or multiple policies covering them as separate buildings.

### 3. Eligible Types of Buildings

**Table 4** describes the types of buildings the NFIP insures.

**Table 4. Buildings the NFIP Insures**

BUILDING TYPE	DESCRIPTION
<b>Additions and Extensions</b>	<p>When insuring a building with one or more additions, the applicant must choose between purchasing one policy or separate policies for the building and each addition and extension.</p> <p>Additions and extensions attached to and in contact with the building by the following methods may be insured under a separate policy:</p> <ul style="list-style-type: none"> <li>• Rigid exterior wall</li> <li>• Solid load-bearing interior wall</li> <li>• Stairway</li> <li>• Elevated walkway</li> <li>• Roof</li> </ul>

**Table 4. Buildings the NFIP Insures** *continued*

BUILDING TYPE	DESCRIPTION
<p><b>Additions and Extensions</b> <i>continued</i></p>	<p>The NFIP requires an Application Form for each addition and extension insured separately. The Application Form must:</p> <ul style="list-style-type: none"> <li>Clearly describe the separately insured addition and extension;</li> <li>Contain the rating information specific to the addition and extension; <i>and</i></li> <li>Request building and/or contents coverage for the addition and extension.</li> </ul> <p>The Additional Information portion of the Application Form for the main building should reference the policy number or quote number for the policy separately insuring the addition or extension.</p> <p><b>Note:</b> Additions and extensions cannot be excluded from building coverage under the main building’s policy, unless the additions and extensions are insured separately.</p>
<p><b>Agricultural Building</b></p>	<p>A building used exclusively in connection with the production, harvesting, storage, raising, or drying of agricultural commodities. Examples of eligible agricultural buildings include barns, silos, and grain storage buildings.</p>
<p><b>Boathouse Located Partially Over Water (Non-Boathouse Parts)</b></p>	<p>The NFIP insures the non-boathouse parts of a building into which boats are floated, if the building is partly over land and also used for residential, commercial, or municipal purposes and is eligible for flood coverage. The NFIP does not insure boat repair docks or boat storage over water.</p> <p>The NFIP will insure the area above the boathouse used for purposes unrelated to the boathouse use (for example, a residential use) from the floor joists to the roof, including walls. The NFIP will also insure a common wall between the boathouse area and other parts of the building.</p> <p>The following items are not insured (see the SFIP for the limitations on coverage):</p> <ul style="list-style-type: none"> <li>The ceiling and roof over the boathouse portions of the building into which boats are floated;</li> <li>Floors, walkways, decking, etc., within the boathouse area, or outside the area, but pertaining to boathouse use;</li> <li>Exterior walls and doors of the boathouse area not common to the rest of the building;</li> <li>Interior walls and coverings within the boathouse area; <i>and</i></li> <li>Contents located within the boathouse area, including furnishings and equipment, relating to the operation and storage of boats and other boathouse uses.</li> </ul>
<p><b>Building Becomes Entirely Over Water</b></p>	<p>A building originally constructed on land or partially over water that later becomes entirely over water because of erosion is eligible for coverage if the building has had continuous coverage. Coverage must have been in place for at least one year before the building being located entirely over water (regardless of any changes in the ownership of the building), or from the date of construction if that was less than one year before the building became located entirely over water.</p> <p>The property owner must establish eligibility for NFIP coverage by submitting all of the following documentation:</p> <ul style="list-style-type: none"> <li>A letter from the community official stating that the building originally was constructed on land or only partially over water;</li> <li>Photographs of the building over land, if available;</li> <li>The approximate date when the building became located entirely over water; and</li> <li>Proof of continuous flood insurance coverage from the period beginning 1 year prior to the building being located entirely over water (regardless of any changes in the ownership of the building), or from the date of construction if less than 1 year.</li> </ul>

**Table 4. Buildings the NFIP Insures** *continued*

BUILDING TYPE	DESCRIPTION
<b>Building Entirely Over Water before October 1, 1982</b>	The NFIP will insure a building located entirely in, on, or over water, or seaward of mean high tide that was not constructed or substantially improved after September 30, 1982.
<b>Building Partially Over Water</b>	<p>The NFIP may insure a building not “entirely” over water; for example, if part of the exterior perimeter walls and foundation of the building are on land or on the landward side of mean high tide (mean high water).</p> <p><b>Note:</b> When the exterior perimeter walls of the building are completely over water, but the support system or foundation underneath the building extends onto land, or the extension of any mechanism for access into the building (including, but not limited to, stairs, decks, walkways, piers, posts, pilings, docks, or driveways) is fully or partially on land, the building and the access are ineligible for coverage.</p>
<b>Building Partially Underground</b>	The NFIP insures buildings or units and eligible contents if 49 percent or less of the ACV, including machinery, is below ground when an energy-efficient building technique uses earth as an insulator. The lowest floor must be at or above the BFE. <sup>5</sup>
<b>Building Under Construction</b>	<p>The NFIP will insure a building under construction, alteration, or repair before it is walled and roofed, using the NFIP-issued rates based on the construction designs and the intended use of the building.</p> <p>A building under construction that is not walled and roofed is not eligible for coverage if construction stops for more than 90 days or the lowest floor, including the basement floor, of a non-elevated building or the lowest elevated floor of an elevated building is below the BFE.<sup>6</sup> The NFIP will not insure materials or supplies intended for use in such construction, alteration, or repair unless they are contained within an enclosed building on the premises or adjacent to the premises.</p> <p>For information on rating, see the Building Under Construction heading in Section 3: How to Write.</p>
<b>Condominium Building</b>	A condominium is a building or a complex of buildings containing a number of individually owned apartments or houses where each unit owner has an undivided interest in common elements of the building. Residential condominium buildings eligible for the RCBAP must be insured under the RCBAP. See the Building Occupancy heading in Section 3: How to Write for additional information.
<b>Cooperative Building</b>	Corporations own and manage cooperative buildings, and their ownership differs from the condominium form of ownership. Residents within cooperative buildings buy shares of the corporation, rather than the real estate (building, land, or both building and land). A cooperative building must have at least 75 percent of the total floor area used for residential purposes to qualify as a residential occupancy. Cooperative buildings are not eligible for the RCBAP.
<b>Detached Garage</b>	In general, the SFIP can only insure one building. However, the Dwelling Form includes limited coverage for a detached garage servicing a one-to-four family dwelling. Coverage is limited to no more than 10 percent of the limit of liability on the one-to-four family dwelling. This coverage does not apply to garages used for residential, commercial, or agricultural purposes.

5. 44 CFR Part 61, Appendix A(1)-(3), IV.11

6. 44 CFR Part 61, Appendix A(1)-(3), III.A.5

**Table 4. Buildings the NFIP Insures** *continued*

BUILDING TYPE	DESCRIPTION
<b>Homeowners' Association (Non-Condominium)</b>	<p>A Homeowners' Association not in the condominium form of ownership owns the common areas, and individual building owners have a right to use and enjoy the common areas. A Homeowners' Association can purchase a policy for an individual building in the building owner's name when the Association's by-laws require the Association to purchase flood insurance building coverage for its members. A Homeowners' Association not in the condominium form of ownership is not eligible for the RCBAP.</p>
<b>Manufactured/ Mobile Home or Manufactured Building or Travel Trailer Without Wheels</b>	<p>A <b>manufactured home</b> (also known as a mobile home) or manufactured building is a structure built on a permanent chassis, transported to a site in one or more sections, and affixed to a permanent foundation.</p> <p>A <b>travel trailer without wheels</b>, built on a chassis and affixed to a permanent foundation, is eligible for flood coverage where regulated under the community's floodplain management and building ordinances or laws.</p> <p>Manufactured/mobile homes and travel trailers must meet the following requirements to be eligible for NFIP coverage:</p> <ul style="list-style-type: none"> <li>• Be affixed to a permanent foundation that may be a poured masonry slab, foundation walls, piers, or blocks, so that the wheels and axles of the mobile home do not support its weight; <i>and</i></li> <li>• Be anchored to a permanent foundation to resist flotation, collapse, or lateral movement: <ul style="list-style-type: none"> <li>– By providing over-the-top or frame ties to ground anchors;</li> <li>– In accordance with manufacturer's specifications; <i>or</i></li> <li>– In compliance with the community's floodplain management requirements.</li> </ul> </li> </ul> <p>Manufactured/mobile homes continuously insured since September 30, 1982, can renew under the previously existing requirements if they meet the following conditions:</p> <ul style="list-style-type: none"> <li>• Are affixed to a permanent foundation in compliance with the foundation and anchoring requirements at the time of placement; <i>and</i></li> <li>• Are adequately anchored, which means the foundation support system must secure the manufactured or mobile home into the ground sufficiently to resist flotation, collapse, and lateral movement caused by flood forces, including wind forces in coastal areas.</li> </ul> <p><b>Note:</b> All references in this manual to manufactured/mobile homes are specific to manufactured/mobile homes and travel trailers without wheels, when affixed to a permanent foundation.</p>
<b>Timeshare Building</b>	<p>A timeshare is an arrangement where several joint owners have the right to use a property under a time-sharing agreement and where the corporation owns the building. The NFIP insures individual units in a timeshare building in the condominium form of ownership under the Dwelling Form. These buildings are eligible for coverage under the RCBAP if 75 percent of the total floor area of the building is for residential purposes. If the 75 percent criteria is not met, see the Condominium Rating Information heading in Section 3: How To Write.</p>

#### 4. Ineligible Types of Buildings

NFIP does not insure the buildings shown in **Table 5**.

**Table 5. Buildings the NFIP Does Not Insure**

BUILDING TYPE	DESCRIPTION
<b>Building Declared in Violation of Floodplain Management Requirements</b>	The NFIP may not insure buildings (or their contents) declared to be constructed or altered in violation of state or local floodplain management, mudflow, or flood-related erosion area management or control laws, regulations, or ordinances. Section 1316 of the National Flood Insurance Act of 1968 (NFIA) allows state or local governments to make this declaration. Insurance becomes available when the owner corrects the violation and the state or local government rescinds the Section 1316 declaration.
<b>Building Entirely Over Water On or After October 1, 1982</b>	The NFIP does not insure buildings constructed or substantially improved on or after October 1, 1982, located entirely in, on, or over water, or seaward of mean high tide.
<b>Building Used for the Manufacture or Distribution of a Controlled Substance</b>	The NFIP may not knowingly insure a building or its contents used for the manufacture or distribution of a controlled substance in violation of federal law. Doing so would directly promote, effectuate, or encourage a violation of the law, which would violate public policy and general principles of insurance. This restriction includes buildings or contents used to grow or dispense marijuana in locations where this activity is legal under state law, because governing federal law makes it unlawful to use any place for the manufacture or distribution of a controlled substance. FEMA can provide additional information on the application of this guidance to specific circumstances.
<b>Container-Type Building</b>	The NFIP does not insure containers used to store gas and liquids, chemical or reactor container tanks or enclosures, brick kilns, and similar units, and their contents.
<b>Water Treatment Plant</b>	The NFIP does not insure a water treatment plant unless 51 percent or more of its ACV is above ground.

### C. Contents Eligibility

The NFIP only insures contents located in a building that is eligible for building coverage.

- **Dwelling Form:** Contents must be located inside a building at the described location. If the building is not fully enclosed, contents must be secured to prevent flotation out of the building.
- **General Property Form:** Contents must be located inside the fully enclosed insured building.
- **RCBAP Form:** Contents must be located inside the fully enclosed insured building.

**Table 6. Contents Eligibility Examples**

ELIGIBILITY	EXAMPLES
<b>Eligible Contents</b>	<ul style="list-style-type: none"> <li>• Personal property inside a building at the described location, if: <ul style="list-style-type: none"> <li>– The property is owned by the policyholder or the policyholder’s household family members; <i>or</i></li> <li>– At the policyholder’s option, the property is owned by guests or servants.</li> </ul> </li> <li>• Equipment.</li> <li>• Self-propelled vehicles or machines, not licensed for use on public roads, <i>and</i> <ul style="list-style-type: none"> <li>– Used mainly to service the described location; <i>or</i></li> <li>– Designed and used to assist handicapped persons while the vehicles or machines are inside a building at the described location.</li> </ul> </li> </ul>

**Table 6. Contents Eligibility Examples** *continued*

ELIGIBILITY	EXAMPLES
<p><b>Eligible Contents</b> <i>continued</i></p>	<ul style="list-style-type: none"> <li>• Parts and equipment as open stock, not part of a specific vehicle or motorized equipment.</li> <li>• Contents located in silos, grain storage buildings, and cisterns.</li> <li>• Commercial contents.</li> <li>• Contents within units in a cooperative building:                             <ul style="list-style-type: none"> <li>– Residents of a unit within a cooperative building may purchase contents coverage under the Dwelling Form.</li> <li>– Shareholders may apply 10 percent of the contents coverage for betterments and improvements at the time of loss.</li> </ul> </li> <li>• Contents in a non-residential condominium unit.</li> <li>• Personal property removed to safety at another location to protect it from flood or the imminent danger of flood, for a period of 45 days.</li> </ul>
<p><b>Ineligible Contents</b></p>	<ul style="list-style-type: none"> <li>• Automobiles including assembled and unassembled dealer’s stock.</li> <li>• Motorcycles including assembled and unassembled dealer’s stock.</li> <li>• Motorized equipment including assembled and unassembled dealer’s stock.</li> <li>• Bailee customer’s goods including contractors, cleaners, repair shops, processors of goods belonging to others, and similar risks.</li> </ul>

**D. NFIP Coverage Exclusions and Limitations**

Table 7 shows examples of NFIP coverage exclusions and limitations.

**Table 7. NFIP Coverage Exclusions and Limitations**

TYPES OF EXCLUSION AND LIMITATIONS	COMMENT
<p><b>Basement</b></p>	<p>The SFIP limits coverage for basement improvements such as finished walls, floors, ceilings, or personal belongings kept in a basement.</p>
<p><b>Building Coverage for a Unit in a Cooperative Building</b></p>	<p>The NFIP does not provide building coverage for shareholder units in a cooperative building. Residents or tenants of a cooperative building may purchase contents coverage under the Dwelling Form.</p>
<p><b>Deck</b></p>	<p>The SFIP limits coverage for decks except for steps and landings to a maximum landing area of 16 square feet.</p>
<p><b>Elevated Building with Enclosure</b></p>	<p>The SFIP limits coverage for enclosed, walled-in areas below the lowest floor of a Post-FIRM elevated building located in a Special Flood Hazard Area (SFHA), including finished walls, floors, ceilings, or personal belongings kept in an enclosure.<sup>7</sup></p>

7. 44 CFR Part 61, Appendix A(1)-(2), III.A.8 & B.5; 44 CFR Part 61, Appendix A(3), III.A.8 & B.4

**Table 7. NFIP Coverage Exclusions and Limitations** *continued*

TYPES OF EXCLUSION AND LIMITATIONS	COMMENT
<b>Flood in Progress</b>	<p>The SFIP will not pay for a loss caused by a flood that was a continuation of a flood that existed:</p> <ul style="list-style-type: none"> <li>• On or before the date the waiting period for coverage began; or</li> <li>• If the coverage became effective as of the time of a loan closing (under the loan exception to the 30-day waiting period), before coverage became effective.<sup>8</sup></li> </ul> <p>In other words, the SFIP does not insure damage from a flood that began before a new policy’s waiting period (or coverage, if no waiting period) began, even if the flood did not damage the insured property, until after the waiting period (or coverage) began. If a flood was already in progress before a policyholder requested an increase in coverage on an existing policy, the SFIP will only insure damage that occurred to the insured property from that same flood event after the waiting period (or increased coverage, if no waiting period) began, under the lesser policy limits.</p> <p>See the <i>NFIP Claims Manual</i> for additional guidance.</p>
<b>Hot Tub or Spa</b>	The SFIP excludes coverage for hot tubs or spas, except where used as bathroom fixtures.
<b>Non-Residential Condominium Unit</b>	The NFIP does not provide building coverage for owners of non-residential units in residential or non-residential buildings.
<b>Swimming Pool</b>	The SFIP excludes coverage for indoor or outdoor swimming pools.
<b>Timeshare Unit in a Multi-Unit Building</b>	The NFIP does not provide coverage for these units unless they are in a condominium form of ownership.

### III. Effective Dates for New Policies and Endorsements

In general, new flood insurance policies and endorsements adding or increasing coverage become effective following a 30-day waiting period. However, there are three exceptions listed below and detailed later in this section:

1. **Map Revision Exception:** Coverage becomes effective after a 1-day waiting period during the first 13 months following a flood map revision newly identifying a building as located within an SFHA when it was previously identified as outside of an SFHA.<sup>9</sup>
2. **Loan Exception:** If the initial purchase of new, additional, or increased flood insurance coverage is in connection with making, increasing, extending, or renewing a loan secured by the insured property (for example, a mortgage loan) – and if the NFIP receives the Application Form or endorsement request and full amount due within specified timeframes as noted in Table 10 – then no waiting period applies and coverage becomes effective as of the time of the loan closing.<sup>10</sup>

8. 44 CFR Part 61, Appendix A(1)-(3), V.B “Flood in Progress”

9. 42 USC 4013(c)(2)(C); 44 CFR § 61.11(a)

10. 42 USC 4013(c)(2)(C); 44 CFR § 61.11(b)