

# **RESETTING PRIOR NFIP CLAIMS HISTORY**

By mitigating a flooded building to higher standards, policyholders may qualify for a Prior National Flood Insurance Program (NFIP) Claims History reset and experience additional savings in premium. A policyholder with prior NFIP claims history can reset it to zero by taking certain mitigation actions based on the criteria described below.

## **Mitigation Criteria to Reset the Prior NFIP Claims History**

Following are example scenarios that provide mitigation standards to potentially reset a building's prior NFIP claims history:

### **Scenario 1: Criteria for mitigating a building in the Special Flood Hazard Area (SFHA) with LFE below BFE**

The building must be mitigated to meet the minimum compliance standards per 44 CFR 60.3 **PLUS** have at least two feet of freeboard. In other words, the Lowest Floor Elevation (LFE) is at least two feet or above the effective Base Flood Elevation (BFE).

### **Scenario 2: Criteria for mitigating an already compliant structure (LFE=BFE or LFE=BFE+1) in SFHA**

The building's LFE must be constructed two feet or above the effective BFE.

Note: For buildings in a **SFHA with LFE already at BFE+2 or higher**, there are no additional mitigation activities available to reset the Prior Claims History for insurance rating purposes under RR 2.0, as the building's LFE is already at BFE+2 or higher. Consequently, the Prior Claims History cannot be reset.

### **Scenario 3: Criteria for mitigating a building in an Unnumbered Zones A/V**

For unnumbered A or V zones, the LFE must be elevated to at least two feet above the BFE, based on the best available data (e.g., Base Level Engineering) or Highest Adjacent Grade (HAG) plus depth of two feet or higher if no best available data is available.

### **Scenario 4: Criteria for mitigating a building in AO zone or outside the SFHA (no compliance requirements; no BFEs to use as a reference elevation)**

To reset the prior claims history, which applies to all foundation types, including above-grade and subgrade construction (e.g., basement, subgrade crawlspace), the building's LFE must be constructed to:

- Two feet or more above the HAG in Zone X, or
- HAG + three feet or more for AO zones.



# FEMA

### **ADDITIONAL REQUIREMENTS FOR SCENARIOS 1-4**

- Communities are encouraged to provide a list of buildings ineligible for prior claims history reset to the attention of their respective FEMA Regional Floodplain Management and Insurance Branch for closer scrutiny and consultation on potential remediation/mitigation action.
- For Machinery and Equipment (M&E) and appliance claims, if M&E is damaged in Scenarios 1-4, it must be elevated per criteria in Scenario 5 below.

### **Scenario 5: Mitigation criteria for claims caused by only the flooding of M&E**

A date of loss with a paid claim payment made entirely to cover the M&E may be removed if the M&E, listed below, servicing the building, inside or outside the building, is elevated to at least the next floor higher than the building's buildings crawlspace, basement, or lowest floor. See Table 1 for more detail.

If the policyholder purchased building-only coverage, the following M&E must be elevated to remove the prior claim:

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

If the policyholder purchased contents-only coverage, the following appliances must be elevated to remove the prior claims:

- Clothes washers and dryers
- Food freezers

If the policyholder purchased both building and contents coverage, all the M&E and appliances listed above must be elevated.

See [Table 1](#) on page 4 for examples of M&E location. If the M&E is already elevated to that level, then the Prior Claims History cannot be reset.

**NOTE:** The burden of proof **lies with the policyholder** to provide supporting documentation for claim payments based **solely** on M&E and appliances.

### **Supporting Documentation**

A policyholder must submit supporting documentation certified in writing by the community that the structure has been mitigated based on one of the mitigation criteria described above. Note that this reset can occur only once and cannot be reset again after the certified mitigation occurs.

## Resources

For more information on Risk Rating 2.0: Equity in Action, visit: [www.FEMA.gov/NFIPTransformation](http://www.FEMA.gov/NFIPTransformation).

For better understanding of the application of prior NFIP claims variable and elevations of M&E, please refer to Section 3, *How to Write*, in the NFIP Flood Insurance Manual at: [www.fema.gov/flood-insurance/work-with-nfip/manuals](http://www.fema.gov/flood-insurance/work-with-nfip/manuals).

For a step-by-step guidance on what policyholders need to know about filing a flood claim, download the NFIP Claims Handbook at: [www.fema.gov/sites/default/files/2020-05/FINAL\\_ClaimsHandbook\\_10252017.pdf](http://www.fema.gov/sites/default/files/2020-05/FINAL_ClaimsHandbook_10252017.pdf).

Information about filing ICC claims is located at: [www.FEMA.gov/Floodplain-Management/Financial-Help/Increased-Cost-Compliance](http://www.FEMA.gov/Floodplain-Management/Financial-Help/Increased-Cost-Compliance).

**Table 1: M&E Location for Prior Claims History Reset Eligibility**

Diagram Showing M&E Location	Guidance on M&E Location
	<p><b>Slab on Grade (Non-Elevated)</b></p> <ul style="list-style-type: none"> <li>▪ <b>One floor:</b> Elevated at least to the height of the attic</li> <li>▪ <b>More than one floor:</b> Elevated to the height of the second floor or higher</li> </ul> <p>(Includes EC Diagram numbers 1A, 1B and 3)</p>
	<p><b>Basement (Non-Elevated)</b></p> <ul style="list-style-type: none"> <li>▪ Elevated to the height of the floor above the basement or higher</li> </ul> <p>(Includes EC Diagram numbers 2A, 2B, and 4)</p>
	<p><b>Crawlspace (Elevated or Non-Elevated Subgrade Crawlspace)</b></p> <ul style="list-style-type: none"> <li>▪ Elevated to the height of the floor above the crawlspace or higher</li> </ul> <p>(Includes EC Diagram numbers 8 and 9)</p>
	<p><b>Elevated Without Enclosure on Posts, Piles or Piers</b></p> <ul style="list-style-type: none"> <li>▪ Elevated to the height of the lowest elevated floor or higher</li> </ul> <p>(Includes EC Diagram number 5)</p>
	<p><b>Elevated With Enclosure on Posts, Piles or Piers*</b></p> <ul style="list-style-type: none"> <li>▪ Located on the lowest elevated floor or higher</li> </ul> <p>(Includes EC Diagram number 6)</p> <p>*May include pre-FIRM and non-SFHA</p>
	<p><b>Elevated With Enclosure Not Posts, Piles or Piers</b></p> <ul style="list-style-type: none"> <li>▪ Elevated to the height of the lowest elevated floor or higher</li> </ul> <p>(Includes EC Diagram number 7)</p>