

V. STANDARD FLOOD INSURANCE POLICY

A. INTRODUCTION

The Standard Flood Insurance Policy (SFIP) specifies the terms and conditions of the agreement of insurance between either the Federal Emergency Management Agency (FEMA) as insurer (for policies issued by the NFIP Direct) or the WYO company as insurer (for policies issued by the WYO Program) and the named insured.

Named insureds in NFIP participating communities include homeowners, renters, business owners, builders of buildings that are in the course of construction, condominium associations, owners of residential condominium units, and mortgagees/trustees (applicable to building coverage only).

1. The Three Policy Forms

There are three policy forms—the Dwelling Form, the General Property Form, and the Residential Condominium Building Association Policy. Each is used to insure a different type of property. All, however, contain certain terms and conditions (e.g., Mortgage Clause, Reformation of Coverage) that are unique to flood insurance.

2. Use of New Policy Forms

All forms of the SFIP have been revised. The new SFIP policy forms must be used for all new and renewal policies that become effective on or after December 31, 2000. On the following pages, you'll find a coverage comparison table for the new policy forms and a detailed commentary on key provisions of each form.

The Liberalization Clause applies for losses occurring on or after December 31, 2000, for policies written on the *old* SFIP policy forms.

3. Currentness of Information

The National Flood Insurance Reform Act of 1994 substantially revised the SFIP. As noted above, FEMA revised the SFIP in December 2000. FEMA published and maintains the *Adjuster Claims Manual* with its integrated explanations of the 2000 SFIP. FEMA published and maintains Policy Issuances and Claims and Underwriting Bulletins to further explain and clarify coverage under the SFIP. These are available at www.fema.gov/library. All other earlier policy explanations, coverage interpretations, policy guidance memorandums, and letters are superseded and should not be referred to in determining coverage.

B. COVERAGE COMPARISON TABLE

The table on page V-3 shows similarities and differences among the three new SFIP forms for more than 30 coverage items.

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COVERAGE COMPARISON AS OF DECEMBER 31, 2000

ITEM	DWELLING FORM	GEN. PROP. FORM	RCBAP
Additional Living Exp.	NO	NO	NO
Appurtenant Structures	YES; 10% of limit of liability can be applied to detached garage at described location.	NO	NO
Awnings	ACV, if attached to bldg.	ACV, if attached to bldg.	ACV, if attached to bldg.
Building Fixtures	Listed	Listed	Listed
Carpeting	ACV; no overhead and profit	ACV; no overhead and profit	ACV; no overhead and profit
Construction Before Walled & Roofed	YES; two times the deductible	YES; two times the deductible	YES; two times the deductible
Debris Removal	YES	YES	YES
Decks	NO; limit of 16 sq. feet	NO; limit of 16 sq. feet	NO; limit of 16 sq. feet
Deductible	Applied separately to building and contents	Applied separately to building and contents	Applied separately to building and contents
Emergency Mitigation, Pre-Flood	Limited coverage, \$1,000	Limited coverage, \$1,000	Limited coverage, \$1,000
Exterior Paint	YES	YES	YES
Fences	NO	NO	NO
Hot Tubs & Spas	YES, if they are bathroom fixtures	YES, if they are bathroom fixtures or stock	YES, if they are bathroom fixtures
Hurricane Shutters	YES	YES	YES
ICC	YES, except Emergency Program and Group Policy	YES, except Emergency Program	YES, except Emergency Program
Improvements & Betterments	YES; if tenant has personal property coverage, we cover cooking stove, range, and refrigerator. 10% of personal property coverage will cover other tenant-installed improvements.	10% of personal property coverage	Yes
Loss Assessments	YES; limited	NO	NO
Loss of Rents	NO	NO	NO
Ordinance or Law	YES, subject to Exclusion A.6.	YES, subject to Exclusion A.6.	YES, subject to Exclusion A.6.
Pollutants	YES	YES, up to \$10,000	YES
Power Failure	YES, if caused by flood on the described location	YES, if caused by flood on the described location	YES, if caused by flood on the described location
Replacement Cost, Building	YES, if insured to 80% of RC and insured lived at risk 80% of previous 365 days	NO	YES, with coinsurance provision
Replacement Cost, Personal Property	NO	NO	NO
Screened Porches	YES, unless below elevated floor (Post-FIRM)	YES	YES
Storage Sheds	NO	NO	NO
Stove & Refrigerator	Building ACV, if tenant's contents	Building ACV, if tenant's contents	Building ACV
Swimming Pools/Hot Tubs	NO	NO	NO
Temporary Repairs	NO	NO	NO
Trees	NO	NO	NO
Venetian Blinds	Building ACV	Building ACV	Building ACV
Walkways	NO	NO	NO

C. NEW POLICY FORMS AND COMMENTARIES

The new SFIP forms, along with a commentary on each, are reproduced on the following pages in this order: Dwelling Form, General Property Form, and Residential Condominium Building Association Policy. This section of the manual uses a side-by-side format in which:

1. Each left-hand page reproduces a page of the new SFIP; and
2. Each facing right-hand page provides a commentary about policy changes and other coverage issues important to claims adjusters.

The footer on each page includes the name of the policy form, so you'll know which form of the SFIP is being shown and discussed.