

# CONDOMINIUMS

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## Important Notice to Agents:

Boards of Directors of condominium associations typically are responsible under their by-laws for maintaining all forms of property insurance necessary to protect the common property of the association against all hazards to which that property is exposed for the insurable value/replacement cost of those common elements. This responsibility would typically include providing adequate flood insurance protection for all common property located in Special Flood Hazard Areas. Such by-law requirements could make the individual members of the boards of directors of such associations personally liable for insurance errors or omissions, including those relating to flood insurance.

## I. METHODS OF INSURING CONDOMINIUMS

There are five methods of insuring condominiums under the National Flood Insurance Program (NFIP). Each method has its own eligibility requirements for condominium type.

### A. Residential Condominium: Association Coverage on Building and Contents

A condominium association is the corporate entity responsible for the management and operation of a condominium. Membership is made up of the condominium unit owners. A condominium association may purchase insurance coverage on a residential building and its contents under the Residential Condominium Building Association Policy (RCBAP). The RCBAP covers only a residential condominium building in a Regular Program community. If the named insured is listed as other than a condominium association, the agent must provide legal documentation to confirm that the insured is a condominium association.

### B. Residential Condominium: Unit Owner's Coverage on Building and Contents

A condominium unit in a townhouse, rowhouse, high-rise or low-rise building is considered to be a single family residence. An individual dwelling unit in a condominium building may be insured in any one of three ways:

- An individual unit and its contents may be separately insured under the Dwelling Form, in the name of the unit owner, at the limits of insurance for a single family dwelling.
- An individual unit may be separately insured under the Dwelling Form, if purchased by the association in the name of the "owner of record unit number (#) and (name of) Association as their interests may appear," up to the limits of insurance for a single family dwelling.

- An individual unit owned by the association may be separately insured under the Dwelling Form, if purchased by the condominium association. The single family limits of insurance apply.

A policy on a condominium unit will be issued naming the unit owner and the association, as their interests may appear. Coverage under a unit owner's policy applies first to the individually owned building elements and improvements to the unit and then to the damage of the building's common elements that are the unit owner's responsibility.

In the event of a loss, the claim payment to an individual unit owner may not exceed the maximum allowable in the Program.

### C. Other Residential Condominium: Condominium Association Policy, Association Coverage on Building and Contents

The Condominium Association Program (CAP), under the General Property Form, is available to insure condominium buildings not eligible for the RCBAP. A CAP is written on the General Property Form in the name of the association. For policies after October 1, 1994, the CAP is to be used for all condominiums in the Emergency Program communities, and those condominiums in Regular Program communities that do not meet the requirement that 75 percent of the floor area of the building be residential. In all other cases, the Residential Condominium Building Association Policy must be sold. The CAP will cover building common elements as well as building elements (additions and alterations) within all units of the building.

In the event of a loss, building coverage under either association policy applies first to building common elements damage and then to damage to individually owned building elements, and the claim payment may not exceed the maximum allowable under the NFIP.

**D. Nonresidential (Commercial) Condominium:  
Building and Contents**

Nonresidential (commercial) condominium buildings and their commonly owned contents may be insured in the name of the Association under the General Property Form. The "Nonresidential" limits apply.

**E. Nonresidential (Commercial) Condominium:  
Unit Owner's Coverage (Contents)**

The owner of a nonresidential condominium unit may purchase only contents coverage for that unit. Building coverage may not be purchased in the name of the unit owner.

In the event of a loss, up to 10 percent of the stated amount of contents coverage can be applied to losses to condominium interior walls, floors, and ceilings. The 10 percent is not an additional amount of insurance.

# TABLE 1. CONDOMINIUM UNDERWRITING GUIDELINES

POLICY TYPE	POLICY FORM	INSURED	PROPERTY COVERED	ELIGIBILITY REQUIREMENTS	REPLACEMENT COVERAGE	ICC	COVERAGE LIMITS	ASSESSMENT COVERAGE	FEDERAL POLICY FEE
RESIDENTIAL CONDOMINIUM BUILDING ASSOCIATION POLICY (RCBAP)	RCBAP	CONDOMINIUM ASSOCIATION AND INDIVIDUAL UNIT OWNERS	CONDOMINIUM BUILDING INDIVIDUALLY OWNED BUILDING UNITS WITHIN THE BUILDING IMPROVEMENTS WITHIN UNIT ADDITIONS AND EXTENSIONS ATTACHED OR CONNECTED BY A COMMON WALL FIXTURES, MACHINERY AND EQUIPMENT WITHIN BUILDING MATERIALS AND SUPPLIES USED IN REPAIRING OR ALTERING THE BUILDING CONTENTS OWNED BY THE ASSOCIATION	COMMUNITY MUST BE IN REGULAR PROGRAM  RESIDENTIAL CONDO BUILDINGS WITH ONE OR MORE RESIDENTIAL UNITS  AT LEAST 75% OF FLOOR AREA MUST BE RESIDENTIAL  BUILDINGS INCLUDE TOWNHOUSES, ROWHOUSES, LOW-RISE, HIGH-RISE, AND SINGLE FAMILY CONDOMINIUM BUILDINGS	YES	YES	<u>MAXIMUM LIMITS:</u>  BUILDING REPLACEMENT COST, OR THE TOTAL NUMBER OF UNITS X \$250,000, WHICHEVER IS LESS  <u>CONTENTS</u> ACTUAL CASH VALUE (ACV) OF COMMONLY OWNED CONTENTS TO A MAXIMUM OF \$100,000 PER BUILDING.	NO	<u># UNITS</u> 1 - \$35 2-4 - \$70/POLICY 5-10 - \$175/POLICY 11-20 - \$385/POLICY 21 + - \$735/POLICY
CONDOMINIUM ASSOCIATION POLICY (CAP)	GENERAL PROPERTY FORM	CONDOMINIUM ASSOCIATION AND INDIVIDUAL UNIT OWNERS	SAME AS ABOVE	RESIDENTIAL CONDOMINIUM BUILDINGS THAT ARE UNINSURABLE UNDER A RCBAP  EMERGENCY AND REGULAR PROGRAMS ARE ELIGIBLE	NO	YES	<u>EMERGENCY PROG. (ACV MAXIMUM LIMITS):</u>  BUILDING \$100,000 CONTENTS \$10,000  <u>REGULAR PROGRAM (ACV MAXIMUM LIMITS):</u>  BUILDING \$250,000 CONTENTS \$100,000	NO	\$35.00
RESIDENTIAL UNIT OWNERS	DWELLING FORM	CONDOMINIUM ASSOCIATION AND/OR INDIVIDUAL UNIT OWNERS	INDIVIDUALLY OWNED BUILDING ELEMENTS IN UNIT  COMMON BUILDING ELEMENTS  INDIVIDUALLY OWNED CONTENTS	ALL RESIDENTIAL CONDOMINIUM UNITS  EMERGENCY AND REGULAR PROGRAMS ARE ELIGIBLE	YES <sup>1</sup>	NO	<u>EMERGENCY PROG. (MAXIMUM LIMITS):</u>  BUILDING \$35,000 CONTENTS \$10,000  <u>REGULAR PROGRAM (MAXIMUM LIMITS):</u>  BUILDING \$250,000 CONTENTS \$100,000	YES <sup>2</sup>	\$35.00
NON RESIDENTIAL BUILDING & CONTENTS	GENERAL PROPERTY FORM	CONDOMINIUM ASSOCIATION AND INDIVIDUAL UNIT OWNERS	NON-RESIDENTIAL COMMON BUILDING ELEMENTS AND THEIR CONTENTS  CONTENTS OWNED BY ASSOCIATION  NON-RESIDENTIAL CONDO UNITS	BUILDING MUST BE NON-RESIDENTIAL (COMMERCIAL)  EMERGENCY AND REGULAR PROGRAMS ARE ELIGIBLE	NO	YES	<u>EMERGENCY PROG. (ACV MAXIMUM LIMITS):</u>  BUILDING \$100,000 CONTENTS \$100,000  <u>REGULAR PROGRAM (ACV MAXIMUM LIMITS):</u>  BUILDING \$500,000 CONTENTS \$500,000	NO	\$35.00
NON RESIDENTIAL UNIT OWNERS	GENERAL PROPERTY FORM	INDIVIDUAL UNIT OWNERS	NON-RESIDENTIAL CONDO UNITS (ONLY CONTENTS ARE AVAILABLE)	COMMERCIAL CONTENTS ONLY  EMERGENCY AND REGULAR PROGRAMS ARE ELIGIBLE	NO	NO	<u>EMERGENCY PROG.:</u> \$100,000 MAXIMUM  <u>REGULAR PROGRAM:</u> \$500,000 MAXIMUM	NO	\$35.00

Footnote: These are basic guidelines for condominium associations and unit owners. Please refer to appropriate section of the *Flood Insurance Manual* for specific details.

<sup>1</sup>Subject to replacement cost provisions in policy.

<sup>2</sup>ICC coverage does not apply to the Emergency Program, individually owned condominium units insured under Dwelling or General Property Forms, Contents-only Policies, and Group Flood Insurance Policies.

# TABLE 2. CONDOMINIUM RATING CHART

## LOW-RISE RESIDENTIAL CONDOMINIUMS

### SINGLE UNIT BUILDING OR TOWNHOUSE/ROWHOUSE TYPE—BUILDING WITH SEPARATE ENTRANCE FOR EACH UNIT

PURCHASER OF POLICY	Building Occupancy <sup>1</sup>	Building Indicator <sup>1</sup>	Contents Indicator <sup>2</sup>	Limits of Coverage	Type of Coverage	Rate Table <sup>3</sup>	Policy Form <sup>4</sup>
UNIT OWNER	SINGLE FAMILY	SINGLE UNIT	HOUSEHOLD	BUILDING—\$250,000 CONTENTS—\$100,000	RC <sup>5</sup>	SINGLE FAMILY	DWELLING
ASSOCIATION (SINGLE UNIT ONLY)	SINGLE FAMILY	SINGLE UNIT	HOUSEHOLD	BUILDING—\$250,000 CONTENTS—\$100,000	RC <sup>5</sup>	SINGLE FAMILY	DWELLING
ASSOCIATION (ENTIRE BUILDING)	DETERMINED BY THE NUMBER OF UNITS, I.E., SINGLE FAMILY, 2-4 FAMILY, OTHER RESIDENTIAL	LOW-RISE	HOUSEHOLD	BUILDING—THE TOTAL NUMBER OF UNITS X \$250,000 CONTENTS—\$100,000	RC	RCBAP LOW-RISE	RCBAP

### MULTI-UNIT BUILDING—2 TO 4 UNITS PER BUILDING—REGARDLESS OF NUMBER OF FLOORS (NON-TOWNHOUSE)

PURCHASER OF POLICY	Building Occupancy <sup>1</sup>	Building Indicator <sup>1</sup>	Contents Indicator <sup>2</sup>	Limits of Coverage	Type of Coverage	Rate Table <sup>3</sup>	Policy Form <sup>4</sup>
UNIT OWNER	2-4	SINGLE UNIT	HOUSEHOLD	BUILDING—\$250,000 CONTENTS—\$100,000	RC <sup>5</sup>	SINGLE FAMILY FOR BUILDING; 2-4 FAMILY FOR CONTENTS	DWELLING
ASSOCIATION (SINGLE UNIT ONLY)	2-4	SINGLE UNIT	HOUSEHOLD	BUILDING—\$250,000 CONTENTS—\$100,000	RC <sup>5</sup>	SINGLE FAMILY FOR BUILDING; 2-4 FAMILY FOR CONTENTS	DWELLING
ASSOCIATION (ENTIRE BUILDING)	2-4	LOW-RISE	HOUSEHOLD	BUILDING—THE TOTAL NUMBER OF UNITS X \$250,000 CONTENTS—\$100,000	RC	RCBAP LOW-RISE	RCBAP

### MULTI-UNIT BUILDING—5 OR MORE UNITS PER BUILDING—LESS THAN THREE FLOORS

PURCHASER OF POLICY	Building Occupancy <sup>1</sup>	Building Indicator <sup>1</sup>	Contents Indicator <sup>2</sup>	Limits of Coverage	Type of Coverage	Rate Table <sup>3</sup>	Policy Form <sup>4</sup>
UNIT OWNER	OTHER RESIDENTIAL	SINGLE UNIT	HOUSEHOLD	BUILDING—\$250,000 CONTENTS—\$100,000	RC <sup>5</sup>	SINGLE FAMILY FOR BUILDING; OTHER RESIDENTIAL FOR CONTENTS	DWELLING
ASSOCIATION (SINGLE UNIT ONLY)	OTHER RESIDENTIAL	SINGLE UNIT	HOUSEHOLD	BUILDING—\$250,000 CONTENTS—\$100,000	RC <sup>5</sup>	SINGLE FAMILY FOR BUILDING; OTHER RESIDENTIAL FOR CONTENTS	DWELLING
ASSOCIATION (ENTIRE BUILDING)	OTHER RESIDENTIAL	LOW-RISE	HOUSEHOLD	BUILDING—THE TOTAL NUMBER OF UNITS X \$250,000 CONTENTS—\$100,000	RC	RCBAP LOW-RISE	RCBAP

<sup>1</sup>When there is a mixture of residential and commercial usage within a single building, please refer to the GR Section of the *Flood Insurance Manual*.

<sup>2</sup>In determining the contents indicator for "other than household contents," please refer to the RATE Section of the *Flood Insurance Manual*.

<sup>3</sup>All building rates are based on the lowest floor of the building.

<sup>4</sup>RCBAP must be used to insure residential condominium buildings owned by the association that are in a Regular Program community and in which at least 75% of the total floor area within the building is residential. Use General Property Form if ineligible under RCBAP.

<sup>5</sup>Replacement Cost if the RC eligibility requirements are met (building only).

## TABLE 2. CONDOMINIUM RATING CHART (Cont'd)

### HIGH-RISE RESIDENTIAL CONDOMINIUMS

#### MULTI-UNIT BUILDING—5 OR MORE UNITS PER BUILDING—THREE OR MORE FLOORS<sup>6</sup>

PURCHASER OF POLICY	Building Occupancy <sup>1</sup>	Building Indicator <sup>1</sup>	Contents Indicator <sup>2</sup>	Limits of Coverage	Type of Coverage	Rate Table <sup>3</sup>	Policy Form <sup>4</sup>
UNIT OWNER	OTHER RESIDENTIAL	SINGLE UNIT	HOUSEHOLD	BUILDING—\$250,000 CONTENTS—\$100,000	RC <sup>5</sup>	SINGLE FAMILY FOR BUILDING; OTHER RESIDENTIAL FOR CONTENTS	DWELLING
ASSOCIATION (SINGLE UNIT ONLY)	OTHER RESIDENTIAL	SINGLE UNIT	HOUSEHOLD	BUILDING—\$250,000 CONTENTS—\$100,000	RC <sup>5</sup>	SINGLE FAMILY FOR BUILDING; OTHER RESIDENTIAL FOR CONTENTS	DWELLING
ASSOCIATION (ENTIRE BUILDING)	OTHER RESIDENTIAL	HIGH-RISE	HOUSEHOLD	BUILDING—THE TOTAL NUMBER OF UNITS X \$250,000 CONTENTS—\$100,000	RC	RCBAP HIGH-RISE	RCBAP

### NON-RESIDENTIAL CONDOMINIUMS

PURCHASER OF POLICY	Building Occupancy <sup>1</sup>	Building Indicator <sup>1</sup>	Contents Indicator <sup>2</sup>	Limits of Coverage	Type of Coverage	Rate Table <sup>3</sup>	Policy Form <sup>4</sup>
UNIT OWNER	NON-RESIDENTIAL	SINGLE UNIT (BUILDING COVERAGE NOT AVAILABLE)	BUSINESS	EMERGENCY—\$100,000 REGULAR—\$500,000 CONTENTS ONLY	ACV	NON-RESIDENTIAL	GENERAL PROPERTY
ASSOCIATION	NON-RESIDENTIAL	LOW-RISE	BUSINESS	BUILDING— EMERGENCY—\$100,000 REGULAR—\$500,000  CONTENTS— EMERGENCY—\$100,000 REGULAR—\$500,000	ACV	NON-RESIDENTIAL	GENERAL PROPERTY

<sup>1</sup>When there is a mixture of residential and commercial usage within a single building, please refer to the GR Section of the *Flood Insurance Manual*.

<sup>2</sup>In determining the contents indicator for "other than household contents," please refer to the RATE Section of the *Flood Insurance Manual*.

<sup>3</sup>All building rates are based on the lowest floor of the building.

<sup>4</sup>RCBAP must be used to insure residential condominium buildings owned by the association that are in a Regular Program community and in which at least 75% of the total floor area within the building is residential. Use General Property Form if ineligible under RCBAP.

<sup>5</sup>Replacement Cost if the RC eligibility requirements are met (building only).

<sup>6</sup>Enclosure, even if it is the lowest floor for rating, cannot be counted as a floor for the purpose of classifying the building as a high rise.

## RESIDENTIAL CONDOMINIUM BUILDING ASSOCIATION POLICY

### II. POLICY FORM

The policy form used for the residential condominium buildings owned by a condominium association is the Residential Condominium Building Association Policy (RCBAP).

### III. ELIGIBILITY REQUIREMENTS

#### A. General Building Eligibility

The RCBAP is required for all buildings owned by a condominium association containing one or more residential units and in which at least 75 percent of the total floor area within the building is residential without regard to the number of units or number of floors. This will include townhouse/rowhouse and detached single family condominium buildings. The RCBAP is available for all high-rise and low-rise residential condominium buildings in the **Regular** Program only.

Residential condominium buildings that are being used as a hotel or motel, or are being rented (either short- or long-term), must be insured on the RCBAP.

Only buildings having a condominium form of ownership are eligible for the RCBAP. If the named insured is listed as other than a condominium association, the agent must provide legal documentation to confirm that the insured is a condominium association. Cooperative ownership buildings are *not* eligible. Timeshare buildings having condominium form of ownership in jurisdictions where title is vested in individual unit owners are eligible provided all other criteria are met.

If, during a policy term, the risk fails to meet the eligibility requirements, it will be ineligible for renewal as an RCBAP.

The NFIP has grouped condominium buildings into two different types, low- and high-rise, because of the difference in the exposures to the risk that typically exists. Low-rise buildings generally have a greater percentage of the value of the building at risk than high-rise buildings, thus requiring higher premiums for the first dollars of coverage. The availability of the optional deductibles for the low-rise buildings, however, allows the association to buy back some of the risk, thereby reducing the overall cost of the coverage.

For rating purposes:

- *High-rise buildings* contain five or more units and at least three floors excluding enclosure, even if it is the lowest floor for rating.

- *Low-rise buildings* have less than five units regardless of the number of floors, or five or more units with less than three floors, including the basement.
- *Townhouse/rowhouse* buildings are always considered as low-rise buildings for rating purposes, no matter how many units or floors they have.

See the Definitions section for a complete definition of high-rise and low-rise buildings.

The *individual unit owners* continue to have an option to purchase an SFIP Dwelling Form.

#### B. Condominium Building in the Course of Construction

The NFIP rules allow the issuance of an SFIP to cover a building in the course of construction before the building is walled and roofed. These rules provide lenders an option to require flood insurance coverage at the time that the development loan is made to comply with the mandatory purchase requirement outlined in the Flood Disaster Protection Act of 1973, as amended. The policy is issued and rated based on the construction designs and intended use of the building.

In order for a condominium building in the course of construction to be eligible under the RCBAP form, the building must be owned by a condominium association, which the NFIP defines as the entity made up of the unit owners responsible for the maintenance and operation of:

1. common elements owned in undivided shares by unit owners; and
2. other real property in which the unit owners have use rights;

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

As noted on page GR 4, buildings in the course of construction that have yet to be walled and roofed are eligible for coverage except when construction has been halted for more than 90 days and/or if the lowest floor used for rating purposes is below the Base Flood Elevation (BFE). Materials or supplies intended for use in such construction, alteration, or repair are not insurable unless they are contained within an enclosed building on the premises or adjacent to the premises.

### IV. COVERAGE

#### A. Property Covered

The entire building is covered under one policy, including both the common as well as individually owned building elements within the units,

improvements within the units, and contents owned in common. Contents owned by individual unit owners should be insured under an individual unit owner's Dwelling Form.

## **B. Coverage Limits**

Building coverage purchased under the RCBAP will be on a Replacement Cost basis.

The maximum amount of *building* coverage that can be purchased on a high-rise or low-rise condominium is the Replacement Cost Value of the building or the total number of units in the condominium building times \$250,000, whichever is less.

The maximum allowable *contents* coverage is the Actual Cash Value of the commonly owned contents up to a maximum of \$100,000 per building.

Basic Limit Amount:

- The building basic limit amount of insurance for a detached building housing a single family unit owned by the condominium association is \$50,000.
- For residential townhouse/rowhouse and low-rise condominiums, the building basic limit amount of insurance is \$50,000 multiplied by the number of units in the building.
- For high-rise condominiums, the building basic amount of insurance is \$150,000.
- The contents basic limit amount of insurance is \$20,000.
- For condominium unit owners who have insured their personal property under the Dwelling Form or General Property Form, coverage extends to interior walls, floor, and ceiling (if not covered under the condominium association's insurance) up to 10 percent of the personal property limit of liability. Use of this coverage is at the option of the insured and reduces the personal property limit of liability.

## **C. Replacement Cost**

As stated above in "B. Coverage Limits," the RCBAP's building coverage is on a Replacement Cost valuation basis. Replacement Cost Value means the cost to replace property with the same kind of material and construction without deduction for depreciation. A condominium unit owner's Dwelling Form policy provides Replacement Cost coverage on the building if eligibility requirements are met.

## **D. Coinsurance**

The RCBAP's coinsurance penalty is applied to building coverage only. To the extent that the insured has not purchased insurance in an amount equal to the lesser of 80 percent or more of the full replacement cost of the building at the time of loss or the maximum amount of insurance under the NFIP, the insured will not be reimbursed fully for a loss. Building coverage purchased under individual Dwelling Forms cannot be added to RCBAP coverage in order to avoid the coinsurance penalty. The amount of loss in this case will be determined by using the following formula:

**Insurance Carried X Amount of Loss = Limit of Recovery**  
**Insurance Required**

Where the penalty applies, building loss under the RCBAP will be adjusted based on the Replacement Cost Coverage with a coinsurance penalty. Building loss under the Dwelling Form will be adjusted on an Actual Cash Value (ACV) basis if the Replacement Cost provision is not met. The cost of bringing the building into compliance with local codes (law and ordinance) is not included in the calculation of replacement cost.

## **E. Assessment Coverage**

The RCBAP does not provide assessment coverage.

Assessment coverage is available only under the Dwelling Form subject to the conditions and exclusions found in Section III. Property Covered, Coverage C, paragraph 3 – Condominium Loss Assessments. The Dwelling Form will respond, up to the building coverage limit, to assessments against unit owners for damages to common areas of any building owned by the condominium association, even if the building is not insured, provided that: (1) each of the unit owners comprising the membership of the association is assessed by reason of the same cause; and (2) the assessment arises out of a direct physical loss by or from flood to the condominium building at the time of the loss. Assessment coverage has a maximum combined total limit of \$250,000 times the number of units. This combined total limit covers loss to the unit and any assessment by the association.

Assessment coverage cannot be used to meet the 80-percent coinsurance provision of the RCBAP, and does not apply to ICC coverage or to coverage for closed basin lakes.

For more information on this topic, see "E. Loss Assessments" on page GR 11 and Section III. C.3. of the Dwelling Form, "Condominium Loss Assessments," on page POL 8.

## **V. DEDUCTIBLES AND FEES**

### **A. Deductibles**

The loss deductible shall apply separately to each building and personal property covered loss including any appurtenant structure loss. The Standard Deductible is \$1,000 for a residential condominium building, located in a Regular Program Community in Special Flood Hazard Areas, i.e., Zones A, AO, AH, A1-A30, AE, AR, AR dual zones (AR/AE, AR/AH, AR/AO, AR/A1-A30, AR/A), V, V1-V30, or VE, where the rates available for buildings built before the effective date of the initial Flood Insurance Rate Map (FIRM), Pre-FIRM rates, are used to compute the premium.

For all policies rated other than those described above, e.g., those rated as Post-FIRM and those rated in Zones A99, B, C, D, or X, the Standard Deductible is \$500.

Optional deductible amounts are available under the RCBAP.

### **B. Federal Policy Fee**

The Federal Policy Fees for the RCBAP are:

1 unit	- \$ 35.00 per policy
2-4 units	- \$ 70.00 per policy
5-10 units	- \$175.00 per policy
11-20 units	- \$385.00 per policy
21 or more	- \$735.00 per policy

## **VI. TENTATIVE RATES AND SCHEDULED BUILDINGS**

Tentative Rates cannot be applied to the RCBAP. The Scheduled Building Policy is not available for the RCBAP.

## **VII. COMMISSIONS (DIRECT BUSINESS ONLY)**

The commission, 15 percent, will be reduced to 5 percent on only that portion of the premium that exceeds the figure resulting from multiplying the total number of units times \$2,000.

## **VIII. CANCELLATION OR ENDORSEMENT OF UNIT OWNERS' DWELLING POLICIES**

Unit owner's Dwelling Policies may be cancelled mid-term for the reasons mentioned in the Cancellation/Nullification section of the manual. To cancel building coverage while retaining contents coverage on a unit owner's policy, submit a General Change Endorsement form. In the event of a cancellation:

- The commission on a unit owner's policy will be retained, in full, by the producer,
- The Federal Policy Fee and Probation Surcharge will be refunded on a pro rata basis, and

- The premium refund will be calculated on a pro rata basis.

An existing Dwelling Policy or RCBAP may be endorsed to increase amounts of coverage in accordance with Endorsement rules. They may not be endorsed mid-term to reduce coverage.

## **IX. APPLICATION FORM**

The producer should complete the entire Flood Insurance Application according to the directions in the Application section of this manual and attach two new photographs of the building, one of which clearly shows the location of the lowest floor used for rating the risk.

### **A. Type of Building**

For an RCBAP, the "Building" section of the Flood Insurance Application must indicate the total number of units in the building and whether the building is a high rise or low rise.

High-rise (vertical) condominium buildings are defined as containing at least five units, and having at least three floors. Note that an enclosure below an elevated floor building, even if it is the lowest floor for rating purposes, cannot be counted as a floor to classify the building as a high-rise condominium building.

Low-rise condominium buildings are defined as having less than five units and/or less than three floors. In addition, low-rise also includes all townhouses/rowhouses regardless of the number of floors or units, and all detached single family buildings.

For a Dwelling Form used to insure a condominium unit, or for a Condominium Association Policy, see the Application section of this manual.

### **B. Replacement Cost Value**

For an RCBAP, use normal company practice to estimate the Replacement Cost Value (RCV) and enter the value in the "Building" section of the Application. Include the cost of the building foundation when determining the RCV. Attach the appropriate valuation to the Application.

Acceptable documentation of a building's RCV is a recent property inspection report that states the building's value on an RCV basis. The cost of the building's foundation must be included in determining the RCV. The cost of bringing the building into compliance with local codes (law and ordinance) is not to be included in the calculation of the building's replacement cost. To maintain



reasonable accuracy of the RCV for the building, the agent must update this information at least every 3 years.

### **C. Coverage**

Ensure that the "Coverage and Rating" section of the Application accurately reflects the desired amount of building and contents coverage.

If only building insurance is to be purchased, inform the applicant of the availability of contents insurance for contents that are commonly owned. It is recommended that the applicant initial the contents coverage section if no contents insurance is requested. (This will make the applicant aware that the policy will not provide payment for contents losses.)

#### **1. Building**

Enter the amount of insurance for building, Basic and Additional Limits. Enter full Basic Limits before entering any Additional Limits. The building Basic Limit amount of insurance for high-rise condominium buildings is up to a maximum of \$150,000.

The building Basic Limit amount of insurance for low-rise condominium buildings is \$50,000 multiplied by the number of units in the building. The total amount of coverage desired on the entire building must not exceed \$250,000 (Regular Program limit) times the total number of units (residential and nonresidential) in the building.

#### **2. Contents**

Since the Program type must be Regular, enter the amount of insurance for contents, Basic and Additional Limits. Enter full Basic

Limits before any Additional Limits. Contents coverage is only for those contents items that are commonly owned. For the Basic Limits amount of insurance, up to a maximum of \$20,000 may be filled in. For the Additional Limits, up to a total of \$80,000 may be filled in. The total amount of insurance available for contents coverage cannot exceed \$100,000.

### **D. Rates and Fees**

1. To determine rates, see the RCBAP Rate Tables on the following pages. Enter the rate for building and for contents and compute the annual premium. If an optional deductible has been selected for building and/or contents, see page CONDO 22.
2. Enter the total premium for building and contents, adjusted for any premium change because of an optional deductible being selected. The total premium will be calculated as if the building were one unit.
3. Add the total premium for building and contents and enter the Annual Subtotal.
4. Add the ICC premium.
5. Calculate the CRS discount, if applicable.
6. Subtract the CRS discount, if applicable.
7. Add the \$50.00 Probation Surcharge, if applicable.
8. Add the Federal Policy Fee to determine the Total Prepaid Amount.

**TABLE 3A. RCBAP HIGH-RISE CONDOMINIUM RATES**  
**ANNUAL RATES PER \$100 OF COVERAGE**  
**(Basic/Additional)**

**BUILDING**

BUILDING TYPE	REGULAR PROGRAM PRE-FIRM <sup>1</sup>			REGULAR PROGRAM POST-FIRM	
	A, A1-A30, AE, AO, AH, D	V, VE	A99, B, C, X	A99, B, C, X	D
No Basement/Enclosure	.85/.19	1.08/.46	1.06/.05	1.06/.05	1.16/.24
With Basement	.90/.27	1.15/.99	1.29/.07	1.29/.07	SUBMIT FOR RATE
With Enclosure	.90/.19	1.15/.48	1.12/.05	1.12/.05	

**CONTENTS**

CONTENTS LOCATION	REGULAR PROGRAM PRE-FIRM <sup>1</sup>			REGULAR PROGRAM POST-FIRM	
	A, A1-A30, AE, AO, AH, D	V, VE	A99, B, C, X	A99, B, C, X	D
Basement and above	.96/.81	1.23/2.04	1.53/.56	1.53/.56	SUBMIT FOR RATE
Enclosure and above	.96/.97	1.23/2.43	1.53/.65	1.53/.65	
Lowest floor only- above ground level	.96/.97	1.23/2.43	1.20/.59	1.20/.59	1.11/.70
Lowest floor above ground level and higher floors	.96/.67	1.23/2.13	1.20/.34	1.20/.34	1.11/.48
Above ground level more than 1 full floor	.35/.12	.47/.29	.35/.12	.35/.12	.35/.12

**BUILDING—A1-A30, AE • POST-FIRM**

ELEVATION	3 OR MORE FLOORS NO BASEMENT/ENCLOSURE	3 OR MORE FLOORS WITH BASEMENT/ENCLOSURE
+4	.33/.03	.33/.03
+3	.35/.03	.34/.03
+2	.40/.03	.36/.03
+1	.72/.04	.53/.04
0	1.28/.05	1.15/.05
-1 <sup>2</sup>	5.26/.15	2.98/.12
-2	SUBMIT FOR RATE	

**CONTENTS—A1-A30, AE • POST-FIRM**

ELEVATION	LOWEST FLOOR ONLY- ABOVE GROUND LEVEL (NO BSMNT./ENCL.)	LOWEST FLOOR ABOVE GROUND LEVEL AND HIGHER (NO BSMNT./ENCL.)	BASEMENT/ ENCLOSURE AND ABOVE	ABOVE GROUND LEVEL - MORE THAN ONE FULL FLOOR
+4	.38/.12	.38/.12	.38/.12	.35/.12
+3	.38/.12	.38/.12	.38/.12	.35/.12
+2	.38/.12	.38/.12	.38/.12	.35/.12
+1	.52/.12	.38/.12	.38/.12	.35/.12
0	1.24/.12	.69/.12	.41/.12	.35/.12
-1 <sup>2</sup>	3.74/.75	2.11/.58	.60/.14	.35/.12
-2	SUBMIT FOR RATE			.35/.12

<sup>1</sup>Start of construction or substantial improvement on or before 12/31/74, or before the effective date of the initial Flood Insurance Rate Map (FIRM). If FIRM Zone is unknown, use rates for Zones A, AE, AO, AH, D.

<sup>2</sup>Use Submit-for-Rate guidelines if either the enclosure below the lowest elevated floor of an elevated building or the crawl space (under-floor space) that has its interior floor within 2 feet below grade on all sides, which is used for rating, is 1 or more feet below BFE.

**TABLE 3B. RCBAP HIGH-RISE CONDOMINIUM RATES**  
**ANNUAL RATES PER \$100 OF COVERAGE**  
**(Basic/Additional)**

**AO, AH POST-FIRM NO BASEMENT/ENCLOSURE BUILDINGS<sup>1</sup>**

	<b>BUILDING</b>	<b>CONTENTS</b>
WITH CERTIFICATION OF COMPLIANCE <sup>2</sup>	.44/.04	.38/.13
WITHOUT CERTIFICATION OF COMPLIANCE OR WITHOUT ELEVATION CERTIFICATE <sup>3</sup>	.99/.08	1.18/.24

**POST-FIRM**  
**UNNUMBERED A-ZONE - WITHOUT BASEMENT/ENCLOSURE<sup>1</sup>**

<b>ELEVATION DIFFERENCE TO NEAREST FOOT</b>	<b>BUILDING</b>	<b>CONTENTS<sup>4</sup></b>	<b>TYPE OF ELEVATION CERTIFICATE</b>
+5 OR MORE	.81/.05	.62/.12	NO ESTIMATED BASE FLOOD ELEVATION <sup>5</sup>
+2 TO +4	1.41/.06	.87/.17	
+1	2.31/.14	1.54/.57	
0 OR BELOW	***	***	
+2 OR MORE	.70/.04	.51/.12	WITH ESTIMATED BASE FLOOD ELEVATION <sup>6</sup>
0 TO +1	1.24/.06	.85/.16	
-1	5.19/.17	2.46/.74	
-2 OR BELOW	***	***	
NO ELEVATION CERTIFICATE	6.60/1.27	3.36/1.00	NO ELEVATION CERTIFICATE

<sup>1</sup>Zones A, AO, or AH buildings with basement/enclosure--Submit for Rating.

<sup>2</sup>"With Certification of Compliance" rates are to be used when the Elevation Certificate shows that the lowest floor elevation is equal to or greater than the community's elevation requirement.

<sup>3</sup>"Without Certification of Compliance" rates are to be used only on Post-FIRM structures without an Elevation Certificate or when the Elevation Certificate shows that the lowest floor elevation of a Post-FIRM structure is less than the community's elevation requirement.

<sup>4</sup>For elevation rated policies, when contents are located one floor or more above lowest floor used for rating, use .35/.12.

<sup>5</sup>NO ESTIMATED BASE FLOOD ELEVATION: Elevation difference is the measured distance between the lowest floor of the building and the highest adjacent grade next to the building.

<sup>6</sup>WITH ESTIMATED BASE FLOOD ELEVATION: Elevation difference is the measured distance between the lowest floor of the building and the estimated BFE provided by the community or registered professional engineer, surveyor, or architect.

\*\*\***SUBMIT FOR RATING.**

**TABLE 3C. RCBAP HIGH-RISE CONDOMINIUM RATES**  
**ANNUAL RATES PER \$100 OF COVERAGE**  
**(Basic/Additional)**

**AR AND AR DUAL ZONES**

**BUILDING**

**PRE-FIRM<sup>1,2</sup> AND POST-FIRM<sup>3</sup> NOT ELEVATION-RATED**

<b>BUILDING TYPE</b>	<b>RATES</b>
No Basement/Enclosure	1.06/.05
With Basement	1.29/.07
With Enclosure	1.12/.05

**CONTENTS**

**PRE-FIRM<sup>1,2</sup> AND POST-FIRM<sup>3</sup> NOT ELEVATION-RATED**

<b>CONTENTS LOCATION</b>	<b>RATES</b>
Basement and above	1.53/.56
Enclosure and above	1.53/.65
Lowest floor only- above ground level	1.20/.59
Lowest floor above ground level and higher floors	1.20/.34
Above ground level more than 1 full floor	.35/.12

**BUILDING**

**PRE-FIRM AND POST-FIRM ELEVATION-RATED**

<b>ELEVATION</b>	<b>3 OR MORE FLOORS NO BASEMENT/ENCLOSURE</b>	<b>3 OR MORE FLOORS WITH BASEMENT/ENCLOSURE</b>
+4	.33/.03	.33/.03
+3	.35/.03	.34/.03
+2	.40/.03	.36/.03
+1	.72/.04	.53/.04
0	1.06/.05	1.15/.05
-1 <sup>4</sup>	<b>See Footnote</b>	

**CONTENTS**

**PRE-FIRM AND POST-FIRM ELEVATION-RATED**

<b>ELEVATION</b>	<b>LOWEST FLOOR ONLY- ABOVE GROUND LEVEL (NO BSMNT./ENCL.)</b>	<b>LOWEST FLOOR ABOVE GROUND LEVEL AND HIGHER (NO BSMNT./ENCL.)</b>	<b>BASEMENT/ ENCLOSURE AND ABOVE</b>	<b>ABOVE GROUND LEVEL - MORE THAN ONE FULL FLOOR</b>
+4	.38/.12	.38/.12	.38/.12	.35/.12
+3	.38/.12	.38/.12	.38/.12	.35/.12
+2	.38/.12	.38/.12	.38/.12	.35/.12
+1	.52/.12	.38/.12	.38/.12	.35/.12
0	1.24/.12	.69/.12	.41/.12	.35/.12
-1 <sup>4</sup>	<b>See Footnote</b>			

<sup>1</sup>Start of construction or substantial improvement on or before 12/31/74, or before the effective date of the initial Flood Insurance Rate Map (FIRM).

<sup>2</sup>Base deductible is \$1,000.

<sup>3</sup>Base deductible is \$500.

<sup>4</sup>Use Pre-FIRM AR and AR Dual Zones Rate Table above.

**TABLE 3D. RCBAP HIGH-RISE CONDOMINIUM RATES**  
**ANNUAL RATES PER \$100 OF COVERAGE**  
**(Basic/Additional)**

**REGULAR PROGRAM -- 1975-1981<sup>1</sup> -- POST-FIRM CONSTRUCTION<sup>2</sup>**

**FIRM ZONES V1-V30, VE -- BUILDING RATES**

<b>ELEVATION OF LOWEST FLOOR ABOVE OR BELOW BFE</b>	<b>BUILDING TYPE</b>	
	<b>3 OR MORE FLOORS NO BASEMENT/ENCLOSURE</b>	<b>3 OR MORE FLOORS WITH BASEMENT/ENCLOSURE</b>
0 <sup>3</sup>	2.70/.14	2.57/.14
-1 <sup>4</sup>	7.87/.56	4.14/.42
-2	***	***

**1975-1981 POST-FIRM CONSTRUCTION**  
**FIRM ZONES V1-V30, VE--CONTENTS RATES**

<b>ELEVATION OF LOWEST FLOOR ABOVE OR BELOW BFE</b>	<b>CONTENTS LOCATION</b>			
	<b>LOWEST FLOOR ONLY--ABOVE GROUND LEVEL (NO BASEMENT/ENCLOSURE)</b>	<b>LOWEST FLOOR ABOVE GROUND LEVEL AND HIGHER FLOORS (NO BASEMENT/ENCLOSURE)</b>	<b>BASEMENT/ENCLOSURE AND ABOVE</b>	<b>ABOVE GROUND LEVEL--MORE THAN ONE FULL FLOOR</b>
0 <sup>3</sup>	3.96/.56	2.62/.62	1.47/.68	.55/.25
-1 <sup>4</sup>	8.81/4.27	5.20/3.30	1.73/.68	.55/.25
-2	***	***	***	***

<sup>1</sup>Policies for 1975 through 1981 Post-FIRM and Pre-FIRM buildings in Zones VE and V1-V30 will be allowed to use the Post-'81 V Zone rate table if the rates are more favorable to the insured. See instructions on page RATE 23 for V Zone Optional Rating.

<sup>2</sup>For 1981 Post-FIRM construction rating, refer to pages CONDO 19-20.

<sup>3</sup>These rates are to be used if the lowest floor of the building is at or above the BFE.

<sup>4</sup>Use Submit-for-Rate guidelines if the enclosure below the lowest floor of an elevated building, which is used for rating, is 1 or more feet below BFE.

\*\*\***SUBMIT FOR RATING.**

**REGULAR PROGRAM 1975-1981 POST-FIRM CONSTRUCTION<sup>1</sup>**  
**UNNUMBERED V ZONE--ELEVATED BUILDINGS**

**SUBMIT FOR RATING**

**TABLE 4A. RCBAP LOW-RISE CONDOMINIUM RATES  
(Including Townhouse/Rowhouse)  
ANNUAL RATES PER \$100 OF COVERAGE  
(Basic/Additional)**

**REGULAR PROGRAM -- PRE-FIRM CONSTRUCTION RATES <sup>1</sup>**

FIRM ZONES:		A, A1-A30, AE, AO, AH, D		V, VE		A99, B, C, X	
		BUILDING	CONTENTS	BUILDING	CONTENTS	BUILDING	CONTENTS
BUILDING TYPE	NO BASEMENT/ENCLOSURE	.70/.52	.96/.97	.93/1.27	1.23/2.34	.74/.21	1.20/.37
	WITH BASEMENT	.75/.64	.96/.81	1.00/2.21	1.23/2.20	.81/.30	1.36/.46
	WITH ENCLOSURE	.75/.75	.96/.84	1.00/2.40	1.23/2.39	.81/.34	1.36/.54

**REGULAR PROGRAM -- POST-FIRM CONSTRUCTION RATES**

FIRM ZONES:		A99, B, C, X		D	
		BUILDING	CONTENTS	BUILDING	CONTENTS
BUILDING TYPE	NO BASEMENT/ENCLOSURE	.74/.21	1.20/.37	1.03/.39	1.11/.70
	WITH BASEMENT	.81/.30	1.36/.46	***	***
	WITH ENCLOSURE	.81/.34	1.36/.54		
FIRM ZONES:		AO, AH (NO BASEMENT/ENCLOSURE BUILDINGS ONLY) <sup>2</sup>			
		BUILDING		CONTENTS	
WITH CERTIFICATION OF COMPLIANCE <sup>3</sup>		.21/.08		.38/.13	
WITHOUT CERTIFICATION OF COMPLIANCE OR WITHOUT ELEVATION CERTIFICATE <sup>4</sup>		.86/.21		1.18/.24	

<sup>1</sup>Start of construction or substantial improvement on or before 12/31/74, or before the effective date of the initial Flood Insurance Rate Map (FIRM). If FIRM Zone is unknown, use rates for Zones A, AE, AO, AH, D.

<sup>2</sup>Zones AO, AH BUILDINGS WITH BASEMENT: Submit for Rating.

<sup>3</sup>"With Certification of Compliance" rates are to be used when the Elevation Certificate shows that the lowest floor elevation is equal to or greater than the community's elevation requirement.

<sup>4</sup>"Without Certification of Compliance" rates are to be used only on Post-FIRM structures without an Elevation Certificate or when the Elevation Certificate shows that the lowest floor elevation of a Post-FIRM structure is less than the community's elevation requirement.

\*\*\*SUBMIT FOR RATING.

**TABLE 4B. RCBAP LOW-RISE CONDOMINIUM RATES  
(Including Townhouse/Rowhouse)  
ANNUAL RATES PER \$100 OF COVERAGE  
(Basic/Additional)**

**REGULAR PROGRAM -- POST-FIRM CONSTRUCTION**

**FIRM ZONES A1-A30, AE -- BUILDING RATES**

ELEVATION OF LOWEST FLOOR ABOVE OR BELOW BFE <sup>1</sup>	BUILDING TYPE		
	ONE FLOOR NO BASEMENT/ENCLOSURE	MORE THAN ONE FLOOR NO BASEMENT/ENCLOSURE	MORE THAN ONE FLOOR WITH BASEMENT/ENCLOSURE
+4	.18/.08	.18/.08	.18/.08
+3	.18/.08	.18/.08	.18/.08
+2	.27/.08	.18/.08	.18/.08
+1	.49/.08	.28/.08	.23/.08
0	1.08/.09	.71/.09	.55/.09
-1 <sup>2</sup>	2.88/.84	2.15/.77	1.25/.52
-2	***	***	***

**FIRM ZONES A1-A30, AE -- CONTENTS RATES**

ELEVATION OF LOWEST FLOOR ABOVE OR BELOW BFE <sup>1</sup>	CONTENTS LOCATION			
	LOWEST FLOOR ONLY - ABOVE GROUND LEVEL (NO BASEMENT/ENCLOSURE)	LOWEST FLOOR ABOVE GROUND LEVEL AND HIGHER FLOORS (NO BASEMENT/ENCLOSURE)	BASEMENT/ENCLOSURE AND ABOVE	ABOVE GROUND LEVEL- MORE THAN ONE FULL FLOOR
+4	.38/.12	.38/.12	.38/.12	.35/.12
+3	.38/.12	.38/.12	.38/.12	.35/.12
+2	.38/.12	.38/.12	.38/.12	.35/.12
+1	.52/.12	.38/.12	.38/.12	.35/.12
0	1.24/.12	.69/.12	.41/.12	.35/.12
-1 <sup>2</sup>	3.74/.75	2.11/.58	.60/.14	.35/.12
-2	***	***	***	.35/.12

<sup>1</sup>If LF is -1 because of attached garage, submit application for special consideration; rate may be lower.

<sup>2</sup>Use Submit-for-Rate guidelines if the enclosure below the lowest floor of an elevated building or if the crawl space (under-floor space) that has its interior floor within 2 feet below grade on all sides, which is used for rating, is 1 or more feet below BFE.

\*\*\***SUBMIT FOR RATING.**

**TABLE 4C. RCBAP LOW-RISE CONDOMINIUM RATES**  
**(Including Townhouse/Rowhouse)**  
**ANNUAL RATES PER \$100 OF COVERAGE**  
**(Basic/Additional)**

**UNNUMBERED ZONE A - WITHOUT BASEMENT/ENCLOSURE<sup>1</sup>**

ELEVATION DIFFERENCE TO NEAREST FOOT	BUILDING	CONTENTS <sup>2</sup>	TYPE OF ELEVATION CERTIFICATE
+5 OR MORE	.33/.11	.62/.12	NO ESTIMATED BASE FLOOD ELEVATION <sup>3</sup>
+2 TO +4	.90/.13	.87/.17	
+1	1.86/.67	1.54/.57	
0 OR BELOW	***	***	
+2 OR MORE	.31/.08	.51/.12	WITH ESTIMATED BASE FLOOD ELEVATION <sup>4</sup>
0 TO +1	.71/.11	.85/.16	
-1	2.66/.84	2.46/.74	
-2 OR BELOW	***	***	
NO ELEVATION CERTIFICATE <sup>5</sup>	3.37/1.45	3.36/1.00	NO ELEVATION CERTIFICATE

<sup>1</sup>Zone A building with basement (including crawl space below grade on all sides) or enclosure--Submit for Rating.

<sup>2</sup>For elevation rated policies, when contents are located one floor or more above lowest floor used for rating, use .35/.12.

<sup>3</sup>NO ESTIMATED BASE FLOOD ELEVATION: Elevation difference is the measured distance between the lowest floor of the building and the highest adjacent grade next to the building.

<sup>4</sup>WITH ESTIMATED BASE FLOOD ELEVATION: Elevation difference is the measured distance between the lowest floor of the building and the estimated BFE provided by the community or registered professional engineer, surveyor, or architect.

<sup>5</sup>For building without basement or enclosure, Elevation Certificate is optional.

\*\*\***SUBMIT FOR RATING.**



**TABLE 4D. RCBAP LOW-RISE CONDOMINIUM RATES  
(Including Townhouse/Rowhouse)  
ANNUAL RATES PER \$100 OF COVERAGE  
(Basic/Additional)**

**AR AND AR DUAL ZONES**

**REGULAR PROGRAM – PRE-FIRM<sup>1,2</sup> AND  
POST-FIRM<sup>3</sup> NOT ELEVATION-RATED RATES**

BUILDING TYPE	BUILDING	CONTENTS
NO BASEMENT	.74/.21	1.20/.37
WITH BASEMENT	.81/.30	1.36/.46
WITH ENCLOSURE	.81/.34	1.36/.54

**REGULAR PROGRAM — PRE-FIRM AND POST-FIRM ELEVATION-RATED RATES**

**BUILDING RATES**

ELEVATION OF LOWEST FLOOR ABOVE OR BELOW BFE	BUILDING TYPE		
	ONE FLOOR NO BASEMENT/ENCLOSURE	MORE THAN ONE FLOOR NO BASEMENT/ENCLOSURE	MORE THAN ONE FLOOR WITH BASEMENT/ENCLOSURE
+4	.18/.08	.18/.08	.18/.08
+3	.18/.08	.18/.08	.18/.08
+2	.27/.08	.18/.08	.18/.08
+1	.49/.08	.28/.08	.23/.08
0	.74/.21	.71/.09	.55/.09
-1 <sup>4</sup>	See Footnote		

**CONTENTS RATES**

ELEVATION OF LOWEST FLOOR ABOVE OR BELOW BFE	CONTENTS LOCATION			
	LOWEST FLOOR ONLY - ABOVE GROUND LEVEL (NO BASEMENT/ENCLOSURE)	LOWEST FLOOR ABOVE GROUND LEVEL AND HIGHER FLOORS (NO BASEMENT/ENCLOSURE)	BASEMENT/ENCLOSURE AND ABOVE	ABOVE GROUND LEVEL- MORE THAN ONE FULL FLOOR
+4	.38/.12	.38/.12	.38/.12	.35/.12
+3	.38/.12	.38/.12	.38/.12	.35/.12
+2	.38/.12	.38/.12	.38/.12	.35/.12
+1	.52/.12	.38/.12	.38/.12	.35/.12
0	1.24/.12	.69/.12	.41/.12	.35/.12
-1 <sup>4</sup>	See Footnote			

<sup>1</sup>Start of construction or substantial improvement on or before 12/31/74, or before the effective date of the initial Flood Insurance Rate Map (FIRM).

<sup>2</sup>Base deductible is \$1,000.

<sup>3</sup>Base deductible is \$500.

<sup>4</sup>Use Pre-FIRM AR and AR Dual Zones Rate Table above.

**TABLE 4E. RCBAP LOW-RISE CONDOMINIUM RATES  
(Including Townhouse/Rowhouse)  
ANNUAL RATES PER \$100 OF COVERAGE  
(Basic/Additional)**

**REGULAR PROGRAM -- 1975-1981<sup>1</sup> -- POST-FIRM CONSTRUCTION<sup>2</sup>  
FIRM ZONES V1-V30, VE -- BUILDING RATES**

ELEVATION OF LOWEST FLOOR ABOVE OR BELOW BFE	BUILDING TYPE		
	ONE FLOOR NO BASEMENT/ENCLOSURE	MORE THAN ONE FLOOR NO BASEMENT/ENCLOSURE	MORE THAN ONE FLOOR WITH BASEMENT/ENCLOSURE
0 <sup>3</sup>	2.43/.45	1.97/.45	1.68/.45
-1 <sup>4</sup>	5.31/2.77	4.86/2.77	3.47/2.51
-2	***	***	***

**REGULAR PROGRAM -- 1975-1981<sup>1</sup> -- POST-FIRM CONSTRUCTION<sup>2</sup>  
FIRM ZONES V1-V30, VE -- CONTENTS RATES**

ELEVATION OF LOWEST FLOOR ABOVE OR BELOW BFE	CONTENTS LOCATION			
	LOWEST FLOOR ONLY - ABOVE GROUND LEVEL (NO BASEMENT/ENCLOSURE)	LOWEST FLOOR ABOVE GROUND LEVEL AND HIGHER FLOORS (NO BASEMENT/ENCLOSURE)	BASEMENT/ENCLOSURE AND ABOVE	ABOVE GROUND LEVEL - MORE THAN ONE FULL FLOOR
0 <sup>3</sup>	4.00/.56	2.62/.62	1.47/.68	.55/.25
-1 <sup>4</sup>	8.81/4.27	5.20/3.30	1.73/.68	.55/.25
-2	***	***	***	.55/.25

**REGULAR PROGRAM -- 1975-1981 -- POST-FIRM CONSTRUCTION<sup>2</sup>  
UNNUMBERED V ZONE -- ELEVATED BUILDINGS**

<b>SUBMIT FOR RATING</b>
--------------------------

<sup>1</sup>Policies for 1975 through 1981 Post-FIRM and Pre-FIRM buildings in Zones VE and V1-V30 will be allowed to use the Post- '81 V Zone rate table if the rates are more favorable to the insured. See instructions on page RATE 23 for V Zone Optional Rating.

<sup>2</sup>For 1981 Post-FIRM construction rating, refer to pages CONDO 19 and 20.

<sup>3</sup>These rates are to be used if the lowest floor of the building is at or above the BFE.

<sup>4</sup>Use Submit-for-Rate guidelines if the enclosure below the lowest floor of an elevated building, which is used for rating, is 1 or more feet below BFE.

\*\*\*SUBMIT FOR RATING.

**TABLE 5A. RCBAP HIGH-RISE AND LOW-RISE CONDOMINIUM RATES  
(Including Townhouse/Rowhouse)  
ANNUAL RATES PER \$100 OF COVERAGE**

**1981 POST-FIRM V1-V30, VE ZONE RATES<sup>1</sup>**

**Elevated Buildings Free of Obstruction<sup>2</sup> Below the  
Beam Supporting the Building's Lowest Floor**

<b>Elevation of the bottom of the floor beam of the lowest floor above or below Base Flood Elevation adjusted for wave height at building site<sup>3</sup></b>	<b>Building Rate</b>	<b>Contents Rate</b>
+4 or more	.61	.50
+3	.74	.51
+2	.97	.69
+1	1.41	1.11
0	1.80	1.66
- 1	2.39	2.30
- 2	3.14	3.14
- 3	4.04	4.25
- 4 or lower	***	***

Rates above are only for elevated buildings. **Use *Specific Rating Guidelines* for non-elevated buildings.**

<sup>1</sup>Policies for 1975 through 1981 Post-FIRM and Pre-FIRM buildings in Zones VE and V1-V30 will be allowed to use the Post-'81 V Zone rate table if the rates are more favorable to the insured. See instructions on page RATE 23 for V Zone Optional Rating.

<sup>2</sup>Free of Obstruction—The space below the lowest elevated floor must be completely free of obstructions or any attachment to the building, or may have:  
 (1) Insect screening, provided that no additional supports are required for the screening; or  
 (2) Wooden or plastic lattice with at least 40 percent of its area open and made of material no thicker than ½ inch; or  
 (3) Wooden or plastic slats or shutters with at least 40 percent of their area open and made of material no thicker than 1 inch.

Any of these systems must be designed and installed to collapse under stress without jeopardizing the structural support of the building, so that the impact on the building of abnormally high tides or wind-driven water is minimized. Any machinery or equipment below the lowest elevated floor must be at or above the BFE.

<sup>3</sup>Wave height adjustment is not required in those cases where the Flood Insurance Rate Map indicates that the map includes wave height.

**\*\*\*SUBMIT FOR RATING.** Include a copy of the variance, a recent photograph and blueprints (including a site grading plan if ocean front) with the Application, and a post-construction (or pre-construction if builder's risk) Elevation Certificate. Do **not** submit any premium with the application. No applicant for insurance on Post-FIRM construction or substantial improvement for which asterisks are shown (there is no risk premium rate) in the *Flood Insurance Manual* can obtain flood coverage until FEMA has approved the Application and established the risk premium for the building.

**TABLE 5B. RCBAP HIGH-RISE AND LOW-RISE CONDOMINIUM RATES  
(Including Townhouse/Rowhouse)  
ANNUAL RATES PER \$100 OF COVERAGE**

**1981 POST-FIRM V1-V30, VE ZONE RATES<sup>1,2</sup>**

**Elevated Buildings With Obstruction<sup>3</sup> Below the  
Beam Supporting the Building's Lowest Floor**

Elevation of the bottom of the floor beam of the lowest floor above or below Base Flood Elevation adjusted for wave height at building site <sup>4</sup>	Building Rate	Contents Rate
+4 or more	1.10	.63
+3	1.22	.64
+2	1.45	.81
+1	1.84	1.23
0	2.24	1.78
-1 <sup>5</sup>	2.77	2.42
-2 <sup>5</sup>	3.52	3.25
-3 <sup>5</sup>	4.43	4.36
-4 or lower <sup>5</sup>	***	***

<sup>1</sup>Policies for 1975 through 1981 Post-FIRM and Pre-FIRM buildings in Zones VE and V1-V30 will be allowed to use the Post-'81 V Zone rate table if the rates are more favorable to the insured. See instructions on page RATE 23 for V Zone Optional Rating.

<sup>2</sup>Rates provided are only for elevated buildings, except those elevated on solid perimeter foundation walls. For buildings elevated on solid perimeter foundation walls, and for non-elevated buildings, use the *Specific Rating Guidelines* document.

<sup>3</sup>With Obstruction—The space below has an area of less than 300 square feet with breakaway solid walls or contains equipment below the BFE. If the space below has an area of 300 square feet or more, or if any portion of the space below the elevated floor is enclosed with non-breakaway walls, submit for rating. If the enclosure is at or above the BFE, use the "Free of Obstruction" rate table on the preceding page. The elevation of the bottom enclosure floor is the lowest floor for rating (LFE).

<sup>4</sup>Wave height adjustment is not required in those cases where the Flood Insurance Rate Map indicates that the map includes wave height.

<sup>5</sup>For buildings with obstruction, use Submit-for-Rate guidelines if the enclosure below the lowest elevated floor of an elevated building, which is used for rating, is 1 or more feet below BFE.

\*\*\***SUBMIT FOR RATING.** Include a copy of the variance, a recent photograph and blueprints (including a site grading plan if ocean front) with the Application, and a post-construction (or pre-construction if builder's risk) Elevation Certificate. Do **not** submit any premium with the application. No applicant for insurance on Post-FIRM construction or substantial improvement for which asterisks are shown (there is no risk premium rate) in the *Flood Insurance Manual* can obtain flood coverage until FEMA has approved the Application and established the risk premium for the building.

**TABLE 5C. RCBAP HIGH-RISE AND LOW-RISE BUILDING RATES  
(Including Townhouse/Rowhouse)  
ANNUAL RATES PER \$100 OF COVERAGE**

**1981 POST-FIRM V ZONE RATES**

**SUBMIT FOR RATING**

**TABLE 6. RCBAP HIGH-RISE AND LOW-RISE CONDOMINIUM RATES  
(Including Townhouse/Rowhouse)  
INCREASED COST OF COMPLIANCE (ICC) COVERAGE**

**All Except Submit for Rate Policies<sup>1</sup>**

**Premiums for \$30,000 ICC Coverage**

FIRM <sup>2</sup>	ZONE	PREMIUM
Post-FIRM	A, AE, A1-A30, AO, AH	\$ 6
	AR, AR DUAL ZONES	\$ 6
	Post-'81 V1-V30, VE	\$20
	'75-'81 V1-V30, VE	\$35
	A99, B, C, X, D	\$ 6
Pre-FIRM	A, AE, A1-A30, AO, AH	\$75
	AR, AR DUAL ZONES	\$ 6
	V, VE, V1-V30	\$75
	A99, B, C, X, D	\$ 6

<sup>1</sup>Use the ICC premium table contained in the *Specific Rating Guidelines*.

<sup>2</sup>Elevation-rated Pre-FIRM buildings should use Post-FIRM ICC premiums.

**TABLE 7. RCBAP DEDUCTIBLE FACTORS – ALL ZONES**

**Category One – Low-Rise Condominium Building-and-Contents Policies**

<b>DEDUCTIBLE OPTIONS</b>	<b>DEDUCTIBLE FACTOR</b>					
	Single Family		2-4 Units		5 or More Units	
<b>Building/Contents</b>	<b>\$500 Ded.</b>	<b>\$1,000 Ded.</b>	<b>\$500 Ded.</b>	<b>\$1,000 Ded.</b>	<b>\$500 Ded.</b>	<b>\$1,000 Ded.</b>
\$500/ \$500	1.000	1.125	1.000	1.025	1.000	1.015
\$1,000/\$1,000	.950	1.000	.965	1.000	.980	1.000
\$2,000/\$1,000	.900	.950	.930	.965	.960	.980
\$3,000/\$1,000	.850	.900	.900	.935	.940	.960
\$4,000/\$2,000	.800	.825	.850	.885	.910	.930
\$5,000/\$2,000	.760	.775	.810	.845	.890	.920
\$10,000/\$10,000	.625	.635	.650	.660	.825	.840
\$25,000/\$25,000	.525	.535	.550	.560	.725	.740

**Category Two – Low-Rise Condominium Building-Only Policies**

<b>DEDUCTIBLE OPTIONS</b>	<b>DEDUCTIBLE FACTOR</b>					
	Single Family		2-4 Units		5 or More Units	
	<b>\$500 Ded.</b>	<b>\$1,000 Ded.</b>	<b>\$500 Ded.</b>	<b>\$1,000 Ded.</b>	<b>\$500 Ded.</b>	<b>\$1,000 Ded.</b>
\$500	1.000	1.125	1.000	1.025	1.000	1.015
\$1,000	.950	1.000	.965	1.000	.980	1.000
\$2,000	.885	.925	.925	.950	.950	.970
\$3,000	.825	.865	.875	.910	.920	.940
\$4,000	.775	.825	.825	.870	.900	.920
\$5,000	.725	.765	.800	.835	.880	.900
\$10,000	.620	.630	.640	.650	.815	.830
\$25,000	.520	.530	.540	.550	.715	.730

**Category Three – High-Rise Condominium Policies,  
Building-and-Contents and Building-Only**

The deductible factors are multipliers,  
and total deductible amounts are subject to a maximum dollar discount per annual premium.

**BUILDING/CONTENTS**

<b>DEDUCTIBLE OPTIONS</b>	<b>DEDUCTIBLE FACTOR</b>		<b>MAXIMUM DISCOUNT</b>
	<b>\$500 Deductible</b>	<b>\$1,000 Deductible</b>	
\$500/ \$500	1.000	1.050	N/A
\$1,000/\$1,000	.980	1.000	\$ 56
\$2,000/\$2,000	.960	.980	\$ 111
\$3,000/\$3,000	.940	.960	\$ 166
\$4,000/\$4,000	.910	.930	\$ 221
\$5,000/\$5,000	.890	.920	\$ 276
\$10,000/\$10,000	.825	.840	\$ 501
\$25,000/\$25,000	.725	.740	\$1,001

**BUILDING-ONLY**

<b>DEDUCTIBLE OPTIONS</b>	<b>DEDUCTIBLE FACTOR</b>		<b>MAXIMUM DISCOUNT</b>
	<b>\$500 Deductible</b>	<b>\$1,000 Deductible</b>	
\$500	1.000	1.100	N/A
\$1,000	.980	1.000	\$ 55
\$2,000	.950	.970	\$ 110
\$3,000	.920	.940	\$ 165
\$4,000	.900	.920	\$ 220
\$5,000	.880	.900	\$ 275
\$10,000	.815	.830	\$ 500
\$25,000	.715	.730	\$1,000

## **X. CONDOMINIUM RATING EXAMPLES**

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## CONDOMINIUM RATING EXAMPLE 1

### PRE-FIRM, LOW-RISE, WITH ENCLOSURE, COINSURANCE PENALTY, ZONE A

#### Regular Program

- Building Coverage: \$140,000
- Contents Coverage: \$100,000
- Condominium Type: Low-rise
- Flood Zone: A
- Occupancy: Other Residential
- # of Units: 6
- Date of Construction: Pre-FIRM
- Building Type: 3 Floors Including Enclosure
- Deductible: \$2,000/\$1,000
- Deductible Factor: .980
- Replacement Cost: \$600,000
- Elevation Difference: N/A
- 80% Coinsurance Amount: \$480,000
- ICC Premium: \$75 (\$30,000 Coverage)
- CRS Rating: N/A
- CRS Discount: N/A

#### Determined Rates:

Building: .75/.64      Contents: .96/.84

COVERAGE	BASIC LIMITS			ADDITIONAL LIMITS (REGULAR PROGRAM ONLY)			DEDUCTIBLE PREM. REDUCTION/ INCREASE	BASIC AND ADDITIONAL TOTAL AMOUNT OF INSURANCE	TOTAL PREMIUM	
	AMOUNT OF INSURANCE	RATE	ANNUAL PREMIUM	AMOUNT OF INSURANCE	RATE	ANNUAL PREMIUM				
BUILDING	140,000	.75	1,050	0	.64	0	-21	140,000	1,029	
CONTENTS	20,000	.96	192	80,000	.84	672	-17	100,000	847	
RATE TYPE: (ONE BUILDING PER POLICY—BLANKET COVERAGE NOT PERMITTED) <input type="checkbox"/> MANUAL <input type="checkbox"/> SUBMIT FOR RATING <input type="checkbox"/> ALTERNATIVE <input type="checkbox"/> V-ZONE RISK RATING FORM <input type="checkbox"/> MORTGAGE PORTFOLIO PROTECTION PROGRAM <input type="checkbox"/> PROVISIONAL RATING							PAYMENT OPTION:  <input type="checkbox"/> CREDIT CARD <input type="checkbox"/> OTHER: _____		ANNUAL SUBTOTAL  ICC PREMIUM  SUBTOTAL  CRS PREMIUM DISCOUNT _____%  SUBTOTAL	1,876  75  1,951  —  1,951
THE ABOVE STATEMENTS ARE CORRECT TO THE BEST OF MY KNOWLEDGE. I UNDERSTAND THAT ANY FALSE STATEMENTS MAY BE PUNISHABLE BY FINE OR IMPRISONMENT UNDER APPLICABLE FEDERAL LAW.  SIGNATURE OF INSURANCE AGENT/BROKER _____ DATE(MM/DD/YY) _____							PROBATION SURCHARGE		—	
							FEDERAL POLICY FEE		175	
							TOTAL PREPAID AMOUNT		2,126	

#### Premium Calculation:

1. Multiply Rate x \$100 of Coverage: Building: \$1,050 / Contents: \$864
2. Apply Deductible Factor: Building: .980 x \$1,050 = \$1,029 / Contents: .980 x \$864 = \$847
3. Premium Reduction: Building: \$1,050 - \$1,029 = \$21 / Contents: \$864 - \$847 = \$17
4. Subtotal: \$1,876
5. Add ICC Premium: \$75
6. Subtract CRS Discount: N/A
7. Subtotal: \$1,951
8. Probation Surcharge: N/A
9. Add Federal Policy Fee: \$175
10. Total Prepaid Amount: \$2,126

#### CLAIMS ADJUSTMENT WITH COINSURANCE PROVISION

Claim Payment is determined as follows:

(Insurance Carried) 140,000 x (Amount of Loss) 100,000 = (Limit of Recovery) 29,167 - Less Deductible  
 (Insurance Required) 480,000

(Coinsurance Penalty applies because minimum insurance amount of \$480,000 was not met.)



## CONDOMINIUM RATING EXAMPLE 2

### PRE-FIRM, LOW-RISE, NO BASEMENT/ENCLOSURE, ZONE AE

#### Regular Program

- Building Coverage: \$480,000
- Contents Coverage: \$50,000
- Condominium Type: Low-rise
- Flood Zone: AE
- Occupancy: Other Residential
- # of Units: 6
- Date of Construction: Pre-FIRM
- Building Type: 1 Floor, No Basement
- Deductible: \$500/\$500
- Deductible Factor: 1.015
- Replacement Cost: \$600,000
- Elevation Difference: N/A
- 80% Coinsurance Amount: \$480,000
- ICC Premium: \$75 (\$30,000 Coverage)
- CRS Rating: N/A
- CRS Discount: N/A

#### **Determined Rates:**

Building: .70/.52      Contents: .96/.97

COVERAGE	BASIC LIMITS			ADDITIONAL LIMITS (REGULAR PROGRAM ONLY)			DEDUCTIBLE  PREM. REDUCTION/ INCREASE	BASIC AND ADDITIONAL  TOTAL AMOUNT OF INSURANCE	TOTAL PREMIUM	
	AMOUNT OF INSURANCE	RATE	ANNUAL PREMIUM	AMOUNT OF INSURANCE	RATE	ANNUAL PREMIUM				
BUILDING	<b>300,000</b>	<b>.70</b>	<b>2,100</b>	<b>180,000</b>	<b>.52</b>	<b>936</b>	<b>+46</b>	<b>480,000</b>	<b>3,082</b>	
CONTENTS	<b>20,000</b>	<b>.96</b>	<b>192</b>	<b>30,000</b>	<b>.97</b>	<b>291</b>	<b>+7</b>	<b>50,000</b>	<b>490</b>	
RATE TYPE: (ONE BUILDING PER POLICY—BLANKET COVERAGE NOT PERMITTED)  <input type="checkbox"/> MANUAL <input type="checkbox"/> SUBMIT FOR RATING  <input type="checkbox"/> ALTERNATIVE <input type="checkbox"/> V-ZONE RISK RATING FORM  <input type="checkbox"/> MORTGAGE PORTFOLIO PROTECTION PROGRAM  <input type="checkbox"/> PROVISIONAL RATING						PAYMENT OPTION:		ANNUAL SUBTOTAL		<b>3,572</b>
						<input type="checkbox"/> CREDIT CARD  <input type="checkbox"/> OTHER: _____		ICC PREMIUM		<b>75</b>
								SUBTOTAL		<b>3,647</b>
								CRS PREMIUM DISCOUNT _____%		—
								SUBTOTAL		<b>3,647</b>
THE ABOVE STATEMENTS ARE CORRECT TO THE BEST OF MY KNOWLEDGE. I UNDERSTAND THAT ANY FALSE STATEMENTS MAY BE PUNISHABLE BY FINE OR IMPRISONMENT UNDER APPLICABLE FEDERAL LAW.  _____ SIGNATURE OF INSURANCE AGENT/BROKER                      DATE (MM/DD/YY)						PROBATION SURCHARGE		—		
						FEDERAL POLICY FEE		<b>175</b>		
						TOTAL PREPAID AMOUNT		<b>3,822</b>		

#### **Premium Calculation:**

1. Multiply Rate x \$100 of Coverage: Building: \$3,036 / Contents: \$483
2. Apply Deductible Factor: Building: 1.015 x \$3,036 = \$3,082 / Contents: 1.015 x \$483 = \$490
3. Premium Increase: Building: \$3,036 - \$3,082 = \$46 / Contents: \$483 - \$490 = \$7
4. Subtotal: \$3,572
5. Add ICC Premium: \$75
6. Subtract CRS Discount: N/A
7. Subtotal: \$3,647
8. Probation Surcharge: N/A
9. Add Federal Policy Fee: \$175
10. Total Prepaid Amount: \$3,822

#### **CLAIMS ADJUSTMENT WITH COINSURANCE PROVISION**

Coinurance Penalty does not apply since minimum insurance amount of 80% was met.



## CONDOMINIUM RATING EXAMPLE 4

### POST-FIRM, LOW-RISE, STANDARD DEDUCTIBLE, ZONE AE

#### Regular Program

- Building Coverage: \$600,000
- Contents Coverage: \$15,000
- Condominium Type: Low-rise
- Flood Zone: AE
- Occupancy: Other Residential
- # of Units: 6
- Date of Construction: Post-FIRM
- Building Type: 3 Floors, Townhouse, No Basement/Enclosure
- Deductible: \$500/\$500
- Deductible Factor: 1.000
- Replacement Cost: \$600,000
- Elevation Difference: +2
- 80% Coinsurance Amount: \$480,000
- ICC Premium: \$6 (\$30,000 Coverage)
- CRS Rating: N/A
- CRS Discount: N/A

#### **Determined Rates:**

Building: .18/.08

Contents: .38/.12

COVERAGE	BASIC LIMITS			ADDITIONAL LIMITS (REGULAR PROGRAM ONLY)			DEDUCTIBLE PREM. REDUCTION/ INCREASE	BASIC AND ADDITIONAL TOTAL AMOUNT OF INSURANCE	TOTAL PREMIUM
	AMOUNT OF INSURANCE	RATE	ANNUAL PREMIUM	AMOUNT OF INSURANCE	RATE	ANNUAL PREMIUM			
BUILDING	<b>300,000</b>	<b>.18</b>	<b>540</b>	<b>300,000</b>	<b>.08</b>	<b>240</b>	<b>0</b>	<b>600,000</b>	<b>780</b>
CONTENTS	<b>15,000</b>	<b>.38</b>	<b>57</b>	<b>0</b>	<b>.12</b>		<b>0</b>	<b>15,000</b>	<b>57</b>
RATE TYPE: (ONE BUILDING PER POLICY—BLANKET COVERAGE NOT PERMITTED)						ANNUAL SUBTOTAL		<b>837</b>	
<input type="checkbox"/> MANUAL <input type="checkbox"/> SUBMIT FOR RATING <input type="checkbox"/> ALTERNATIVE <input type="checkbox"/> V-ZONE RISK RATING FORM <input type="checkbox"/> MORTGAGE PORTFOLIO PROTECTION PROGRAM <input type="checkbox"/> PROVISIONAL RATING						PAYMENT OPTION:			
						<input type="checkbox"/> CREDIT CARD			
						<input type="checkbox"/> OTHER: _____			
THE ABOVE STATEMENTS ARE CORRECT TO THE BEST OF MY KNOWLEDGE. I UNDERSTAND THAT ANY FALSE STATEMENTS MAY BE PUNISHABLE BY FINE OR IMPRISONMENT UNDER APPLICABLE FEDERAL LAW.  _____ SIGNATURE OF INSURANCE AGENT/BROKER                      DATE (MM/DD/YY)						ICC PREMIUM		<b>6</b>	
						SUBTOTAL		<b>843</b>	
						CRS PREMIUM DISCOUNT _____%		<b>—</b>	
						SUBTOTAL		<b>843</b>	
						PROBATION SURCHARGE		<b>—</b>	
						FEDERAL POLICY FEE		<b>175</b>	
						TOTAL PREPAID AMOUNT		<b>1,018</b>	

#### **Premium Calculation:**

1. Multiply Rate x \$100 of Coverage: Building: \$780 / Contents: \$57
2. Apply Deductible Factor: Building: 1.000 x \$780 = \$780 / Contents: 1.000 x \$57 = \$57
3. Premium Reduction/Increase: Building: \$0 / Contents: \$0
4. Subtotal: \$837
5. Add ICC Premium: \$6
6. Subtract CRS Discount: N/A
7. Subtotal: \$843
8. Probation Surcharge: N/A
9. Add Federal Policy Fee: \$175
10. Total Prepaid Amount: \$1,018

#### **CLAIMS ADJUSTMENT WITH COINSURANCE PROVISION**

Coinurance Penalty does not apply since the minimum insurance amount of 80% was met.

## CONDOMINIUM RATING EXAMPLE 5

### PRE-FIRM, HIGH-RISE, STANDARD DEDUCTIBLE, COINSURANCE PENALTY, ZONE A

#### Regular Program

- Building Coverage: \$1,110,000
- Contents Coverage: \$100,000
- Condominium Type: High-rise
- Flood Zone: A
- Occupancy: Other Residential
- # of Units: 50
- Date of Construction: Pre-FIRM
- Building Type: 3 or More Floors, No Basement/Enclosure
- Deductible: \$1,000/\$1,000
- Deductible Factor: 1.000
- Replacement Cost: \$1,500,000
- Elevation Difference: N/A
- 80% Coinsurance Amount: \$1,200,000
- ICC Premium: \$75 (\$30,000 Coverage)
- CRS Rating: 5
- CRS Discount: 25%

#### **Determined Rates:**

Building: .85/.19      Contents: .96/.67

COVERAGE	BASIC LIMITS			ADDITIONAL LIMITS (REGULAR PROGRAM ONLY)			DEDUCTIBLE	BASIC AND ADDITIONAL	TOTAL PREMIUM
	AMOUNT OF INSURANCE	RATE	ANNUAL PREMIUM	AMOUNT OF INSURANCE	RATE	ANNUAL PREMIUM	PREM. REDUCTION/ INCREASE	TOTAL AMOUNT OF INSURANCE	
BUILDING	<b>150,000</b>	<b>.85</b>	<b>1,275</b>	<b>960,000</b>	<b>.19</b>	<b>1,824</b>	<b>0</b>	<b>1,110,000</b>	<b>3,099</b>
CONTENTS	<b>20,000</b>	<b>.96</b>	<b>192</b>	<b>80,000</b>	<b>.67</b>	<b>536</b>	<b>0</b>	<b>100,000</b>	<b>728</b>
RATE TYPE: (ONE BUILDING PER POLICY—BLANKET COVERAGE NOT PERMITTED)						ANNUAL SUBTOTAL		<b>3,827</b>	
<input type="checkbox"/> MANUAL <input type="checkbox"/> SUBMIT FOR RATING <input type="checkbox"/> ALTERNATIVE <input type="checkbox"/> V-ZONE RISK RATING FORM <input type="checkbox"/> MORTGAGE PORTFOLIO PROTECTION PROGRAM <input type="checkbox"/> PROVISIONAL RATING						PAYMENT OPTION:			
						<input type="checkbox"/> CREDIT CARD			
						<input type="checkbox"/> OTHER: _____			
THE ABOVE STATEMENTS ARE CORRECT TO THE BEST OF MY KNOWLEDGE. I UNDERSTAND THAT ANY FALSE STATEMENTS MAY BE PUNISHABLE BY FINE OR IMPRISONMENT UNDER APPLICABLE FEDERAL LAW.									
						PROBATION SURCHARGE		—	
						FEDERAL POLICY FEE		<b>735</b>	
						TOTAL PREPAID AMOUNT		<b>3,661</b>	
SIGNATURE OF INSURANCE AGENT/BROKER _____						DATE (MM/DD/YY) _____			

#### **Premium Calculation:**

1. Multiply Rate x \$100 of Coverage: Building: \$3,099 / Contents: \$728
2. Apply Deductible Factor: Building: 1.000 x \$3,099 = \$3,099 / Contents: 1.000 x \$728 = \$728
3. Premium Reduction/Increase: Building: \$0 / Contents: \$0
4. Subtotal: \$3,827
5. Add ICC Premium: \$75
6. Subtract CRS Discount: - \$976 (25%)
7. Subtotal: \$2,926
8. Probation Surcharge: N/A
9. Add Federal Policy Fee: \$735
10. Total Prepaid Amount: \$3,661

#### **CLAIMS ADJUSTMENT WITH COINSURANCE PROVISION**

Claim Payment is determined as follows:

(Insurance Carried) 1,110,000 x (Amount of Loss) 200,000 = (Limit of Recovery) 185,000 - Less Deductible  
 (Insurance Required) 1,200,000

(Coinsurance Penalty applies because minimum insurance amount of \$1,200,000 was not met.)

## CONDOMINIUM RATING EXAMPLE 6

### PRE-FIRM, HIGH-RISE, BASEMENT, MAXIMUM DISCOUNT, ZONE AE

#### Regular Program

- Building Coverage: \$3,000,000
- Contents Coverage: \$100,000
- Condominium Type: High-rise
- Flood Zone: AE
- Occupancy: Other Residential
- # of Units: 50
- Date of Construction: Pre-FIRM
- Building Type: 3 or More Floors, including Basement
- Deductible: \$5,000/\$5,000
- Deductible Factor: .920 (Maximum Total Discount of \$276 applies)
- Replacement Cost: \$3,750,000
- Elevation Difference: N/A
- 80% Coinsurance Amount: \$3,000,000
- ICC Premium: \$75 (\$30,000 Coverage)
- CRS Rating: 8
- CRS Discount: 10%

#### **Determined Rates:**

Building: .90/.27      Contents: .96/.81

COVERAGE	BASIC LIMITS			ADDITIONAL LIMITS (REGULAR PROGRAM ONLY)			DEDUCTIBLE  PREM. REDUCTION/ INCREASE	BASIC AND ADDITIONAL  TOTAL AMOUNT OF INSURANCE	TOTAL PREMIUM
	AMOUNT OF INSURANCE	RATE	ANNUAL PREMIUM	AMOUNT OF INSURANCE	RATE	ANNUAL PREMIUM			
BUILDING	<b>150,000</b>	<b>.90</b>	<b>1,350</b>	<b>2,850,000</b>	<b>.27</b>	<b>7,695</b>	<b>-276</b>	<b>3,000,000</b>	<b>8,769</b>
CONTENTS	<b>20,000</b>	<b>.96</b>	<b>192</b>	<b>80,000</b>	<b>.81</b>	<b>648</b>	<b>0</b>	<b>100,000</b>	<b>840</b>
RATE TYPE: (ONE BUILDING PER POLICY—BLANKET COVERAGE NOT PERMITTED)							ANNUAL SUBTOTAL		<b>9,609</b>
<input type="checkbox"/> MANUAL <input type="checkbox"/> SUBMIT FOR RATING <input type="checkbox"/> ALTERNATIVE <input type="checkbox"/> V-ZONE RISK RATING FORM <input type="checkbox"/> MORTGAGE PORTFOLIO PROTECTION PROGRAM <input type="checkbox"/> PROVISIONAL RATING							PAYMENT OPTION:		
							<input type="checkbox"/> CREDIT CARD		
							<input type="checkbox"/> OTHER: _____		
THE ABOVE STATEMENTS ARE CORRECT TO THE BEST OF MY KNOWLEDGE. I UNDERSTAND THAT ANY FALSE STATEMENTS MAY BE PUNISHABLE BY FINE OR IMPRISONMENT UNDER APPLICABLE FEDERAL LAW.  _____ SIGNATURE OF INSURANCE AGENT/BROKER                      DATE (MM/DD/YY)							ICC PREMIUM		<b>75</b>
							SUBTOTAL		<b>9,684</b>
							CRS PREMIUM DISCOUNT <u>10%</u>		<b>-968</b>
							SUBTOTAL		<b>8,716</b>
							PROBATION SURCHARGE		<b>—</b>
							FEDERAL POLICY FEE		<b>735</b>
							TOTAL PREPAID AMOUNT		<b>9,451</b>

#### **Premium Calculation:**

1. Multiply Rate x \$100 of Coverage: Building: \$9,045 / Contents: \$840
2. Apply Deductible Factor: Building: .920 x \$9,045 = \$8,321 / Contents: .920 x \$840 = \$773
3. Premium Reduction: Building: \$276 (maximum discount since \$9,045 - \$8,321 = \$724 exceeds the maximum) / Contents: \$0
4. Subtotal: \$9,609
5. Add ICC Premium: \$75
6. Subtract CRS Discount: -\$968 (10%)
7. Subtotal: \$8,716
8. Probation Surcharge: N/A
9. Add Federal Policy Fee: \$735
10. Total Prepaid Amount: \$9,451

#### **CLAIMS ADJUSTMENT WITH COINSURANCE PROVISION**

Coinurance Penalty does not apply since the minimum insurance amount of 80% was met.

NOTE: The NFIP accepts premium only in whole dollars. If the discount for an optional deductible does not result in a whole dollar premium, round up if 50¢ or more; round down if less. Always submit gross premium.

## CONDOMINIUM RATING EXAMPLE 7

### POST-FIRM, HIGH-RISE, STANDARD DEDUCTIBLE, ZONE AE

#### Regular Program

- Building Coverage: \$12,000,000
- Contents Coverage: \$15,000
- Condominium Type: High-rise
- Flood Zone: AE
- Occupancy: Other Residential
- # of Units: 100
- Date of Construction: Post-FIRM
- Building Type: 3 or More Floors, No Basement/Enclosure
- Deductible: \$500/\$500
- Deductible Factor: 1.000
- Replacement Cost: \$15,000,000
- Elevation Difference: 0
- 80% Coinsurance Amount: \$12,000,000
- ICC Premium: \$6 (\$30,000 Coverage)
- CRS Rating: 9
- CRS Discount: 5%

#### **Determined Rates:**

Building: 1.28/.05      Contents: .69/.12

COVERAGE	BASIC LIMITS			ADDITIONAL LIMITS (REGULAR PROGRAM ONLY)			DEDUCTIBLE PREM. REDUCTION/ INCREASE	BASIC AND ADDITIONAL TOTAL AMOUNT OF INSURANCE	TOTAL PREMIUM	
	AMOUNT OF INSURANCE	RATE	ANNUAL PREMIUM	AMOUNT OF INSURANCE	RATE	ANNUAL PREMIUM				
BUILDING	<b>150,000</b>	<b>1.28</b>	<b>1,920</b>	<b>11,850,000</b>	<b>.05</b>	<b>5,925</b>	<b>0</b>	<b>12,000,000</b>	<b>7,845</b>	
CONTENTS	<b>15,000</b>	<b>.69</b>	<b>104</b>	<b>0</b>	<b>.12</b>	<b>0</b>	<b>0</b>	<b>15,000</b>	<b>104</b>	
RATE TYPE: (ONE BUILDING PER POLICY—BLANKET COVERAGE NOT PERMITTED) <input type="checkbox"/> MANUAL <input type="checkbox"/> SUBMIT FOR RATING <input type="checkbox"/> ALTERNATIVE <input type="checkbox"/> V-ZONE RISK RATING FORM <input type="checkbox"/> MORTGAGE PORTFOLIO PROTECTION PROGRAM <input type="checkbox"/> PROVISIONAL RATING							PAYMENT OPTION:  <input type="checkbox"/> CREDIT CARD <input type="checkbox"/> OTHER: _____		ANNUAL SUBTOTAL  ICC PREMIUM  SUBTOTAL  CRS PREMIUM DISCOUNT <u>5%</u>  SUBTOTAL	<b>7,949</b>  <b>6</b>  <b>7,955</b>  <b>-398</b>  <b>7,557</b>
THE ABOVE STATEMENTS ARE CORRECT TO THE BEST OF MY KNOWLEDGE. I UNDERSTAND THAT ANY FALSE STATEMENTS MAY BE PUNISHABLE BY FINE OR IMPRISONMENT UNDER APPLICABLE FEDERAL LAW.  _____ SIGNATURE OF INSURANCE AGENT/BROKER                      DATE (MM/DD/YY)							PROBATION SURCHARGE		—	
							FEDERAL POLICY FEE		<b>735</b>	
							TOTAL PREPAID AMOUNT		<b>8,292</b>	

#### **Premium Calculation:**

1. Multiply Rate x \$100 of Coverage: Building: \$7,845 / Contents: \$104
2. Apply Deductible Factor: Building: 1.000 x \$7,845 = \$7,845 / Contents: 1.000 x \$104 = \$104
3. Premium Increase: Building: \$0 / Contents: \$0
4. Subtotal: \$7,949
5. Add ICC Premium: \$6
6. Subtract CRS Discount: - \$398 (5%)
7. Subtotal: \$7,557
8. Probation Surcharge: N/A
9. Add Federal Policy Fee: \$735
10. Total Prepaid Amount: \$8,292

#### **CLAIMS ADJUSTMENT WITH COINSURANCE PROVISION**

Coininsurance Penalty does not apply since the minimum insurance amount of 80% was met.

NOTE: The NFIP accepts premium only in whole dollars. If the discount for an optional deductible does not result in a whole dollar premium, round up if 50¢ or more; round down if less. Always submit gross premium.

## CONDOMINIUM RATING EXAMPLE 8

### PRE-FIRM, HIGH-RISE, ENCLOSURE, MAXIMUM DISCOUNT, COINSURANCE PENALTY, ZONE AE

#### Regular Program

- Building Coverage: \$4,000,000
- Contents Coverage: \$100,000
- Condominium Type: High-rise
- Flood Zone: AE
- Occupancy: Other Residential
- # of Units: 200
- Date of Construction: Pre-FIRM
- Building Type: 3 or More Floors, Including Enclosure
- Deductible: \$2,000/\$2,000
- Deductible Factor: .980 (Maximum Total Discount of \$111 applies)
- Replacement Cost: \$18,000,000
- Elevation Difference: N/A
- 80% Coinsurance Amount: \$14,400,000
- ICC Premium: \$75 (\$30,000 Coverage)
- CRS Rating: N/A
- CRS Discount: N/A

#### **Determined Rates:**

Building: .90/.19      Contents: .96/.97

COVERAGE	BASIC LIMITS			ADDITIONAL LIMITS (REGULAR PROGRAM ONLY)			DEDUCTIBLE  PREM. REDUCTION/ INCREASE	BASIC AND ADDITIONAL  TOTAL AMOUNT OF INSURANCE	TOTAL PREMIUM
	AMOUNT OF INSURANCE	RATE	ANNUAL PREMIUM	AMOUNT OF INSURANCE	RATE	ANNUAL PREMIUM			
BUILDING	<b>150,000</b>	<b>.90</b>	<b>1,350</b>	<b>3,850,000</b>	<b>.19</b>	<b>7,315</b>	<b>-111</b>	<b>4,000,000</b>	<b>8,554</b>
CONTENTS	<b>20,000</b>	<b>.96</b>	<b>192</b>	<b>80,000</b>	<b>.97</b>	<b>776</b>	<b>0</b>	<b>100,000</b>	<b>968</b>
RATE TYPE: (ONE BUILDING PER POLICY—BLANKET COVERAGE NOT PERMITTED)						ANNUAL SUBTOTAL		<b>9,522</b>	
<input type="checkbox"/> MANUAL <input type="checkbox"/> SUBMIT FOR RATING <input type="checkbox"/> ALTERNATIVE <input type="checkbox"/> V-ZONE RISK RATING FORM <input type="checkbox"/> MORTGAGE PORTFOLIO PROTECTION PROGRAM <input type="checkbox"/> PROVISIONAL RATING						PAYMENT OPTION:			
						<input type="checkbox"/> CREDIT CARD			
						<input type="checkbox"/> OTHER: _____			
THE ABOVE STATEMENTS ARE CORRECT TO THE BEST OF MY KNOWLEDGE. I UNDERSTAND THAT ANY FALSE STATEMENTS MAY BE PUNISHABLE BY FINE OR IMPRISONMENT UNDER APPLICABLE FEDERAL LAW.						FEDERAL POLICY FEE		<b>735</b>	
						TOTAL PREPAID AMOUNT		<b>10,332</b>	
SIGNATURE OF INSURANCE AGENT/BROKER _____						DATE (MM/DD/YY) _____			

#### **Premium Calculation:**

1. Multiply Rate x \$100 of Coverage: Building: \$8,665 / Contents: \$968
2. Apply Deductible Factor: Building: .980 x \$8,665 = \$8,492 / Contents: .980 x \$968 = \$949
3. Premium Reduction: Building: \$111 (maximum discount since \$8,665 - \$8,492 = \$173 exceeds the maximum) / Contents: \$0
4. Subtotal: \$9,522
5. Add ICC Premium: \$75
6. Subtract CRS Discount: N/A
7. Subtotal: \$9,597
8. Probation Surcharge: N/A
9. Add Federal Policy Fee: \$735
10. Total Prepaid Amount: \$10,332

#### **CLAIMS ADJUSTMENT WITH COINSURANCE PROVISION**

Claim Payment is determined as follows:

(Insurance Carried) 4,000,000 x (Amount of Loss) 1,000,000 = (Limit of Recovery) 277,778 - Less Deductible  
 (Insurance Required) 14,400,000

(Coinsurance Penalty applies because minimum insurance amount of \$14,400,000 was not met.)

