



Underwriting Guidance Update

Issue Date: June 15, 2022

Update 06-2022-7

Purpose: To provide underwriting guidance updates for the National Flood Insurance Program (NFIP).

This revised guidance is effective immediately and will be included in the October 2022 NFIP Flood Insurance Manual (FIM) release.

Contact: For questions or comments, email NFIPUnderwritingMailbox@fema.dhs.gov.

Section 2. Before You Start

NFIP Coverage Exclusions and Limitations	
<i>Reference: FIM Section 2. Before You Start, 2.I.B, Page 2.3</i>	
FEMA is providing direction for additional information about exclusions and limitations.	
CURRENT FIM GUIDANCE	REVISED FIM GUIDANCE
<p>Contents Coverage for Tenants</p> <p>Under the Dwelling Form and General Property Form, tenants may purchase contents coverage, which includes coverage for building improvements and betterments. The maximum amount payable for improvements and betterments in the building occupied by the policyholder is 10 percent of the contents coverage amount shown on the declarations page. Improvements and betterments include fixtures, alterations, installations, and additions that become part of the tenant-occupied building, if acquired or made solely at the tenant’s expense. Use of this option does not provide an additional amount of insurance over the amount of contents coverage shown on the declarations page. Coverage for contents solely owned by the tenant must be on a separate policy in the name of the tenant only.</p>	<p>Contents Coverage for Tenants</p> <p>Under the Dwelling Form and General Property Form, tenants may purchase contents coverage, which includes coverage for building improvements and betterments. The maximum amount payable for improvements and betterments in the building occupied by the policyholder is 10 percent of the contents coverage amount shown on the declarations page. Improvements and betterments include fixtures, alterations, installations, and additions that become part of the tenant-occupied building, if acquired or made solely at the tenant’s expense. Use of this option does not provide an additional amount of insurance over the amount of contents coverage shown on the declarations page. Coverage for contents solely owned by the tenant must be on a separate policy in the name of the tenant only. Refer to the SFIP Article III.B.6.</p>

NFIP Coverage Exclusions and Limitations

Reference: FIM Section 2. Before You Start, 2.II.D, Page 2.12

FEMA is providing direction for additional information about exclusions and limitations.

CURRENT FIM GUIDANCE

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
Basement	The SFIP limits coverage for basement improvements such as finished walls, floors, ceilings, or personal belongings kept in a basement.
Building Coverage for a Unit in a Cooperative Building	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.
Deck	The SFIP limits coverage for decks except for steps and landings to a maximum landing area of 16 square feet.
Elevated Building with Enclosure	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. ⁷
Flood in Progress	The SFIP will not pay for a loss caused by a flood that was a continuation of a flood that existed: <ul style="list-style-type: none"> • On or before the date the waiting period for coverage began; <i>or</i> • 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.⁸ <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 NFIP Claims Manual for additional guidance.</p>
Hot Tub or Spa	The SFIP excludes coverage for hot tubs or spas, except where used as bathroom fixtures.
Non-Residential Condominium Unit	The NFIP does not provide building coverage for owners of non-residential units in residential or non-residential buildings.

Swimming Pool	The SFIP excludes coverage for indoor or outdoor swimming pools.
Timeshare Unit in a Multi-Unit Building	The NFIP does not provide coverage for these units unless they are in a condominium form of ownership.

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

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

UPDATED FIM GUIDANCE

D. NFIP Coverage Exclusions and Limitations

Table 7 shows examples of NFIP coverage exclusions and limitations. Refer to the SFIP for information about exclusions and limitations.

Table 7. NFIP Coverage Exclusions and Limitations

TYPES OF EXCLUSION AND LIMITATIONS	COMMENT
Basement	<p>The SFIP limits coverage for basement improvements such as finished walls, floors, ceilings, or personal property kept in a basement. Personal property coverage in a basement is limited to:</p> <ul style="list-style-type: none"> • Air conditioning units, portable or window type; • Clothes washers and dryers; and • Food freezers, other than walk-in, and food in any freezer.
Building Coverage for a Unit in a Cooperative Building	<p>The NFIP does not provide building coverage for shareholder units in a cooperative building.</p> <p>Residents or tenants of a cooperative building may purchase contents coverage under the Dwelling Form.</p>
Deck	<p>The SFIP limits coverage for decks except for steps and landings to a maximum landing area of 16 square feet.</p>
Elevated Building with Enclosure	<p>The SFIP limits coverage for enclosed, walled-in areas below the lowest floor of a Post-FIRM elevated building located in Zone A1–A30, AE, AH, AR, AR/A, AR/AE, AR/AH, AR/A1–A30, V1–V30, or VE, or in a basement regardless of the zone, including finished walls, floors, ceilings, or personal property kept in an enclosure.⁷ Personal property coverage in these types of enclosures is limited to:</p> <ul style="list-style-type: none"> • Air conditioning units, portable or window type; • Clothes washers and dryers; and • Food freezers, other than walk-in, and food in any freezer.
Flood in Progress	<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"> • On or before the date the waiting period for coverage began; <i>or</i> • 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.⁸ <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)</p>

	<p>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 NFIP Claims Manual for additional guidance.</p>
Hot Tub or Spa	The SFIP excludes coverage for hot tubs or spas, except where used as bathroom fixtures.
Non-Residential Condominium Unit	The NFIP does not provide building coverage for owners of non-residential units in residential or non-residential buildings.
Swimming Pool	The SFIP excludes coverage for indoor or outdoor swimming pools.
Timeshare Unit in a Multi-Unit Building	The NFIP does not provide coverage for these units unless they are in a condominium form of ownership.

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

Section 3. How to Write

Property Address	
<p>Reference: <i>FIM Section 3, How to Write, II.B.1.a, Page 3.5</i></p> <p>FEMA is providing guidance for standardization of street addresses.</p>	
CURRENT FIM GUIDANCE	REVISED FIM GUIDANCE
<p>a. Property Address</p> <p>A property address is required for every policy, which is usually a street address but may be a descriptive address:</p> <ul style="list-style-type: none"> • Street Address is the best and preferred method; it includes the street number, street name, unit or apartment number, city or county name, state, and zip code. • Other (Descriptive Address) – If a street address is unavailable, a descriptive address in the form of a rural route or a legal description is acceptable. This field also may be used when more information is needed to distinguish between multiple buildings at the same address (see paragraph c. below). <ul style="list-style-type: none"> – A rural route is one established and recognized by the United States Postal 	<p>a. Property Address</p> <p>A property address is required for every policy, which is usually a street address but may be a descriptive address:</p> <ul style="list-style-type: none"> • Street Address is the best and preferred method; it includes the street number and street name (Address Line 1), unit or apartment number (Address Line 2), city or county name, state, and zip code (Address Line 3). Use standard United States Postal Service (USPS) abbreviations. • Other (Descriptive Address) – If a street address is unavailable, a descriptive address in the form of a rural route or a legal description is acceptable. This field also may be used when more information is needed to distinguish between multiple

Property Address	
<p>Service for mail delivery in a country (non-urban) free delivery area.</p> <ul style="list-style-type: none"> – A legal description is a method of locating or describing land in relation to the public land survey system. It should be used only for buildings or subdivisions under construction or where a street address is not available. Legal descriptions also may include the lot and block number as provided by the community; some use metes and bounds to identify the boundaries of a property. 	<p>buildings at the same address (see paragraph c. below).</p> <ul style="list-style-type: none"> – A rural route is one established and recognized by the USPS for mail delivery in a country (non-urban) free delivery area. – A legal description is a method of locating or describing land in relation to the public land survey system. It should be used only for buildings or subdivisions under construction or where a street address is not available. Legal descriptions also may include the lot and block number as provided by the community; some use metes and bounds to identify the boundaries of a property.

Premium Considerations	
<p>Reference: <i>FIM Section 3. How to Write, 3.II.G, Page 3.52</i></p> <p>FEMA added language to explain the application of a loss constant and an expense constant to each policy premium and clarified the potential impact of minimum and maximum rates on the premium.</p>	
CURRENT FIM GUIDANCE	REVISED FIM GUIDANCE
<p>G. Premium Considerations</p> <p>Policies may be subject to minimum or maximum rates by peril and coverage. These minimum and maximum rates may impact how discounts, surcharges, and deductible changes impact the premium. In some rare cases, there may be no change in premium when there is a change in a rating element or deductible.</p>	<p>G. Premium Considerations</p> <p>Each policy premium is subject to a loss constant and expense constant. All rating variables are factored into the full-risk premium before adding in the loss constant and expense constant.</p> <p>Policies also may be subject to minimum or maximum rates by peril and coverage and statutory discounts. These minimum and maximum rates may affect how rating variables (such as the deductible, CRS discount or mitigation discount) impact the premium. In some rare cases, there may be no change in premium when there is a change in a rating variable.</p>

Section 4. How to Endorse

Adding or Increasing Coverage
<p>Reference: <i>FIM Section 4, How to Endorse, 4.II.E.1., Page 4.8</i></p> <p>FEMA is clarifying that any coverage increase is exempt from the annual increase cap.</p>

Adding or Increasing Coverage	
CURRENT FIM GUIDANCE	REVISED FIM GUIDANCE
<p>1. Adding or Increasing Coverage at Renewal</p> <p>If the insurer receives a request to add or increase coverage after sending a Renewal Notice and more than 30 days before the current policy expiration date:</p> <ul style="list-style-type: none"> • The insurer shall issue a revised Renewal Notice; <i>and</i> • If the insurer receives the total amount due for the added or increased coverage before the end of the 30-day grace period following the policy expiration date, the added or increased coverage becomes effective at 12:01 a.m. on the policy renewal date. <p>If the insurer receives a request to add or increase coverage less than 30 days before the current policy expiration date, the following rules apply:</p> <ul style="list-style-type: none"> • If the endorsement request is to increase coverage to an amount less than Option B and the insurer receives the additional premium for the increased coverage before the end of the 30-day grace period following the policy expiration date, the increased coverage becomes effective at 12:01 a.m. on the policy renewal date. • If the endorsement request is to add or increase coverage to an amount greater than Option B, the insurer must issue the renewal policy without the added coverage or using the Option B coverage amounts, as applicable, and then endorse the policy with the requested coverage subject to the appropriate waiting period. 	<p>1. Adding or Increasing Coverage at Renewal</p> <p>If the insurer receives a request to add or increase coverage after sending a Renewal Notice and more than 30 days before the current policy expiration date:</p> <ul style="list-style-type: none"> • The insurer shall issue a revised Renewal Notice; <i>and</i> • If the insurer receives the total amount due for the added or increased coverage before the end of the 30-day grace period following the policy expiration date, the added or increased coverage becomes effective at 12:01 a.m. on the policy renewal date. <p>If the insurer receives a request to add or increase coverage less than 30 days before the current policy expiration date, the following rules apply:</p> <ul style="list-style-type: none"> • If the endorsement request is to increase coverage to an amount less than Option B and the insurer receives the additional premium for the increased coverage before the end of the 30-day grace period following the policy expiration date, the increased coverage becomes effective at 12:01 a.m. on the policy renewal date. • If the endorsement request is to add or increase coverage to an amount greater than Option B, the insurer must issue the renewal policy without the added coverage or using the Option B coverage amounts, as applicable, and then endorse the policy with the requested coverage subject to the appropriate waiting period. <p>Note: Any coverage increase, including Option B, is exempt from the annual increase cap.</p>

Examples of Other Premium-Bearing Endorsements

Reference: *FIM Section 4. How to Endorse, 4.III.I, Page 4.13*

FEMA has updated this table to include endorsement scenarios for increasing coverage and decreasing the deductible, which are both exempt from the annual increase cap.

CURRENT FIM GUIDANCE

Table 7. Examples of Other Premium-Bearing Endorsements

Endorsement Scenario	Documentation Requirements	Exempt From 18% Cap On Annual Rate Increases	Endorsement Form Reason For Change Options (Select from the options below)	Endorsement Form Type Of Change Options (Select Premium Change and the option specified below)
Adding an Elevation Certificate	<ul style="list-style-type: none"> EC Photos 		<ul style="list-style-type: none"> Building Information 	<ul style="list-style-type: none"> Adding an Elevation Certificate
Building Description			<ul style="list-style-type: none"> Building Information 	<ul style="list-style-type: none"> Rating Adjustment Rating Correction
Building Occupancy			<ul style="list-style-type: none"> Building Information 	<ul style="list-style-type: none"> Rating Adjustment Rating Correction
Change in Community Rating System		Exempt	<ul style="list-style-type: none"> N/A (Effective at next policy renewal) 	<ul style="list-style-type: none"> N/A (Effective at next policy renewal)
Change in Program Status			<ul style="list-style-type: none"> Community Information 	<ul style="list-style-type: none"> Rating Adjustment
Construction Type			<ul style="list-style-type: none"> Building Information 	<ul style="list-style-type: none"> Rating Adjustment Rating Correction
Flood Openings	See the Proper Openings heading in Section 3: How to Write for additional information		<ul style="list-style-type: none"> Building Information 	<ul style="list-style-type: none"> Rating Adjustment
Floodproofed	See the Floodproofing heading in Section 3: How to Write for additional information		<ul style="list-style-type: none"> Building Information 	<ul style="list-style-type: none"> Rating Adjustment
Foundation Type			<ul style="list-style-type: none"> Building Information 	<ul style="list-style-type: none"> Rating Adjustment Rating Correction
Machinery and Equipment Discount Eligible			<ul style="list-style-type: none"> Building Information 	<ul style="list-style-type: none"> Rating Adjustment

Table 7. Examples of Other Premium-Bearing Endorsements

Endorsement Scenario	Documentation Requirements	Exempt From 18% Cap On Annual Rate Increases	Endorsement Form Reason For Change Options (Select from the options below)	Endorsement Form Type Of Change Options (Select Premium Change and the option specified below)
Number of Floors			<ul style="list-style-type: none"> • Building Information 	<ul style="list-style-type: none"> • Rating Adjustment • Rating Correction
Policy Form		Exempt	<ul style="list-style-type: none"> • Policy Form 	<ul style="list-style-type: none"> • Rating Adjustment • Rating Correction • Or not an endorsement but instead a cancel/rewrite
Primary Residence Status	See the Primary Residence Status heading in Section 3: How to Write for additional information.		<ul style="list-style-type: none"> • Building Information 	<ul style="list-style-type: none"> • Rating Adjustment • Rating Correction
Property Address Correction		Exempt (if cancel/rewrite)	<ul style="list-style-type: none"> • Property Address (Correction) 	<ul style="list-style-type: none"> • Non-premium change if due to a U.S. Postal Service address (911) change • Or not an endorsement but instead a cancel/rewrite
Rate Category Change			<ul style="list-style-type: none"> • Rate Category 	<ul style="list-style-type: none"> • Rate Category Change
Replacement Cost Value			<ul style="list-style-type: none"> • Building Information 	<ul style="list-style-type: none"> • Rating Adjustment • Rating Correction
Statutory Discount	See the Statutory Discounts heading in Section 3: How to Write for additional information.		<ul style="list-style-type: none"> • Statutory Discounts 	<ul style="list-style-type: none"> • Rating Adjustment • Rating Correction
Substantially Improved		TBD	<ul style="list-style-type: none"> • Building Information 	<ul style="list-style-type: none"> • Rating Correction • Rating Adjustment
Construction Completed	If using an EC, provide an updated EC and photos based on finished construction.	Exempt	<ul style="list-style-type: none"> • Construction Completed 	<ul style="list-style-type: none"> • Rating Adjustment

UPDATED FIM GUIDANCE				
UPDATED Table 7. Examples of Other Premium-Bearing Endorsements				
Endorsement Scenario	Documentation Requirements	Exempt From 18% Cap On Annual Rate Increases	Endorsement Form Reason For Change Options (Select from the options below)	Endorsement Form Type Of Change Options (Select Premium Change and the option specified below)
Adding an Elevation Certificate	<ul style="list-style-type: none"> • EC • Photos 		<ul style="list-style-type: none"> • Building Information 	<ul style="list-style-type: none"> • Adding an Elevation Certificate
Building Description			<ul style="list-style-type: none"> • Building Information 	<ul style="list-style-type: none"> • Rating Adjustment • Rating Correction
Building Occupancy			<ul style="list-style-type: none"> • Building Information 	<ul style="list-style-type: none"> • Rating Adjustment • Rating Correction
Change in Community Rating System		Exempt	<ul style="list-style-type: none"> • N/A (Effective at next policy renewal) 	<ul style="list-style-type: none"> • N/A (Effective at next policy renewal)
Change in Program Status			<ul style="list-style-type: none"> • Community Information 	<ul style="list-style-type: none"> • Rating Adjustment
Construction Type			<ul style="list-style-type: none"> • Building Information 	<ul style="list-style-type: none"> • Rating Adjustment • Rating Correction
Flood Openings	See the Proper Openings heading in Section 3: How to Write for additional information		<ul style="list-style-type: none"> • Building Information 	<ul style="list-style-type: none"> • Rating Adjustment
Floodproofed	See the Floodproofing heading in Section 3: How to Write for additional information		<ul style="list-style-type: none"> • Building Information 	<ul style="list-style-type: none"> • Rating Adjustment
Foundation Type			<ul style="list-style-type: none"> • Building Information 	<ul style="list-style-type: none"> • Rating Adjustment • Rating Correction
Machinery and Equipment Discount Eligible			<ul style="list-style-type: none"> • Building Information 	<ul style="list-style-type: none"> • Rating Adjustment
Number of Floors			<ul style="list-style-type: none"> • Building Information 	<ul style="list-style-type: none"> • Rating Adjustment • Rating Correction
Policy Form		Exempt	<ul style="list-style-type: none"> • Policy Form 	<ul style="list-style-type: none"> • Rating Adjustment • Rating Correction • Or not an endorsement but instead a cancel/rewrite

UPDATED Table 7. Examples of Other Premium-Bearing Endorsements				
Endorsement Scenario	Documentation Requirements	Exempt From 18% Cap On Annual Rate Increases	Endorsement Form Reason For Change Options (Select from the options below)	Endorsement Form Type Of Change Options (Select Premium Change and the option specified below)
Primary Residence Status	See the Primary Residence Status heading in Section 3: How to Write for additional information.		<ul style="list-style-type: none"> • Building Information 	<ul style="list-style-type: none"> • Rating Adjustment • Rating Correction
Property Address Correction		Exempt (if cancel/rewrite)	<ul style="list-style-type: none"> • Property Address (Correction) 	<ul style="list-style-type: none"> • Non-premium change if due to a U.S. Postal Service address (911) change • Or not an endorsement but instead a cancel/rewrite
Rate Category Change			<ul style="list-style-type: none"> • Rate Category 	<ul style="list-style-type: none"> • Rate Category Change
Replacement Cost Value			<ul style="list-style-type: none"> • Building Information 	<ul style="list-style-type: none"> • Rating Adjustment • Rating Correction
Statutory Discount	See the Statutory Discounts heading in Section 3: How to Write for additional information.		<ul style="list-style-type: none"> • Statutory Discounts 	<ul style="list-style-type: none"> • Rating Adjustment • Rating Correction
Substantially Improved		TBD	<ul style="list-style-type: none"> • Building Information 	<ul style="list-style-type: none"> • Rating Correction • Rating Adjustment
Construction Completed	If using an EC, provide an updated EC and photos based on finished construction.	Exempt	<ul style="list-style-type: none"> • Construction Completed 	<ul style="list-style-type: none"> • Rating Adjustment
Increasing Coverage		Exempt	<ul style="list-style-type: none"> • Coverage/Deductible 	<ul style="list-style-type: none"> • Coverage/Deductible Change
Decreasing the Deductible	See the Changing Deductibles heading in this section for additional information.	Exempt	<ul style="list-style-type: none"> • Coverage/Deductible 	<ul style="list-style-type: none"> • Coverage/Deductible Change

5. How to Renew

Adding or Increasing Coverage at Renewal	
<p>Reference: <i>FIM Section 5. How to Renew, 5.III.C.1, Page 5.5-6</i></p> <p>FEMA is clarifying that any coverage increase is exempt from the annual increase cap.</p>	
CURRENT FIM GUIDANCE	REVISED FIM GUIDANCE
<p>1. Adding or Increasing Coverage at Renewal</p> <p>If the insurer receives a request to add or increase coverage after sending a Renewal Notice and more than 30 days before the current policy expiration date:</p> <ul style="list-style-type: none"> • The insurer shall issue a revised Renewal Notice; <i>and</i> • If the insurer receives the total amount due for the added or increased coverage before the end of the 30-day grace period following the policy expiration date, the added or increased coverage becomes effective at 12:01 a.m. on the policy renewal date. <p>If the insurer receives a request to add or increase coverage less than 30 days before the current policy expiration date, the following rules apply:</p> <ul style="list-style-type: none"> • If the endorsement request is to increase coverage to an amount less than Option B and the insurer receives the additional premium for the increased coverage before the end of the 30-day grace period following the policy expiration date, the increased coverage becomes effective at 12:01 a.m. on the policy renewal date. • If the endorsement request is to add coverage or increase coverage to an amount greater than Option B, the insurer must issue the renewal policy without the added coverage or using the Option B coverage amounts, as applicable, and then endorse the policy with the requested coverage subject to the appropriate waiting period. See the Adding or Increasing Coverage heading in Section 4: How to Endorse for additional information. 	<p>1. Adding or Increasing Coverage at Renewal</p> <p>If the insurer receives a request to add or increase coverage after sending a Renewal Notice and more than 30 days before the current policy expiration date:</p> <ul style="list-style-type: none"> • The insurer shall issue a revised Renewal Notice; and • If the insurer receives the total amount due for the added or increased coverage before the end of the 30-day grace period following the policy expiration date, the added or increased coverage becomes effective at 12:01 a.m. on the policy renewal date. <p>If the insurer receives a request to add or increase coverage less than 30 days before the current policy expiration date, the following rules apply:</p> <ul style="list-style-type: none"> • If the endorsement request is to increase coverage to an amount less than Option B and the insurer receives the additional premium for the increased coverage before the end of the 30-day grace period following the policy expiration date, the increased coverage becomes effective at 12:01 a.m. on the policy renewal date. • If the endorsement request is to add coverage or increase coverage to an amount greater than Option B, the insurer must issue the renewal policy without the added coverage or using the Option B coverage amounts, as applicable, and then endorse the policy with the requested coverage subject to the appropriate waiting period. See the Adding or Increasing Coverage heading in Section 4: How to Endorse for additional information. <p>Note: Any coverage increase, including Option B, is exempt from the annual increase cap.</p>

Appendix C: Quick Start Guide

Property Address	
<p>Reference: <i>FIM Appendix C, II, Page C.1</i></p> <p>FEMA is providing guidance for standardization of street addresses.</p>	
CURRENT FIM GUIDANCE	REVISED FIM GUIDANCE
<p>II. Property Address</p> <p>The property address should be provided as a standard street address whenever possible. The street address is the best and preferred method. If a street address is unavailable, a descriptive address in the form of a rural route or a legal description is acceptable.</p>	<p>II. Property Address</p> <p>The property address should be provided as a standard street address whenever possible. The street address is the best and preferred method. It includes the street number and street name (Address Line 1); unit or apartment number (Address Line 2); and city or county name, state, and zip code (Address Line 3). Use standard USPS abbreviations. If a street address is unavailable, a descriptive address in the form of a rural route or a legal description is acceptable.</p>

Appendix K: Definitions and Acronyms

Definitions	
<p>Reference: <i>FIM Appendix K, I, Pages K.4 & K.6</i></p> <p>FEMA is updating this appendix to include new definitions.</p>	
REVISED FIM GUIDANCE	
Expense Constant	An amount added to each policy that reflects the NFIP's fixed expenses.
Loss Constant	An amount added to each policy that reflects the NFIP's losses fixed expenses.