

NATIONAL FLOOD INSURANCE PROGRAM

# A POLICYHOLDER'S GUIDE TO SEVERE REPETITIVE LOSS



FEMA





FEMA created the Severe Repetitive Loss (SRL) designation to reduce or eliminate the negative impacts of repeat flooding. FEMA and its National Flood Insurance Program (NFIP) developed this brochure to assist you in navigating the SRL process, including understanding the designation and its effect on your premium, filing an appeal and implementing mitigation measures.

## Loss History & Prior Claims

While a property's loss history and its history of prior claims may sound similar, the NFIP uses each differently.

A property's **loss history** includes all the NFIP's paid flood claims on that property, regardless of any change(s) of ownership, since the building's construction (or 1978, if the construction happened before that year). This overall loss history number is used to determine your property's SRL designation. If you believe your property's loss history is inaccurate, learn more about the appeals process on **page 6**.

A property's prior claims count, also known as the **Prior NFIP Claims Rating Factor**, is based on the number of loss dates that fall within a rolling 10-year window before the current policy effective date. However, due to recent changes in the NFIP's pricing system, only claims with a date of loss on or after April 1, 2023, will count toward a property's Prior NFIP Claims Rating Factor. This effectively "resets" the prior claims count for all policyholders.

Please note that there are several exclusions from the prior claims count. Increased Cost of Compliance (ICC, learn more on **page 9**) claims, claims without pay and loss avoidance claims will not affect the Prior NFIP Claims Rating Factor. Additionally, multiple claims made within a 10-day period will only be counted as a single claim toward the rating factor.

Moving forward, FEMA will use this number as a rating factor when determining your flood insurance premium. The rating factor will apply at the renewal date following the first flood claim and only impact your premium once there are two or more claims on the policy.



## Knowledge Check

The SRL designation is determined by a **property's overall loss history since 1978**, but your Prior NFIP Claims Rating Factor is based on **two or more losses after April 1, 2023**.

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# SRL Properties

NFIP-insured residential properties may receive an SRL designation after meeting **at least one of the following paid loss criteria** since 1978:



Four or more separate claims payments greater than \$5,000 each (including building and contents payments); or



Two or more separate flood insurance claims payments (building payments only), where the total of the payments is greater than the property's current value.

To receive a designation, at least two claim payments must occur within 10 years of one another. The phrase "SRL property" can refer to a designated building, the contents within it or both.

## Did You Know?



All SRL properties are tracked through the **Repetitive Loss Target Group (RLTG)** list.

### My property received an SRL designation, now what?

You will be **mailed a notification** of your building's designation. Your insurer will first verify the designation against the RLTG list, then reach out to you and your agent to explain that your **policy will be transferred** to the Special Direct Facility (SDF) upon its next renewal. Review the timeline across pages 4 and 5 for more information.

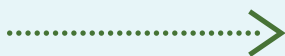
If you choose to continue coverage through the NFIP, the SDF must issue and service the policy for your SRL property. You'll be subject to an **increase in your flood insurance premium** to more accurately reflect the property's elevated flood risk. The SRL surcharge (15% of the premium) is applied to your policy after its designation and at the policy's next renewal, when it is transferred to the SDF. You may renew your policy annually or purchase additional coverage on your designated property through the SDF.

## SRL Notification Timeline



### Before Policy Expiration Date

Your insurer verifies your property address against FEMA's RLTG list.



### Before Policy Expiration Date

Your insurer must transfer your policy to the SDF.

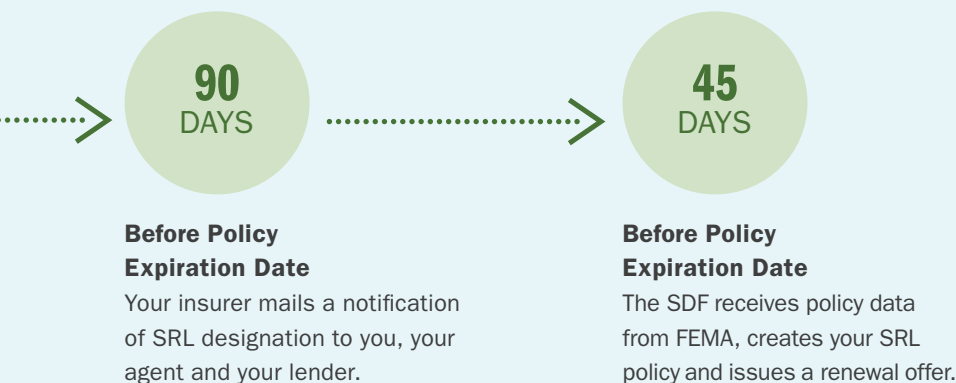
If your policy premium is subject to both the SRL surcharge and Prior NFIP Claims Rating Factor, FEMA will determine which has a bigger premium impact and only apply that increase. If your property hasn't met the qualifications for the Prior NFIP Claims Rating Factor, it will continue to receive a separate SRL surcharge until the Prior NFIP Claims Rating Factor is applied and FEMA re-evaluates your rate.

The NFIP recommends that you **mitigate your property against future flood loss** while insured by an SDF policy. This may help reduce your flood insurance premium and future flood risk. Mitigation is discussed in more detail on **pages 8–9**.



## Learn More

The SDF is a subset of the NFIP Direct Servicing Agent. **This facility exclusively services SRL policies, which allows FEMA to closely supervise these policies.** FEMA may work with communities to identify mitigation assistance opportunities that help reduce designated properties' future flood risk.





# Appealing Your Designation

You have the right to file an appeal with FEMA regarding your property's SRL designation. To appeal your property's status, you may request a documentation review. Your appeal must state that:

- The property's loss history is inaccurate (i.e., address issue or missing identifier);
- Property mitigation has occurred to reduce future flooding potential; or
- The market value used is inaccurate for those properties that have at least two separate claims payments (building payments only), and the cumulative amount of such claims exceeds the market value of the building (not applicable for a property meeting the criteria of four or more separate claim payments of \$5,000 or more).

Documentation is required for a successful appeal. Necessary documents may include, but are not limited to, property tax assessments, property appraisals, Elevation Certificates and photographs of the building(s) in question. **Reference the Flood Insurance Manual for a list of all options at [floodsmart.gov/flood-insurance-manual](https://floodsmart.gov/flood-insurance-manual).**

To request a documentation review from FEMA to update or correct your property's status, **contact** [nfipunderwritingmailbox@fema.dhs.gov](mailto:nfipunderwritingmailbox@fema.dhs.gov).

FEMA will mail you a letter stating its appeal decision.



## Appeal Denial

If FEMA finds that correcting your property's status is not justified, the policy will stay with the SDF.

If you complete mitigation efforts but the property is not mitigated to meet the NFIP's standards, it will stay on the RLTG list and the policy will continue to be serviced through the SDF.

## Appeal Approval

If FEMA grants your appeal based on justified correction of the property's status, the RLTG list will be updated as such. If FEMA grants your appeal based on mitigation efforts, your SRL property will be marked as "mitigated."

The policy on your former SRL property will then be transferred from the SDF to an insurer or Write-Your-Own provider of your choice upon its next renewal. They will renew your policy based on the SDF's effective dates for continuous coverage.

If you prefer, the facility can also cancel your current policy before its next renewal date and send the premium to your preferred insurer to issue a new policy. In either case, the rate of your new policy may be lower.

For more information on how the SDF transfers an SRL policy back to a Write-Your-Own provider, **review Appendix F of the Flood Insurance Manual at [floodsmart.gov/flood-insurance-manual](https://www.floodsmart.gov/flood-insurance-manual)**.



### Did You Know?

If you successfully mitigate your SRL property and it is updated as such on the RLTG list but later obtains a paid claim of \$1,000 or more, it will be re-designated as SRL and returned to the SDF.

# Mitigating Your Property

FEMA supports mitigation efforts and offers funding opportunities that may update your property's status on the RLTG list.

## Mitigation Actions

All mitigation efforts should aim to reduce future flood losses through one or more of the following methods:

- Acquiring or relocating at-risk structures and converting the property to open space;
- Elevating existing structures; or
- Dry floodproofing historic properties.

For more information on mitigation techniques, **review the NFIP Rebuilding Safer & Stronger After a Flood Guide at [agents.floodsmart.gov/rebuilding-after-flood](https://agents.floodsmart.gov/rebuilding-after-flood).**





## Mitigation Funding Opportunities

FEMA makes several funding opportunities available for those who hope to mitigate their property and prevent further flood loss.

### Flood Mitigation Assistance (FMA) Program

The FMA Program subsidizes various flood mitigation activities to reduce future flood damage. FEMA distributes grants to eligible applicant states, tribes and territories with FEMA-approved mitigation programs, which are then awarded to local governments and communities for community members like yourself.

State, local and tribal officials in charge of awarding funds must prioritize applicants insured with the NFIP. These officials may contact you directly to identify which mitigation measures are most suitable for your property and should be included in an FMA grant application.

Contact your local floodplain manager, state hazard mitigation officer, tribal emergency manager or FEMA regional tribal liaison for additional information on the FMA Program.

To learn more about other mitigation assistance programs, **visit the FEMA Hazard Mitigation Assistance Grants page at [fema.gov/grants/mitigation](https://www.fema.gov/grants/mitigation).**

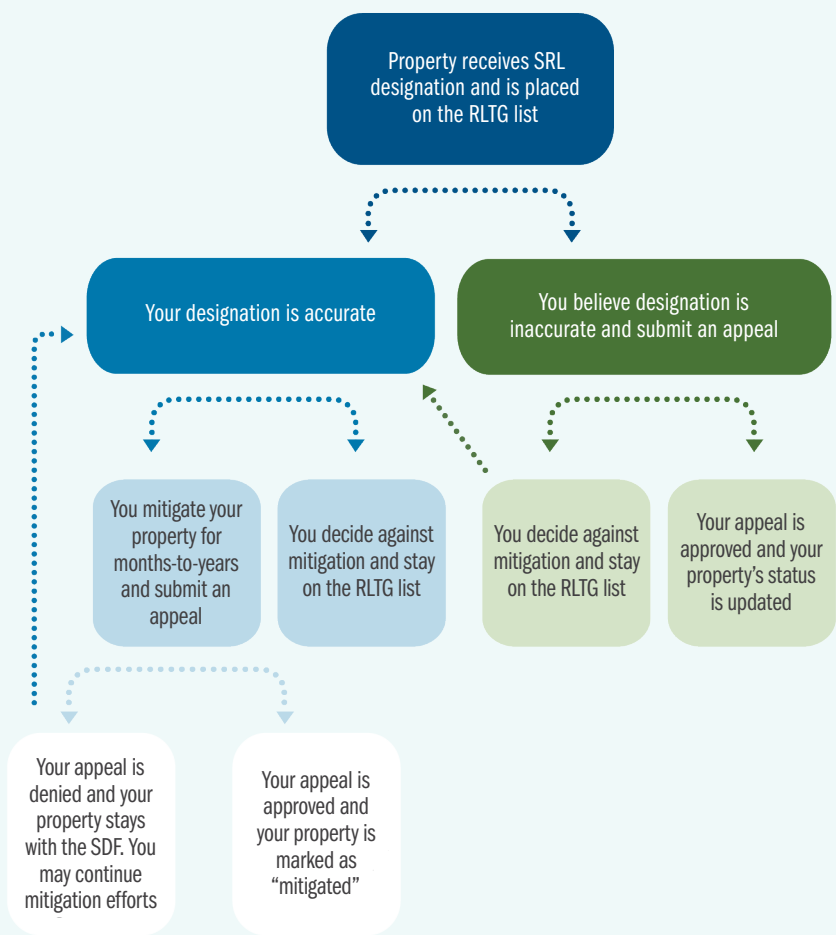
### ICC Coverage

If your property is declared substantially damaged by local officials, you may be eligible for up to \$30,000 in ICC coverage as part of your NFIP policy. ICC funds cover renovation costs required to bring your building up to your community's building code standards.

For more information on ICC Coverage, **visit [floodsmart.gov/increased-cost-compliance-coverage](https://www.floodsmart.gov/increased-cost-compliance-coverage) or review the NFIP Claims Handbook at [agents.floodsmart.gov/claims-handbook](https://www.floodsmart.gov/claims-handbook).**

# SRL Process

Reference the following chart for a breakdown of the SRL process, from property designation to appeal approval.

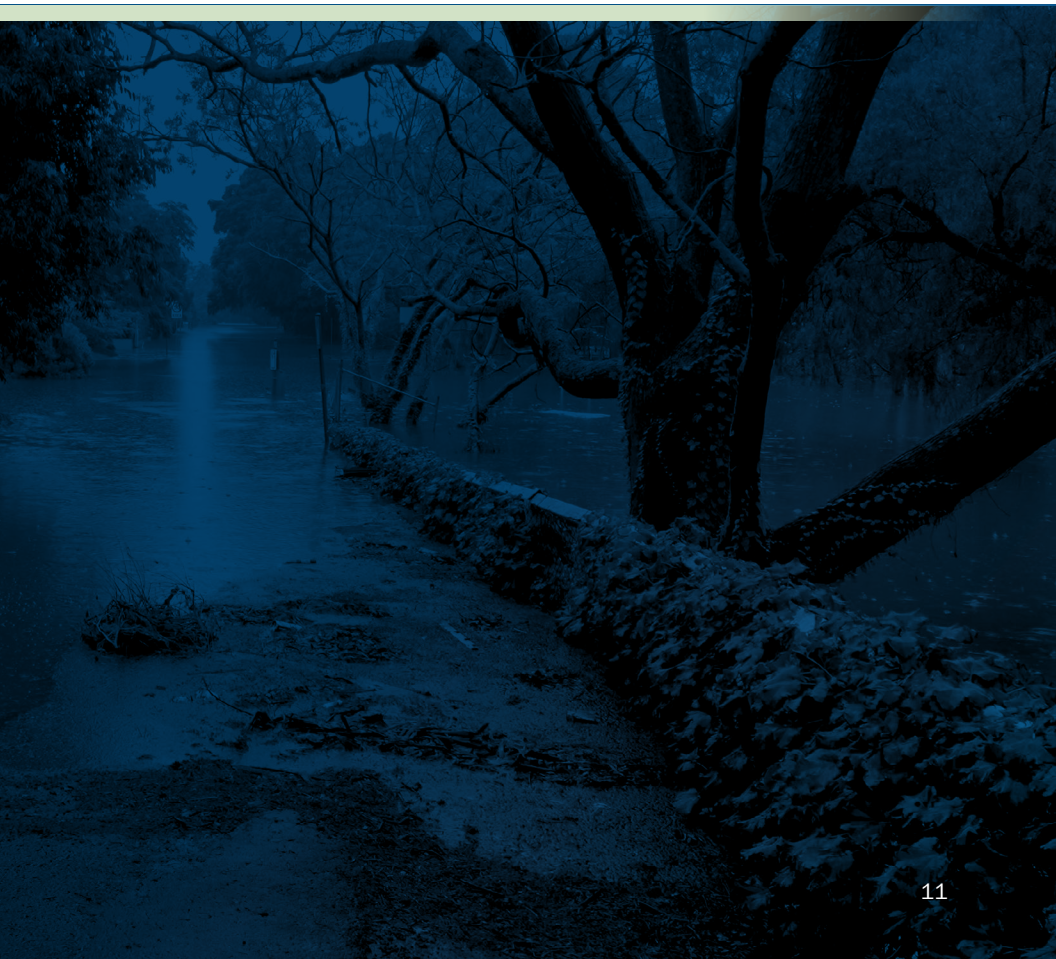




## ADDITIONAL GUIDANCE & CONTACT INFORMATION

For more information on SRL designations, contact your insurance agent, local floodplain manager or state hazard mitigation official. You may also review Answers to Questions About the NFIP at [agents.floodsmart.gov/nfip-answers-to-questions](https://agents.floodsmart.gov/nfip-answers-to-questions) or the NFIP Flood Insurance Manual at [floodsmart.gov/flood-insurance-manual](https://floodsmart.gov/flood-insurance-manual).

At [floodmaps.fema.gov/fhm/fmx\\_main.html](https://floodmaps.fema.gov/fhm/fmx_main.html), we have Customer Care Center specialists to help you with questions about flood mapping and insurance. You can contact FEMA Mapping and Insurance eXchange (FMIX) directly at [FEMA-FMIX@fema.dhs.gov](mailto:FEMA-FMIX@fema.dhs.gov) or by calling **877-336-2627**.





FEMA



Congress created the National Flood Insurance Program (NFIP) in 1968 to reduce future flood damage through floodplain management and to provide people with flood insurance through individual agents and insurance companies. FEMA manages the NFIP.

If you use a relay service, such as video relay service (VRS), captioned telephone service or others, give FEMA the number for that service.