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The Elevation Certificate

Community officials, insurance agents, banks, and others rely on interpretation of flood issues by way of the Elevation Certificate (EC). The Elevation Certificate's can be prepared by architects, engineers, land surveyors, or in some cases, landscape architects. Unfortunately, too many incorrect and incomplete EC forms are being prepared across the entire professional grouping. Although surveyors are the preference nationwide, regrettably as with the other professions, it doesn't automatically mean all know how to accomplish the work competently.

In 2012, the current level of mediocrity could in fact attract the public's awareness. The National Flood Insurance Program (NFIP), has a classification known as the Community Rating System (CRS), which gives credits to communities for undertaking proactive steps intended to make the community more flood resistant and better able to recover from flood events. When a certain number of "points" have been accumulated, the community receives a discount as a whole on the quoted flood insurance premiums. This discount can reach up to as much as 45% savings. One of the qualifying activities for CRS is for a community to require and review Elevation Certificates for every new building or substantial improvement to a building in the 1% annual chance floodplain. At present, 20% of those reviewed can have an error of some sort (more than 20% with errors means the community will lose credits).

Recently a CRS rater related a story about going into a community where out of 23 certificates reviewed, 21 had at least one error. Why this will become more crucial in 2012 is that at present FEMA is contemplating raising the acceptable rate from 80% up to 90%, meaning that only 10% of the EC's on file can contain an error or omission. Currently the job of preparing Elevation Certificates is second-rate at best. Unfortunately, focusing on getting Certificates issued at basement bargain prices has resulted in a variety of incorrect and incomplete EC forms.

An Elevation Certificate is much more than a simple inspection. This two-sheet form can mean a lot for some family's future. This is an important document and should be revered as such, perhaps as much or more than a survey of the family farm. The results can have far-reaching ramifications on the public. One incorrectly reported figure could mean many unnecessary tens of thousands of dollars in mandatory premiums over the life of a mortgage or commercial loan. On the other hand, incorrectly reported figures may also result in FEMA paying for expensive flood damage compensation on underinsured and frequently damaged structures, bankrupting the program through losses beyond the income of insurance premiums collected nationwide.

It is a proficient responsibility, when preparing a report, to eliminate possible errors thereby improving the product delivered to the public. Delicate and un-researched issues cause many faults in the preparation of Elevation Certificates. Risk reduction knowledge is essential when preparing an EC in evaluating variables to minimize and/or eliminate unknown factors. After all it is a certification being sealed by a professional, hopefully with a conscious understanding relating to putting specialized license and financial well being on the line. The EC is an important document affecting large sums of money, far exceeding a monthly insurance premium. Unfortunately, under estimating the Elevation Certificate's value in the preparation of this two-sheet document could mean tens of thousands of dollars for some family's future or significant losses to the National Flood Insurance Program.

Before ascertaining the cost of preparing an Elevation Certificate, first the professional must inspect the appropriate maps together with the essential background data. Prior to starting an actual certificate, the first step is the FEMA Map Service Center (<http://msc.fema.gov>). Failing to check if either a Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR) has been issued on the property is flirting with danger that can be categorized as incompetence. If the structure on site is in a Zone "A" (with no Base Flood Elevation), there's an entirely different set of rules from that of a Zone "AE" (where a detailed study has resulted in establishment of a Base Flood Elevation). Competent consulting dictate's this sort of information must be take into consideration before affirming a fee with the client.

If the structure is actually in Zone "X", "B", or "C", meaning it is outside the 1% annual chance floodplain, federal regulations do not mandate flood insurance coverage, although a lender may still require a policy. The lender has not made the determination of the zone affecting the structure itself; instead it has contracted with a flood zone determination vendor to provide this service, and it is fair to ask the lender to have the vendor recheck its determination before requiring your client to spend hard-earned dollars on an unnecessary EC. Provide a survey, substantive proof, of the structure's location in relationship to the property lines, and have the lender forward this material to the vendor along with its request for a re-determination.

Only structures trigger the federal mandatory flood insurance requirement. Vacant land is not insurable against flood damage. Too often we see zone determinations that state there is a 1% annual chance a floodplain could happen "somewhere" on the property, which may not be where the insurable improvements are. These waste the public's hard-earned money; an incorrectly completed EC can mean that a building is over-insured or under-insured. An incorrect EC also means that the building can be over-or under-regulated. The point is to complete the form correctly to protect a broad range of interests.

The certificate is filled with many potential pitfalls awaiting the novice thinking his knowledge exceeds that of his fellow citizen. For instance, some will on a regular basis enter the client's address in Item A2 rather than the subject property address. This is a simple administrative blunder, but one that causes many problems in the (NFIP) industry.

As stated earlier Elevation Certificate may be completed by architects, engineers, land surveyors, and landscape architect. Albeit FEMA's preference is the surveyor, nevertheless too many professionals don't know how to correctly complete an Elevation Certificate. I hope this input has shed some light on the National Flood Insurance Program (NFIP) together with the worth and significance of the Elevation Certificate (EC).