



Fannie Mae®

Multifamily Selling and Servicing Guide

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502.02 Named Storm Insurance

Requirements

You must ensure:

- the Property has separate named storm insurance if the:
 - Special Peril Coverage of Loss Form excludes any type of wind-related Catastrophic Event; and
 - Property is located in a Tier I named storm county, as defined by the insurer;
- the coverage equals at least 90% of the Total Insurable Value
 - on a standalone policy, and
 - of the largest individual property on a Blanket Policy;
- if the named storm policy does not cover costs due to flooding from storm surge, the Borrower maintains flood insurance for any buildings located in the 500-year flood zone equal to the maximum coverage available through NFIP policies or their equivalent;
- the valuation does not rely solely on Probable Maximum Loss (PML) calculations; and
- the deductible does not exceed the greatest of:
 - 7.5% of the Insurable Value;
 - the applicable maximum amount per [Part II, Chapter 5: Property and Liability Insurance, Section 501.02B: Deductibles](#); and
 - for business income insurance:
 - when expressed as a number of days, 15 days; or
 - when expressed as a dollar amount, \$100,000.

Guidance

If named storm coverage is unavailable, Fannie Mae will consider approving 1 of the following options:

- a State insurance plan; or
- a State-managed insurance pool for



- windstorm, or
- beach erosion.



Glossary

B

Blanket Policy Insurance policy providing coverage for multiple properties and/or multiple perils.

Synonyms

- Blanket

Borrower Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

C

Catastrophic Event Natural or man-made hazard resulting in an event of substantial extent causing

- significant physical damage or destruction,
- loss of life, or
- drastic change to the natural environment, such as
 - earthquake,
 - flood,
 - terrorist attack, or
 - windstorm.

Synonyms

- Catastrophic Events

I

Insurable Value For any Property, the estimate of the maximum dollar amount needed to replace, repair, or reproduce the Property, but excluding any land value.

Synonyms

- Insurable Values

P



Property

Multifamily residential real estate securing the Mortgage Loan, including the

- fee simple or Leasehold interest,
- Improvements, and
- personal property (per the Uniform Commercial Code).

Synonyms

- Properties
- Property's

T

Total Insurable Value

For any Property, the sum of the full value of the insured's:

- covered Property;
- Property-related business income values; and
- any other covered Property interests.

Synonyms

- Total Insurable Values