

## And remember, most homeowners insurance does NOT cover flood damage.

Unfortunately, many property owners do not find out until it's too late that their policies do not cover flooding. The NFIP offers a separate policy that protects your single most important financial asset—your home or business.

You can insure your condominium unit or home with flood insurance for up to \$250,000 for the building and up to \$100,000 for the contents. Property owners can insure their commercial properties for up to \$500,000 for the building and \$500,000 for the contents.

## Flood insurance is available for individuals in participating communities.

Congress created the NFIP in 1968 to reduce the impact of flooding on communities across the country. It does so by providing flood insurance to property owners like you—who live in communities that adopt and enforce floodplain management standards. These efforts reduce the costs and damage of flooding and help families recover more quickly.

Today, more than 25,000 communities participate in the NFIP and most people who live in participating communities, including renters and condo unit owners, can purchase NFIP flood insurance.

Those living in Coastal Barrier Resources Systems (CBRS) or other protected areas are not eligible for NFIP coverage.

## In the event of a flood, federal disaster assistance is not the only answer.

Federal disaster assistance is available only if the president declares a disaster. Your home is covered by flood insurance even if a disaster is not declared.

Disaster assistance comes in two forms: A U.S. Small Business Administration loan, which must be paid back with interest, or a FEMA disaster grant, which is about \$5,000 on average per household.

Both programs have strict eligibility requirements based on individual need and many disaster survivors may not qualify. By comparison, the average flood insurance claim is nearly \$30,000 and does not have to be repaid.



Rupri Prasad purchased flood insurance for peace of mind during her retirement years. With help from the NFIP, she's rebuilding after Hurricane Harvey.



FEMA



For more information about NFIP flood insurance, contact your insurer or agent, or call **1-800-427-4661**.

If you are deaf, hard of hearing, or have a speech disability and use relay services, call **711** from your TTY.

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## NATIONAL FLOOD INSURANCE PROGRAM

# WHY DO I NEED FLOOD INSURANCE?



FEMA





Flood waters remain high in neighborhoods impacted by Hurricane Matthew in Lumberton, North Carolina.

## Every property is vulnerable to flooding.

Flooding can happen anywhere, at any time. In fact, more than 20 percent of the NFIP's claims come from outside high-risk flood areas. That's why it's important to buy flood insurance, even if you live in an area with low-to-moderate flooding risk.

### Property owners located in low-to-moderate risk areas should ask their agents if they are eligible for the Preferred Risk Policy,

which provides flood insurance protection at a lower cost than a standard policy in a high-risk area.

The low-cost Preferred Risk Policy is ideal for homes and other properties currently mapped in low-to-moderate risk areas—and it costs homeowners an average of \$439 a year.

Learn more about Preferred Risk Policies here:  
[fema.gov/media-library/assets/documents/17576](https://fema.gov/media-library/assets/documents/17576)

## The NFIP covers flooding resulting from hurricanes or other weather events.

The NFIP defines covered flooding as any temporary event where the surface of normally dry land is partially or completely underwater. Flooding can be caused by:

- Overflow of inland (lake or river) or coastal waters
- Pooling or runoff of surface waters from any source, such as heavy rainfall
- Mudflows
- Collapse of land along the shore of a lake or other body of water due to wave or water currents

## You can purchase flood insurance at any time.

However, there is usually a 30-day waiting period before the policy goes into effect, with the following exceptions:

- If the initial purchase of flood insurance is made in connection with the making, increasing, extending, or renewing of a loan secured by the covered property, there is no waiting period. Coverage goes into effect when the loan is closed.
- If you live in an area newly affected by a Flood Insurance Rate Map (FIRM) change and your property will be mapped into a high-risk flood zone, you have 13 months prior to the map change to purchase flood insurance. During this time, there is a one-day waiting period.

Additionally, the 30-day waiting period may not apply if your property experiences a flood loss caused by post-wildfire conditions during that time. Learn more about the Post-Wildfire Exception at [fema.gov/wildfires-you-need-flood-insurance](https://fema.gov/wildfires-you-need-flood-insurance).

Keeping these exceptions in mind, plan ahead so you are not caught without insurance. The policy does not cover losses caused by a flood that occurred prior to the policy becoming effective. In addition, you cannot increase your insurance coverage once a flood has begun.

### DID YOU KNOW?

The government requires that homes in high-risk flood areas are protected by flood insurance if they are backed by a federally regulated lender. Lenders must notify borrowers of their flooding risk, prior to closing, if their property is in a high-risk flood area.

## LEARN MORE ABOUT YOUR NFIP POLICY COVERAGE BELOW:

### The NFIP offers building coverage.

The following items are a sample of those covered under building coverage:

- The building and its foundation
- Electrical and plumbing systems
- Central air-conditioning, equipment, furnaces, and water heaters
- Refrigerators, stoves, and dishwashers
- Permanently installed carpeting
- Window blinds

### The NFIP offers coverage for your belongings.

Whether you rent or own, make sure to ask your insurance agent about contents coverage. For most standard policies, contents coverage is not automatically included with the building coverage. Contents coverage usually covers items like:

- Personal belongings such as clothing, furniture, and electronic equipment
- Carpets
- Washers and dryers
- Food freezers and the food in them
- Portable microwave ovens and dishwashers

### The NFIP offers some basement coverage.

While flood insurance does not cover basement improvements (such as finished walls, floors, or ceilings), or personal belongings kept in a basement (such as furniture and other contents), it does cover structural elements and essential equipment kept in a basement, such as hot water heaters and furnaces.



Christian White, home insurance adjuster, assesses flood damage inside of a home in East Baton Rouge Parish, Louisiana.