

NATIONAL FLOOD INSURANCE PROGRAM

# WHY DO I NEED FLOOD INSURANCE?



FEMA



WHAT YOU NEED TO KNOW ABOUT

# FLOOD INSURANCE

## MOST PROPERTIES ARE VULNERABLE TO FLOODING

Flooding can happen just about anywhere it rains or snows. On average, 40% of the National Flood Insurance Program (NFIP) flood insurance claims occur outside the high-risk flood areas. That's why it's important to protect the life you've built with flood insurance, even if you live in an area with low-to-moderate flooding risk.

The official definition used by the NFIP is "A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is your property) from:

- Overflow of inland or tidal waters;
- Unusual and rapid accumulation or runoff of surface waters from any source;
- Mudflow\*; or
- Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above."

*\*Mudflow is defined as "A river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water. Other earth movements such as landslide, slope failure, or a saturated soil mass moving by liquidity down a slope, are not mudflows."*

## MOST HOMEOWNERS INSURANCE DOES NOT COVER FLOOD DAMAGE

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

## THE NFIP OFFERS BUILDING COVERAGE

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

- The building and its foundation
- Carpet permanently installed over unfinished flooring
- Central air-conditioners
- Electrical systems
- Furnaces and radiators
- Ranges, cooking stoves, and ovens
- Refrigerators
- Window blinds

*For a complete list, see your policy or contact your insurance agent.*

## THE NFIP OFFERS COVERAGE FOR YOUR CONTENTS

Whether you rent or own, make sure to ask your flood insurance agent about coverage to protect your personal property. It can be purchased separately, whether in addition to building coverage or by itself.

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

If you are a tenant and made improvements at your own expense, they are covered up to 10% of the limit of liability.

*For a full list of coverages, see your policy or contact your insurance agent.*

**You can purchase flood insurance up to the maximum amount of insurance available for the following property types:**

Property Type	Building Coverage	Contents Coverage
Single-Family Home	\$250,000	\$100,000
Residential Mobile/ Manufactured Home	\$250,000	\$100,000
Residential Condominium Unit in a Residential Building	\$250,000	\$100,000
Rented Residence (e.g. apartment unit, rented single-family, etc.)	N/A	\$100,000
Non-Residential Building (e.g. office, retail space, hotel, condominium, etc.)	\$500,000	\$500,000
Other Non-Residential Building (e.g. office, house of worship, garage, school, clubhouse)	\$500,000	\$500,000

### DID YOU KNOW?

The government requires that homes in high-risk flood areas designated on flood maps by the letters AE or VE be protected by flood insurance if they are security for loans backed by a federally regulated lender. Lenders must notify borrowers of this requirement, prior to closing, if their property is in one of these areas. Visit the Map Service Center at [msc.fema.gov](https://msc.fema.gov) to learn more about your flood zone.

In the event of a flood, disaster assistance may be limited or unavailable. 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.

Federal 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, flood insurance claims have averaged \$27,000 since 2010 and do not have to be repaid.

### YOU CAN BUY FLOOD INSURANCE AT ANY TIME

There is usually a 30-day waiting period before the policy goes into effect, with some exceptions:

If you initially purchased flood insurance while securing, adjusting, or renewing a loan for your 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 map change, review your options with your insurance agent.

Additionally, the 30-day waiting period may not apply if your property experiences flood damage caused by wildfire in your community. For more information on the Post-Wildfire Exception, please visit [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.





## ADDITIONAL GUIDANCE AND CONTACT INFORMATION

The NFIP has valuable resources that can help you understand flood insurance coverage and get you connected to the information you need.

To find a flood insurance provider, use our online tool at [FloodSmart.gov/flood-insurance/providers](https://FloodSmart.gov/flood-insurance/providers).

Visit our Flood Insurance Advocate page at [fema.gov/flood-insurance/advocate](https://fema.gov/flood-insurance/advocate) to learn more about fair treatment of policyholders and property owners.

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. The Federal Emergency Management Agency (FEMA) manages the NFIP. As required by Congress, this document was prepared by the NFIP to help flood insurance policyholders understand their policy.

For more information about NFIP flood insurance, contact your insurer or agent, or call **(800) 621-3362**.

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