WHY DO I NEED FLOOD INSURANCE?

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 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.

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

For more information about the NFIP and 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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Christian White, home insurance adjuster, assesses flood damage inside of a home in East Baton Rouge Parish, Louisiana.
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 protect the life you’ve built with flood insurance, even if you live in an area with low-to-moderate flooding risk.

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
- Flooding 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

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.

You can purchase flood insurance at any time. There is usually a 30-day waiting period before the policy goes into effect. There are 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 risk 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. Learn more about the Post-Wildfire Exception at fema.gov/wildfires-you-need-flood-insurance.

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 purchase flood insurance for your home or business, including renters and condo unit owners, from participating insurance companies. Federal flood insurance is available in all 50 states and the District of Columbia from participating insurance companies or through the National Flood Insurance Program (NFIP). It is the only flood insurance program authorized by the federal government.

Flood insurance is available for individuals in participating communities. Today, more than 22,000 communities participate in the NFIP and most property owners in participating communities, including renters and condo unit owners, can purchase NFIP flood insurance. Flood insurance coverage is not limited to properties in a high-risk flood area. That’s why it’s important to secure flood insurance, because everywhere it can rain it can flood. Those living in Coastal Barrier Resources Systems (CBRS) or other protected areas are not eligible for NFIP coverage.

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In the event of a flood, federal 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. 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.

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.