



How Do I Buy Flood Insurance?

I Don't Have Flood Insurance--Why Do I Need It?

FACT: Floods are the nation's most common and costly natural disaster and cause millions of dollars in damage every year. Floods cost America, on average, \$8.2 billion each year (according to 2015 data). Recovering from just one inch of water inside your building can cost about \$27,000. Learn about The BIG Cost of Floods.

FACT: Homeowners and renters insurance do not typically cover flood damage.

FACT: Floods can happen anywhere--More than 20 percent of flood claims come from properties outside the high-risk flood zone.

FACT: Flood insurance can pay regardless of whether or not there is a Presidential Disaster Declaration.

FACT: Most federal disaster assistance comes in the form of low-interest disaster loans from U.S. Small Business Administration (SBA) and you have to pay them back. FEMA offers disaster grants that don't need to be paid back, but this amount is often much less than what is needed to recover. A claim against your flood insurance policy could and often does, provide more funds for recovery than those you could qualify for from FEMA or the SBA--and you don't have to pay the money back.

FACT: You may be required to have flood insurance. Congress has mandated federally regulated or insured lenders to require flood insurance on mortgaged properties that are located in areas at high risk of flooding. But even if your property is not in a high-risk flood area, your mortgage lender may still require you to have flood insurance.

✓ How Can I Buy Flood Insurance?

You can only purchase flood insurance through an insurance agent or an insurer participating in the NFIP. You cannot buy it directly from the National Flood Insurance Program (NFIP). If your insurance agent does not sell flood insurance, you can contact the NFIP Referral Call Center at **1-800-427-4661** to request an agent referral.

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✓ What Questions Should I Ask My Agent To Help Me Get The Coverage I Need?

Talk to your insurance agent about flood insurance. Here are helpful questions to ask your agent:

- Does my community participate in the National Flood Insurance Program? Flood insurance from the NFIP is only available in participating communities, but most communities do participate. Your agent can tell you if your state and community participate, or you can look it up online in the Community Status Book.
- What flood zone do I live in? What is my property's flood risk?
- Is flood insurance mandatory for my property? Will the lender require it?
- Do I qualify for a Preferred Risk Policy?
- Does my community participate in the National Flood Insurance Program's Community Rating System (CRS)? If so, does my home qualify for a CRS rating discount?
- What will and won't be covered?
- Will the federal government back my flood insurance policy?
- How much coverage should I get for my building and for my contents?
- How can I reduce the cost of my flood insurance?
- Are there additional expenses or agency fees?
- Will my policy provide Replacement Cost Value or Actual Cash Value—and what's the difference between the two?
- Who should I call if I have a flood claim?
- How can I pay for my policy?
- How do I renew my policy?

✓ What's Covered?

Talk to your licensed insurance agent about what is and isn't covered by your policy.

- **The cause of the flooding matters.** Damage caused by a sewer backup is only covered by flood insurance if it's a direct result of flooding; the damage is not covered if the backup is caused by some other problem. For a complete summary of coverage, go to What's Covered.
- **Coverage for your building and contents.** Contents and building coverage are purchased separately (for the Preferred Risk Policy, there's an option for combination coverage for both contents and building coverage), but there are always separate deductibles. Unless you have contents coverage, your flood-damaged contents are not covered.

It may be a good idea to purchase coverage for Building (the structure) and its Contents. And each has a deductible. Building coverage only covers the structure, so you should consider getting coverage for the items inside the property too (Contents coverage).

- Building property
- The insured building and its foundation
- Electrical and plumbing systems
- Central air-conditioning equipment, furnaces, and water heaters
- Refrigerators, cooking stoves, and built-in appliances such as dishwashers
- Permanently installed carpeting over unfinished flooring
- Permanently installed paneling, wallboard, bookcases, and cabinets
- Window blinds
- Detached garages
- Debris removal
- Personal contents property*
- Personal belongings such as clothing, furniture and electronic equipment*
- Curtains*
- Portable and window air-conditioners*
- Portable microwave ovens and portable dishwashers*
- Carpets that are not included in building coverage*
- Clothing washers and dryers*
- Food freezers and the food in them
- Certain valuable items such as original artwork and furs (up to \$2,500)*

NOTE: An asterisk (*) at the end of the bullet means it is covered by a **Contents** policy

✓ What Should I Know About Deductibles?

Deductibles apply separately to building and contents with different amounts to choose. (Remember to ask your agent if your contents are covered, as building coverage is only for the structure). As with other insurance plans, a higher deductible will lower the premium you pay but will also reduce your claim payment, meaning you will need to cover the difference out of your own pocket. Sometimes a mortgage lender will set a maximum amount for your deductible.

✓ Why Am I Paying This Amount For Flood Insurance?

NFIP flood insurance rates do not differ from company to company or agent to agent. All policy premiums include certain fees and surcharges, so ask your agent about these when discussing a price quote. If your community participates in the Community Rating System (CRS), you may qualify for an insurance premium discount. The discount is calculated based on the community's efforts to reduce the risk of flooding.

The amount you pay for your policy is calculated based on factors such as:

- Year of building construction.
- Building occupancy.
- Number of floors.
- Location of its contents.
- Flood risk (e.g., its flood zone).
- Location of the lowest floor in relation to the Base Flood Elevation on the flood map.
- Deductible and amount of building and contents coverage.

✓ How Can I Pay For My Flood Insurance?

If you have a flood insurance policy, please contact the insurance agent or insurer who sold you the flood policy to arrange for payment. You must pay for the full year's premium. If you aren't sure who your insurance agent or insurer is, please call the NFIP Call Center at **1-800-427-4661** to speak with someone in the National Flood Insurance Program.

Some policyholders pay for flood insurance through an escrow account. If you live in a high-risk flood area and have a mortgage, this might be your situation. Discuss this with your lender. Read more in "*Are Some Property Owners Required to Have Flood Insurance?*," below.

✓ Is There A 30-Day Waiting Period?

Typically, there's a 30-day waiting period from date of purchase until your policy goes into effect. Here are the exceptions:

- If the building is newly designated in the high-risk Special Flood Hazard Area (SFHA) and you purchase flood insurance coverage for it within the 13-month period following a map revision, there is a 1-day waiting period.
- If you purchase flood insurance in connection with making, increasing, extending, or renewing your mortgage loan, there is no waiting period.

- If you select additional insurance as an option on your insurance policy renewal bill, there is no waiting period.
- If a property is affected by flooding on burned federal land and the policy is purchased within 60 days of the fire-containment date, there may be no waiting period. Waiving of the waiting period is determined at the time of claim.

✓ **Are Some Property Owners Required To Have Flood Insurance?**

- **Got a Mortgage?** Homes and businesses in high-risk flood areas with mortgages from federally regulated or insured lenders are required to have flood insurance. While flood insurance is not federally required if you live in a moderate- to low-risk flood area, your lender may still require you to have insurance.
- **Received Disaster Assistance?** If you live in a high-risk flood zone and you've received federal disaster assistance in the form of grants from FEMA or low-interest disaster loans from the U.S. Small Business Administration (SBA) following a Presidential Disaster Declaration, you may be required to maintain flood insurance in order to be considered for any future federal disaster aid.

✓ **What Is An Elevation Certificate And Why Might I Need One?**

Your insurance agent may ask you for an Elevation Certificate (EC). This certificate verifies your building's elevation compared to the estimated height floodwaters will reach in a major flood in a high-risk flood area.

It's also beneficial to ask if your community participates in the Community Rating System (CRS), because this could mean local officials already have a copy of your EC on file. Policyholders with insured properties in communities that participate in CRS may be eligible for policy discounts.

A property owner in a high-risk flood area always has the right to purchase an EC, which may reduce your flood insurance premium. Please contact a licensed insurance agent for further information.

✓ **How Can I Pay Less For My Flood Insurance?**

Learn about options to reduce the damage flooding can cause. Some of them may help you save money on your NFIP flood insurance policy.

✓ **Still Need Help?**

There are several ways to find what you're looking for on FEMA.gov, including searching the site and reviewing the menu of pages on the left side of any page you come to. If you still have questions, check out Got A Problem?