

What is the National Flood Insurance Program?

The National Flood Insurance Program (NFIP) is a federal program enabling property owners to purchase flood insurance. The program began in 1968 with the passage of the National Flood Insurance Act to provide an alternative to increasing flood losses and disaster relief costs. If your community adopts and enforces floodplain management regulations that meet minimum federal requirements, the federal government makes flood insurance and flood disaster assistance available in your community.



Flood insurance is mandatory if you live in a high-risk area and have a mortgage from a federally regulated or insured lender.

The ground is bare where Hurricane Ike took away many houses on Crystal Beach, Texas.

Why You Need Flood Insurance

The Risk is Real

You can live miles away from water and still be the victim of flooding. Nearly one in four flood insurance claims are paid on policies in low-to-moderate-risk areas. It doesn't take a major body of water, or even a major storm, to cause a flood. Anything from a broken sewer line to a slow-moving rainstorm can cause flooding. In high-risk areas, your home has a 26 percent chance of being damaged by a flood over the life of a 30-year mortgage.

Flood Insurance is Affordable

The problem of flooding may be widespread, but the solution is simple in communities that participate in the National Flood Insurance Program. There are a large number of private insurance companies nationwide that offer affordable flood insurance backed by the federal government. Policies are available to homeowners, condo owners, apartment owners, renters and business owners alike. A flood of just 2 inches causes \$7,800 in repairs for a 1,200-square-foot ranch-style home.

If you live in a low-to-moderate-risk area, a flood policy can cost just over \$119 a year. That amounts

to less than 30 cents a day to protect your property against a natural disaster that causes more than \$2 billion in damage in the U.S. every year. Fortunately, even in the most highest-risk areas, a flood insurance policy can cost only \$500 a year.

Disaster Aid is Not Always Available

Many people assume they will never need flood insurance because they believe federal disaster assistance will be available. However, flooding does not always receive a federal disaster declaration. Even when it does, aid is usually offered in the form of a loan that must be paid back with interest.

Flood insurance, on the other hand, pays for all covered losses, and unlike loans, that money does not have to be paid back. A home's structure can be covered for up to \$250,000, and its contents up to \$100,000. For businesses, structural coverage is available up to \$500,000, and up to \$500,000 for contents.

Don't count on others to bail you out. Take the initiative to protect your home and business.

How Do I Purchase Flood Insurance?

Flood insurance is not available everywhere. It is available only to residents of communities participating in the National Flood Insurance Program (NFIP). For more information and to find out if your community participates in the NFIP, call (800) 427-4661. If your community is participating in the National Flood Insurance Program you can purchase insurance for

your property. There are no restrictions. All insurance agents can sell flood insurance policies. If your agent is not aware of the procedures for selling flood insurance policies, please call (800) 720-1093 for a referral to an insurance agent in your area who writes NFIP policies.



For more information on flood insurance:
Visit www.floodsmart.gov and www.fema.gov

For general flood insurance questions, call (800) 427-4661 or contact your insurance company or insurance agent. To obtain a policy, contact your agent or call (800) 427-2419 to find an agent near you.



First Steps in Filing Your Claim

If your home has suffered flood damage and you have a flood insurance policy, these guidelines may be helpful in filing your claim.

Immediately

- Call your agent or insurance company. Have the following information with you when you place your call: (1) the name of your insurance company (your agent may write policies for more than one company); (2) your policy number; and (3) a telephone number or e-mail address where you can be reached.
- When you file your claim, ask for an approximate time frame during which an adjuster can be expected to visit your home so you can plan accordingly.

Once You Have Reported Your Loss

- An adjuster will work with you to calculate the value of the damage and prepare a repair estimate.
- Please keep your agent advised if your contact information changes. If you are still in a shelter or cannot be easily reached, please provide the name of a designated relative or point of contact who can reach you.

Before the Adjuster Arrives

- Take photographs. Take photos of any water in the house and any damaged personal property.
- Local officials may require the disposal of damaged items. If you dispose of items, keep a swatch or other sample of damaged items for the adjuster.
- Separate damaged items from undamaged items. If necessary, place damaged items outside the home.
- Make a list of damaged or lost items and include their age and value when possible. If possible, have receipts for all items available for the adjuster.
- If you have damage estimates prepared by a contractor, provide them to your adjuster.
- Contact your insurance company if an adjuster has not been assigned to you within the expected time frame.