

FLOOD INSURANCE: WHAT & WHY?

BENEFITS AND FACTS ABOUT FLOOD INSURANCE

Buying flood insurance is the best thing you can do to protect your home, business, family, and financial security from a flood.

- **Most homeowners' policies do not cover flood losses!**
- You can protect your home and contents through the National Flood Insurance Program. You should obtain coverage for structure and contents. There can be more damage to the contents than the structure.
- Statistics show that people who live in a flood zone have at least a 26 percent chance of being flooded during the life of a 30-year mortgage, compared to less than a 5 percent chance of fire.
- People living or owning property anywhere in a community that participates in the NFIP may purchase flood insurance.
- Flood insurance may be purchased from any insurance agent. If the agent will not sell you a policy, call the NFIP at 1-888-CALL-FLOOD (1-888-225-5356), ext. 445.
- Coverage is relatively inexpensive.
 - The average cost for a flood insurance policy is about \$350 a year. The cost may be higher or lower, depending on the amount of coverage and age of your home or building.
 - In low-risk areas outside the floodplain, minimal coverage may be bought for just over \$100 a year. Approximately one-third of all flood insurance claims are paid on losses in these low-risk areas.
- Homeowners can buy up to \$250,000 coverage for the building and \$100,000 for its contents. Renters can buy up to \$100,000 coverage for the contents of their homes.
- There is a 30-day waiting period from the time a policy is bought until coverage begins, unless it is purchased in connection with a loan closing.
- In high-risk floodplain areas, you are required to buy flood insurance for most mortgages, including federally insured financing, such as FHA or VA loans.
- Actions you take to prevent flood damage may be reimbursable under a flood insurance policy. This includes up to \$500 for moving insured contents in imminent danger of flooding and up to \$750 for costs such as sandbags, plastic sheets and lumber, pumps, etc., to protect a building.

- You can depend on being reimbursed for flood damages, even if the President does not declare a Federal disaster.
- You do not have to repay a loan, as you might have to with any Federal disaster relief packages. Your covered losses are paid in full.
- Your agent can help you handle your claim quickly, so that you will not have to put life on hold if your property is damaged by a flood. You can even request a partial payment immediately after the flood, which can help you recover even faster.