



# FEMA

# Fact Sheet

## Why Buy Flood Insurance

April 2018

## In or Out of the High-Risk Flood Area—Everyone Needs Flood Insurance

In the wake of Hurricane Harvey in 2017, approximately 80 percent of households impacted by the storm did not have flood insurance.

### Did you know?

- ✓ Floods are the nation's most common and costly natural disaster, causing billions of dollars in damage each year.
- ✓ Homeowners and renters insurance does not typically cover flood damage.
- ✓ Floods can happen anywhere. In fact, 98% of counties in the United States have experienced a flood and more than 20 percent of flood claims come from properties outside the high-risk flood zone.
- ✓ If your property is in a low-to-moderate flood risk area, your flood insurance could be much more affordable than you might think.

Just one inch of water in an average-sized home can cost more than \$25,000 in damage. You can recover faster and more fully after a disaster with flood insurance. Call your insurance agent and buy a policy today.

As long as your community participates in the National Flood Insurance Program, you can buy flood insurance for your property. There's typically a 30-day wait period between when you purchase the policy and when it becomes effective. Find questions to ask your agent to ensure you purchase the coverage you need at [FloodSmart.gov](http://FloodSmart.gov).

### **What You Need to Know About Disaster Assistance:**

You can submit a flood insurance claim even in the absence of a Presidential disaster declaration.

Most federal disaster assistance comes in the form of low-interest disaster loans from U.S. Small Business Administration (SBA).

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 SBA after a Presidential disaster declaration.



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## How to Buy Flood Insurance

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**Flood insurance is essential for any homeowner, business owner, or renter. This fact sheet is intended to help property owners become flood smart and get important answers to questions about buying a National Flood Insurance Program (NFIP) policy.**

If your property is located in a community that participate in the NFIP, you can and should inquire about purchasing flood insurance. There's typically a 30-day wait period between when you purchase the policy and when it becomes effective, so timing is very important.

Call your insurance agent to discuss purchasing flood insurance. The agent who sold you your homeowners or renters insurance should be able to sell you a flood insurance policy. If not, you can find an agent by calling the NFIP Help Center, at 1-800-427-4661.

### Helpful Questions to Ask your Insurance Agent:

- ✓ Ask the right questions so you can buy the flood coverage you need:
  - Does my homeowners insurance cover flood?
  - What flood zone do I live in? What is my property's flood risk?
  - What will and won't be covered?
  - How much coverage should I purchase for my building and for my contents?
  - When will my policy become effective?
  - Will my policy provide Replacement Cost Value or Actual Cash Value—and what's the difference between the two?
  - Do I qualify for a Preferred Risk Policy (PRP)?
  - Does my community participate in the NFIP's Community Rating System (CRS)? If so, does my home qualify for a CRS rating discount?
  - Is flood insurance mandatory for my property? Will the lender require it?
  - Are there additional expenses or agency fees?
  - How can I pay for my policy?
  - How do I renew my policy?
  
- ✓ Visit [FloodSmart.gov](https://www.floodsmart.gov) to learn more about "How to Buy" and information about the following:
  - Steps you can take to reduce the cost of your flood insurance.
  - Information about coverage and deductibles.
  - Exceptions that may allow your NFIP coverage to go into effect immediately.