



Dispelling Myths About Flood Insurance

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INDIANAPOLIS, Ind. -- Buying flood insurance can provide protection and peace of mind. Flooding is one of the most common natural hazards in the United States. State and federal officials want to ensure that all Indiana residents are aware of the benefits of the National Flood Insurance Program (NFIP).

Below are some common myths and misconceptions about flood insurance.

Myth: Only homeowners can purchase flood insurance.

FACT: Most homeowners, condo unit owners, renters, and businesses in NFIP participating communities can purchase flood insurance. To find out if your community participates, go to www.floodsmart.gov or contact a community official or insurance agent. The maximum coverage amounts are:

- **Condominium unit owners:** up to \$250,000 in structural coverage and up to \$100,000 in contents coverage
- **Renters:** up to \$100,000 in contents coverage
- **Businesses:** up to \$500,000 in commercial structural coverage and up to \$500,000 in contents coverage

Myth: You can't buy flood insurance if you are located in a high-flood-risk area.

FACT: You can buy National Flood Insurance no matter where you live, as long as your community participates in the NFIP. The NFIP was created in 1968 to make federally backed flood insurance available to property owners, renters, and businesses in participating communities.

Myth: If you live in an unmapped area, you don't need flood insurance.

FACT: Even areas in unmapped flood zones are susceptible to flooding, although to varying degrees. If you live in a high risk flood zone, it is advisable to have flood insurance. However, between 20 and 25 percent of the NFIP's claims come from low to medium risk flood zones. Residential and commercial property owners located in the lower risk zones should ask their insurance agents if they are eligible for the Preferred Risk Policy, which provides very inexpensive flood insurance protection.

Myth: You can't buy flood insurance if your property has been flooded before.

FACT: You are still eligible to purchase a flood insurance policy after your home, condo,

apartment, or business has been flooded, provided that your community is participating in the NFIP.

Myth: Homeowners insurance policies cover flooding.

FACT: Unfortunately, many home and business owners do not find out until it is too late that their homeowners and business insurance policies do not cover flooding. The NFIP offers a separate policy that protects the single most important financial asset, which for most people is their home or business. Homeowners can include contents coverage in their NFIP policy. Residential and commercial renters can purchase flood insurance coverage for their buildings and contents/inventory and, by doing so, protect their livelihood.

Myth: Federal disaster assistance will pay for flood damage.

FACT: Before a community is eligible for disaster assistance, it must be declared a federal disaster area. Federal disaster assistance declarations are issued in fewer than 50 percent of flooding events. Furthermore, if you are uninsured and receive federal disaster assistance after a flood, you must purchase flood insurance to remain eligible for future disaster relief. Disaster assistance does not cover as much as flood insurance, and flood insurance claims can be paid very rapidly after the event.

Myth: You can't buy flood insurance immediately before or during a flood.

FACT: You can purchase National Flood Insurance at any time. There is usually a 30-day waiting period after you buy flood insurance before the policy is effective. In most cases, the policy does not cover a "loss in progress," which is defined as a loss occurring as of midnight on the first day your policy goes into effect. Basically, if you buy flood insurance after a flood, it will not cover your past losses, only losses after the policy goes into effect. New or refinanced mortgages are exempt from the 30-day waiting period.

Myth: The NFIP does not offer basement coverage.

FACT: While basement improvements such as finished walls and floors, and personal belongings in a basement are not covered by flood insurance, structural elements and essential equipment within a basement are. The following items are covered under building coverage, as long as they are connected to a power source, if required, and installed in their functioning location:

- Sump pumps
- Well water tanks and pumps, cisterns, and the water in them
- Oil tanks and the oil in them, natural gas tanks and the gas in them
- Pumps and/or tanks used in conjunction with solar energy
- Furnaces, water heaters, air conditioners, and heat pumps
- Electrical junction and circuit breaker boxes and required utility connections
- Foundation elements
- Stairways, staircases, elevators, and dumbwaiters
- Unpainted drywall walls and ceilings, including fiberglass insulation
- Cleanup

More information on flood insurance is available on the Internet at www.floodsmart.gov, or by calling toll-free **1-888-275-6347** or TTY **1-800-427-5593 for the speech- and hearing-impaired**.

FEMA leads and supports the nation in a risk-based, comprehensive emergency management system of preparedness, protection, response, recovery, and mitigation, to reduce the loss of life and property and protect the nation from all hazards including natural disasters, acts of terrorism, and other man-made disasters.

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Phone Numbers and Websites

NFIP General Information

800-427-4661
(For questions and assistance with their individual claims)

Direct Side

800-638-6620

(For Direct agents and Direct policyholders)

Disaster Assistance HELPLINE

800-621-FEMA

(For citizens affected by a disaster)

(or) 3362

FEMA MAP STORE (Flood Map Orders)

800-358-9616

(Flood Maps are free for State officials, minimal cost for others)

Map Specialist (flood mapping issues)

877-336-2627

FEMA Warehouse

(ordering publications, forms, manuals, etc.)

FEMA CONTACT:

Rich Sobota

856-489-4003

Important/Useful Websites

<http://fema.gov/nfip> Flood Insurance and Mitigation Information for State/Local Officials and general public.

<http://store.msc.fema.gov>

FEMA Map Store – View maps free online; order maps (free for state officials, minimal cost to others)

www.floodsmart.gov

Complements the advertising campaign, provides access to agents, general information about possible flood risk and premium ranges.

Floods are the most common natural disaster in the United States, causing more than \$7.1 billion in U.S. property damage in the last 10 years.

It is important to take a few simple steps to protect your home and family from floods.



*Homeowners insurance **does not** cover flooding.*

Before a flood occurs in your area, get flood insurance coverage.

You can obtain flood insurance through the National Flood Insurance Program (NFIP).

Call your insurance agent or find an agent near you by calling:

1-800-427-2419



FEMA

FACTS on FLOODING and FLOOD INSURANCE



PEMA
911
PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY

BEFORE a flood occurs in your area **GET FLOOD INSURANCE**

Call **1-800-427-2419** to learn more and find an agent.

Flood insurance coverage is available through local agents for residential and commercial buildings and contents.

Renters can also purchase contents coverage.

Coverage is available for up to \$250,000 for residential buildings; \$100,000 for contents; up to \$500,000 for non-residential buildings including small businesses; up to \$500,000 for non-residential contents.

IF a storm or flood is forecast for your area:



- Move important objects and papers to a safe place
- Plan for evacuation
- Have emergency supplies on hand
- Have a working sump pump
- Anchor fuel tanks
- Elevate furnace, water heater, washer & dryer
- Have clean water on hand

What to do when a flood occurs—



- Avoid touching floodwaters, walking through floodwaters or driving through floodwaters.
- Stay away from downed power lines and electrical wires.
- Keep an eye out for snakes and wild animals.
- Throw away water-damaged food.
- Check for sewage and water line damage.
- Take photos and make a list of damaged or lost items.
- Call your insurance agent.
- Keep power off until an electrician has inspected your system.

Federal Disaster Assistance in the form of grants and loans is available if a flood has been declared a federal disaster. However, grant amounts are limited and most assistance comes in the form of loans, which must be repaid. Insurance, on the other hand, provides reimbursement for all covered damage and the check never has to be repaid.

What is covered by flood insurance and what is **not** covered:

Coverage includes:

- The insured building
- Built-in appliances and central air
- Permanently installed paneling, wallpaper, cabinets and carpet
- Limited coverage for basements
- Detached garages (up to 10% of total policy value)
- Debris removal
- Contents—if contents coverage was also chosen

Coverage **DOES NOT** include:

- Vehicles
- Land and Fences
- Plants
- Animals
- Currency
- Boats
- Swimming pools
- Decks

Policyholders should always check their policies for specific details.

Call **1-800-427-2419** to find an agent near you.

Go online at www.floodsmart.gov or www.PEMA.state.pa.us for more information about floods and flood insurance.