

FACT SHEET

FLOOD INSURANCE

Even if you live outside established floodplains, you may find areas of your home suddenly covered with water from a flash flood or torrential rains. Buying flood insurance is as important as other types of protection against unforeseen losses.

- Of all natural disasters that have occurred in the last five years, floods caused 61 percent of all property damage.
- The National Flood Insurance Program (NFIP) enables property owners in participating communities to purchase insurance protection against losses from flooding.
- Homeowners' insurance does not cover flood damage.
- Nearly 25 percent of NFIP claims are for structures outside identified floodplains.
- If you live in a floodplain or your home has been flooded before, you can still purchase a flood insurance policy as long as your community participates in the NFIP.
- An NFIP policy is purchased through insurance providers and is the only coverage available for homes, condominiums and non-residential businesses, including farms and commercial structures. Renters can purchase contents coverage.
- The NFIP covers flood damage to the contents of basements, such as washers, dryers, and freezers. It will also pay for clean up but does not cover furniture and improvements to a finished basement such as walls and floors.
- Buying flood insurance puts you in control. You don't have to risk whether you will qualify for disaster assistance, and your policy will pay claims whether or not a disaster is declared. If your home is outside of a high-risk flood area, the cost may be as little as \$111 per year.
- There is an Increased Cost of Compliance provision in all NFIP policies purchased or renewed since June 1997, which can help offset home and business owners' costs when the property is in a high-risk flood zone.
- *When people neglect to buy flood insurance, everyone pays more for federal and state disaster assistance.*

