



FEMA

Fact Sheet

Federal Insurance and Mitigation Administration

National Flood Insurance Program Fact Sheet

The National Flood Insurance Program (NFIP) was established with the passage of the National Flood Insurance Act of 1968. The NFIP is a federal program enabling property owners in participating communities to purchase flood insurance as protection against flood losses, while requiring state and local governments to enforce floodplain management ordinances that aim to reduce future flood damage. More than 22,100 communities in the U.S. participating in the NFIP and more than 5.1 million NFIP policies in force, providing \$1.25 trillion of content and building coverage.

Financial Protection Against Flood Loss

Floods are the most common and costly natural disaster in the United States. Fortunately, property owners who live in communities participating in the NFIP can purchase affordable protection to insure against flood losses. Since 1978, the NFIP has paid nearly \$52.5 billion dollars in flood insurance claims that have helped hundreds of thousands of families and businesses recover from flood events.

To participate in the NFIP, a community must adopt and enforce floodplain management ordinances that meet or exceed the minimum requirements of the Program. These requirements are intended to prevent loss of life, loss of property, reduce taxpayer costs for disaster relief, as well as minimize economic and social hardships that result from flooding. The specific requirements that a community must adopt depend on the type of flood hazard faced by the community.

The NFIP has an arrangement with private insurance companies to sell and service flood insurance policies. See a list of those companies at: http://www.fema.gov/who_company.



Andrea Booher/FEMA Photo

Myths and Misconceptions

A common misconception is that homeowners' policies cover flood damage. In fact, most homeowner and business multi-peril policies do not cover flooding. In addition, federal disaster assistance will not always pay for flood damage. The President must declare a major disaster before most forms of federal disaster assistance can be offered and most forms of disaster assistance are loans that must be repaid with interest. In 2016, the average flood policy costs about \$700 a year and the average total paid claim has been more than \$31,000.

Everyone Needs Flood Insurance

While flood insurance is not mandatory for homeowners outside of a high-risk area, anyone can be financially vulnerable to floods. People outside of high-risk areas file more than 20 percent of NFIP claims and receive one-third of disaster assistance for flooding. Residential and commercial property owners who are not located in high-risk areas should ask their agents if they are eligible for the Preferred Risk Policy, which provides affordable flood insurance protection, starting as low as \$137 a year in 2016.

Flood Insurance Requirements

Residents and business owners who own property in high-risk areas (sometimes referred to as Special Flood Hazard Areas [SFHAs]) are required to purchase flood insurance if they have a mortgage from a federally regulated or insured lender. They also must carry the insurance for the life of the mortgage. Residents and business owners with a mortgage on a building outside high-risk areas can also purchase flood insurance and may be eligible for lower-cost Preferred Risk Policies.

Waiting Period

In general, a policy does not take effect until 30 days after the purchase of flood insurance. However, if a policy is purchased in connection with making, increasing, extending, or renewing a loan there is no waiting period and only a one day waiting period if purchase is related to the revision or update of a Flood Insurance Rate Map (FIRM) within 13 months of the new FIRM's effective date.

What Is Not Covered by Flood Insurance

Physical damage to a building or personal possessions that are directly caused by a flood are generally covered by flood insurance. For example, damage caused by a sewer backup is covered if the backup is a direct result of flooding. However, if the backup is caused by some other problem, the damage is not covered.

The Flood Insurance Program is Evolving

The NFIP is focusing making America truly “Flood Smart.” The NFIP is a comprehensive program that encourages property owners to seriously consider their risks and ways they can lessen those risks—and flood insurance is obviously a key component.

Purchasing flood insurance is still the most powerful action survivors can take to mitigate the financial risk of flood before and recover after a flood event. Flood insurance is both a mitigation and recovery tool. This means customers need to understand how flood insurance works, the value of the product, and be able to navigate processes—like the claims process.

In addition to building trust with policyholders, improving communication and making processes simpler to understand and navigate, the NFIP is also focusing on its commitment to strengthening partnerships and engagements with communities. Historically, with things like Climate Change occurring, and population movements into flood-prone areas, floodplain management

has never been more important. Communities must make excellent decisions that will help them reduce damage from future flood events and the NFIP is supporting them in new, innovative ways.

For Additional Information

For additional information about the NFIP or the FloodSmart campaign, visit: [FloodSmart.gov](https://www.floodsmart.gov) or [FEMA.gov](https://www.fema.gov).

DATOS RÁPIDOS SOBRE LAS INUNDACIONES Y LOS SEGUROS DE INUNDACIÓN

El Programa del Seguro Nacional de Inundación (NFIP) de FEMA tiene como objetivo construir comunidades seguras frente a las inundaciones y reducir los daños futuros causados por éstas, proporcionando a las personas un seguro de inundación a través del programa federal y de las compañías de seguros privadas.



CONCEPTOS ERRÓNEOS COMUNES

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Tengo que comparar precios para conseguir la mejor tarifa del seguro de inundación.

LA VERDAD:

Las primas de los seguros de inundación de NFIP serán las mismas, siempre y cuando se proporcione a cada compañía la misma información de calificación. Sin embargo, las primas de las pólizas de seguro de inundación que no son de NFIP pueden variar.

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Comprar un seguro de inundación por adelantado no es necesario. Estaré cubierto si lo compro el día antes de que llegue un huracán.

LA VERDAD:

Las pólizas de NFIP suelen tener un periodo de espera de 30 días tras la compra antes de que entren en vigor. Una excepción es si la póliza se adquiere como requisito de un acreedor.

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No necesito un seguro de inundación, puedo obtener solamente la asistencia por desastre.

LA VERDAD:

La asistencia por desastre solo está disponible después de una declaración presidencial de desastre, y usualmente proviene en forma de préstamo que debe ser pagado con intereses. Puede tener derecho a la asistencia individual, pero normalmente solo se cubre lo básico, como la comida, el agua y la vivienda.

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Como no vivo en una zona de inundación, no necesito un seguro de inundación.

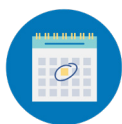
LA VERDAD:

Su zona de inundación no es el único factor que determina su riesgo de inundación. Muchos otros factores, como las construcciones recientes, los incendios, la rotura de una presa o la sobresaturación del terreno, pueden provocar inundaciones. En promedio, el 40% de las reclamaciones al NFIP proceden de fuera de las zonas de alto riesgo de inundación.

¿SABÍA USTED?



Las inundaciones son el desastre natural más común y costoso en el país.



El pago de la prima de su póliza de NFIP suele ser anual, no mensual.



NFIP puede reembolsarle los gastos de preparación para una tormenta.



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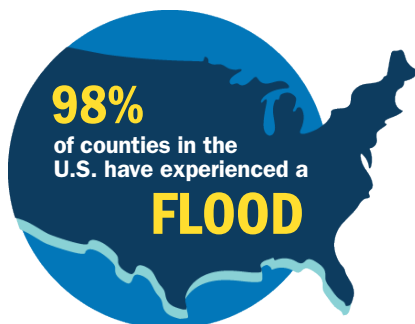


Comuníquese con un agente para saber más sobre las ventajas del seguro de inundación y ver cómo puede ayudarlo a proteger la vida que ha construido. Para encontrar un proveedor de seguro de inundación, utilice nuestra herramienta en línea en [FloodSmart.gov/es/encuentre](https://www.floodsmart.gov/es/encuentre) o llame al (877) 336-2627.

Enero de 2022

FAST FACTS ON FLOODS & FLOOD INSURANCE

FEMA's National Flood Insurance Program (NFIP) aims to build flood-safe communities and reduce future flood damage by providing people with flood insurance through the federal program and private insurance companies.



COMMON MISCONCEPTIONS

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I have to shop around to get the best flood insurance rate.

TRUTH:

NFIP flood insurance premiums will be the same, as long as each company is provided with identical rating information. However, non-NFIP flood insurance policy premiums may vary.

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Buying flood insurance in advance isn't necessary. I'll be covered if I buy it the day before a hurricane hits.

TRUTH:

NFIP policies generally have a 30-day waiting period after purchase before they take effect. One exception is if the policy is purchased as a requirement from a lender.

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I don't need flood insurance, I can just get disaster assistance.

TRUTH:

Disaster assistance is only available after a presidential disaster declaration, and typically comes in the form of a loan that must be repaid with interest. You may be entitled to Individual Assistance but usually only basics like food, water, and housing are covered.

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Since I don't live in a flood zone, I don't need flood insurance.

TRUTH:

Your flood zone is not the only factor that determines your flood risk. Many other factors, such as recent construction, fires, a breached dam, or oversaturated land, can lead to flooding. On average, 40% of NFIP claims come from outside high-risk flood zones.

DID YOU KNOW?



Floods are the nation's most common and costly natural disaster.



Your NFIP policy premium payment is typically due annually, not monthly.



The NFIP may reimburse you for expenses to help prepare for a storm.



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Contact an agent to learn more about the benefits of flood insurance and see how it can help protect the life you've built. To find a flood insurance provider, use our online tool at [FloodSmart.gov/flood-insurance/providers](https://www.floodsmart.gov/flood-insurance/providers) or call (877) 336-2627.

What Does Flood Insurance Cover in a Basement?

After a flood event, you may not be sure what is included by flood insurance as it pertains to basements. Basement coverage through FEMA's National Flood Insurance Program (NFIP) is limited.

Basement Classification

The NFIP [defines a basement](#) as any area of a building with a floor that is below ground level on all sides. Rooms that are not fully below ground level (such as sunken living rooms, crawlspaces, and the lower-levels of split-level buildings) may still be considered basements because the lowest floor is below ground on all sides.

Building Coverage in a Basement

Basement coverage under the Standard Flood Insurance Policy (SFIP) consists of specific building items in a basement and cleanup. Items must be connected to a power source, where appropriate, and/or installed in their functioning location. Cleanup expenses can include pumping out trapped floodwater, labor to remove or extract spent cleaning solutions, treatment for mold and mildew, and structural drying of salvageable interior foundation elements. Review your flood insurance policy for a comprehensive list of covered items and expenses.

Examples of covered items include:

- Central air conditioners
- Fuel tanks and the fuel in them
- Furnaces and water heaters
- Sump pumps, heat pumps, and well water tanks and pumps
- Electrical outlets and switches
- Elevators, dumbwaiters, and related equipment
- Drywall that is unfinished and un-taped for walls and ceilings
- Electrical junction and circuit breaker boxes
- Stairways and staircases attached to the building
- **Foundation elements** and anchorage systems required to support a building



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Before a flood event, be sure to document the manufacturer, model, and serial number as well as capacity on building equipment such as furnaces, central air conditioning units, and appliances such as freezers, washers, and dryers in a basement. The NFIP requires that the adjuster provide this information during the claims process.

Contents Coverage in a Basement (if purchased separately)

Contents coverage is optional coverage for the property that must be purchased separately. Flood insurance policies cover direct physical loss by or from flood to personal property inside a building at the described location, if: the property is owned by you or your household family members; and, at your option, the property is owned by guests or servants. If covered items are stored in a basement, meaning they are not connected to a power source, they are not covered.

Covered items, provided they are connected to a power source, include:

- Clothes washers and dryers
- Air conditioning units, portable or window type
- Food freezers and the food in them (excluding walk-in freezers)

Coverage Exclusions

Items not specifically listed in your flood insurance policy are not covered. Additionally, SFIPs do not pay for removal of non-covered building or personal property items, even if the removal of these items facilitates cleanup of covered building repairs, such as the removal of carpet installed inside a basement. Refer to your policy for specific language as it pertains to basement exclusions.

Examples of excluded items include:

- Personal property (such as couches, computers, or televisions)
- Basement improvements (such as finished flooring, finished walls, bathroom fixtures, and other built-ins)
- Generators and similar items
- Dehumidifiers that are not integral to the heating and air conditioning system

Related Resources

- [Coming Home After a Flood](#)
- [Basement Coverage Infographic](#)
- [How To File a Flood Insurance Claim](#)
- [Standard Flood Insurance Policy](#)

To learn more about your flood insurance coverage, speak with your insurance agent or visit [FloodSmart.gov](https://www.floodsmart.gov).