

Everyone Needs Flood Insurance

Floods can happen anywhere—even in areas with low-to-moderate flood risk. Learn more about your property's flood risk and talk to your insurance agent about a National Flood Insurance Program (NFIP) policy today.

Why You Should Buy Flood Insurance

Flooding and cyclone events (e.g., hurricanes) are the most common and costly disasters in the United States, causing billions of dollars in damage each year. With an NFIP flood insurance policy, you can recover faster and more fully after a disaster. Coverage is crucial because:

- Ninety-nine percent of U.S. counties have experienced a flood since 1998, and over 40% of flood insurance claims come from outside high-risk flood areas.
- Just one inch of water can cause roughly \$25,000 of damage to your property.
- Most homeowners and renters insurance policies do not cover flood damage—only flood insurance can financially protect your building and contents from a flood event.
- Unexpected flood events—such as ponding or sewer backup—can happen in communities far from waterways due to new land use or community development.

You may buy an NFIP flood insurance policy for your property if you live in a participating community. Check your community's status at fema.gov/community-status-book.

What You Need to Know About Disaster Assistance

In the event of a presidential disaster declaration, you may be able to receive federal disaster assistance. Most of this aid comes from low-interest disaster loans from the U.S. Small Business Administration (SBA) that must be repaid with interest or as grants from FEMA.

Having your own flood insurance policy may provide significantly more funds for recovery than federal disaster assistance. Between 2016 and 2022, the average FEMA disaster assistance grant award was \$3,000. In the same period, the NFIP paid an average claim amount of more than \$66,000. In some cases, policyholders may be eligible to couple their flood insurance claims with federal disaster assistance.

It's important to know that not all flood events receive a presidentially declared disaster designation. However, an NFIP policy may provide financial benefits after any flooding event.



FEMA

How to Buy Flood Insurance

If your property is in an NFIP participating community, you should inquire about purchasing flood insurance. Be sure to purchase flood insurance as early as possible to prepare for emergencies, as there is typically a 30-day waiting period between the purchase of a policy and when it becomes effective.

Your homeowners or renters insurance agent should be able to sell you a flood insurance policy. Since the NFIP works with over 50 private insurance companies, the price of a policy will be the same across all companies and representatives if they have been provided with identical rating information. You can also find a flood insurance agent by visiting floodsmart.gov/find or by contacting FEMA Mapping and Insurance eXchange (FMIX) Customer Care Center. For additional assistance, chat live with a specialist from 9 a.m. to 5 p.m. ET Monday-Friday at floodmaps.fema.gov/fhm/fmx_main.html, email FEMA-FMIX@fema.dhs.gov or call 877-336-2627.

Questions to Ask Your Insurance Agent

Use the following questions as guides when discussing flood insurance with your agent:

- What is my property's flood risk?
- Is flood insurance mandatory for my property?
- Will my mortgage lender require flood insurance?
- What flood damage will and won't be covered by my homeowners insurance policy?
- What is the difference between a private flood insurance policy and an NFIP flood insurance policy?
- Does my community participate in the NFIP's Community Rating System (CRS)?
 - Learn more about CRS by visiting fema.gov/community-rating-system.
- How much coverage should I purchase for my building and contents? When will my policy become effective?
- What is the term or length of my policy, and how do I pay for or renew it?
- Will my policy provide coverage based on Replacement Cost Value (RCV) or Actual Cash Value (ACV)? How are the two different?
 - Review page 7 of the NFIP Summary of Coverage at agents.floodsmart.gov/nfip-summary-of-coverage for more information on RCV and ACV.

Resources

- NFIP Why Do I Need Flood Insurance? Brochure
 - Understand the importance of flood insurance and reference answers to common questions at agents.floodsmart.gov/you-need-flood-insurance.
- NFIP Protect the Life You've Built Brochure
 - Learn more about flood risk, flood insurance policy coverage, how to purchase flood insurance and more at agents.floodsmart.gov/protect-the-life-youve-built.