

NATIONAL FLOOD INSURANCE PROGRAM

MYTHS VERSUS FACTS

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FACT ✓

Flood insurance is not needed because homeowners, commercial property and renters insurance policies cover flooding.

Unfortunately, most property insurance policies do not cover flood damage. In most cases, flood insurance must be purchased separately to cover damage directly caused by a flood.

Flood insurance is available only to homeowners.

Renters and business owners can also get flood insurance. Flood insurance is available for homes, rental properties, non-residential buildings and commercial structures to cover lost or damaged personal property.

Flood insurance cannot be purchased if the property has previously flooded.

In most cases, flood insurance is still available to purchase, provided the community participates in the NFIP.

Flood insurance must be purchased through the NFIP directly.

Flood insurance is delivered to the public via NFIP Direct or through a network of approximately 40 private insurance companies under the WYO Program. These are the same companies that sell and service home or auto insurance policies. For help finding a provider, visit floodsmart.gov/find or call the FMIX Customer Care Center at **877-336-2627**.

Flood insurance policies are effective immediately upon purchase.

NFIP policies typically take 30 days to go into effect from the time of purchase. If a policy is purchased immediately before or after a flood event, it is unlikely that the policy will cover damage from the flood. There are a few exceptions to this rule which are outlined at floodsmart.gov/policy-terms. Consumers can also learn more by talking to an insurance agent.

Flood insurance policies automatically renew.

Flood insurance policies **do not renew automatically**. They must be renewed by the policyholder annually. Avoid a lapse in coverage and the 30-day waiting period by renewing your policy in advance of the expiration.

Flood insurance covers damages to cars.

Flood insurance policies insure the covered building and contents within a building but not damage to a car. For the broadest possible coverage, confirm that the policyholder's auto insurance covers flood damage.

Flood insurance does not cover damage to basements.

The NFIP covers some damage to basements and certain items in a basement caused by flooding, but coverage is limited. Basement coverage under an NFIP policy includes certain building materials, cleanup expenses and items used to service the building. Personal property coverage (contents coverage) is limited to washers and dryers, air conditioning units (portable or window type), food freezers and the food in them. The policy does not cover other contents in a finished basement or improvements such as finished walls, ceilings, floors, built-in fixtures or cabinets. Policyholders should refer to their policy for more information on basement coverage limitations.

All water damage to a home is covered under the NFIP.

NFIP policies cover water that accumulates on normally dry land, whether from rain, storm surge or the overflow of a body of water. Water that backs up through sewers or drains, discharges or overflows from a sump pump or seeps through the insured property is covered **only when caused by a flood** as defined by the NFIP.

MYTH

Flood insurance is unnecessary because survivors can apply for and receive federal disaster assistance.

Federal disaster assistance (FEMA Individual Assistance) will be denied if a policyholder has homeowners, commercial property, renters or flood insurance.

If a property is located in a low-risk flood zone or an area that has not previously flooded, flood insurance is not needed. Only properties in high-risk flood zones need flood insurance coverage.

FACT

Disaster assistance is not a substitute for flood insurance. FEMA's Individual Assistance (IA) typically provides limited compensation and is available **only when a disaster is formally declared by the president**. IA payments are intended to meet survivors' basic needs and supplement other disaster recovery efforts. A lack of adequate insurance coverage may result in survivors paying out of pocket or taking out loans to fully repair or replace their property.

Another type of federal disaster assistance is a U.S. Small Business Administration (SBA) low-interest loan. Unlike claim payments for flood insurance, SBA loans must be repaid with interest.

If you are uninsured and receive federal disaster assistance after a flood, you may be required to purchase flood insurance and maintain coverage without a lapse to remain eligible for future disaster relief. Learn about the differences between flood insurance and disaster assistance at agents.floodsmart.gov/financial-recovery-flooding.

Anyone impacted by a disaster is eligible to apply for federal disaster assistance even if they have flood insurance. Policyholders should start a claim with their insurance provider as soon as possible, even if they plan to apply for IA. A claim does not have to be started prior to applying for FEMA disaster assistance. However, a flood insurance settlement or denial must be provided to FEMA to check that there is no duplication of benefits before being considered for certain types of assistance. Having the right insurance coverage—including flood, homeowners, commercial property or renters insurance—is the best way to ensure you can restore your property to its pre-disaster condition. Learn more about federal disaster assistance at agents.floodsmart.gov/disaster-assistance-flood-insurance-requirement.

A property's flood zone is not the only factor that determines flood risk. Factors such as recent construction, oversaturated land, wildfires or a breached dam can lead to flooding.

