



NATIONAL FLOOD INSURANCE PROGRAM

Bureau and Statistical Agent

W-03016

MEMORANDUM TO: Write Your Own (WYO) Principal Coordinators and the NFIP Servicing Agent

FROM: WYO Clearinghouse

DATE: March 17, 2003

SUBJECT: FEMA News Release 03-051

Attached is a news release from FEMA encouraging property owners to purchase flood insurance before the spring snowmelt, especially in the northeastern states that were hit hard by snow this winter.

Please distribute this within your organization as appropriate.

cc: Vendors, IBHS, FIPNC, WYO Marketing Committee, Government Technical Representative

Suggested Routing: Marketing, Underwriting



Federal Emergency Management Agency

NEWS

Office of Public Affairs, Washington, D.C. 20472
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March 3, 2003

NOW A GOOD TIME TO BUY FLOOD INSURANCE, FEMA SAYS

WASHINGTON – With the spring thaw just around the corner, officials of the Federal Emergency Management Agency (FEMA) are encouraging property owners--particularly those in the snow-covered northeastern states--to purchase flood insurance policies now to protect themselves against flood losses.

“Flooding can occur anytime, anywhere, particularly at this time of the year,” said Anthony S. Lowe, administrator of the National Flood Insurance Program (NFIP), “and having flood insurance in place is one of the most important things people can do to help themselves recover from such an event.”

Lowe said the latest biweekly flood threat report on the National Weather Service website (www.nws.noaa.gov/oh/hic/nho/index.shtml) indicates that in addition to recent heavy precipitation in southern New England and the mid-Atlantic states that has raised snowmelt flood potential, the extremely cold winter in these areas has caused significant ice formation on rivers that may lead to increased spring flooding.

Lowe warned that flood damage is **not** covered by homeowner’s or business insurance policies. “This coverage must be purchased separately,” he said, “and people need to keep in mind that there is a 30-day waiting period before a new flood insurance policy becomes effective. They must take steps to protect themselves well before the water starts to rise.”

The NFIP, administered by FEMA’s Mitigation Division, makes federally backed flood insurance available to homeowners, renters and business owners in communities that adopt and enforce floodplain management ordinances to reduce future flood losses. Currently, more than 4.4 million policies are in force in nearly 20,000 participating communities, representing more than \$634 billion worth of coverage. The NFIP is self-supporting; claims and operating expenses are paid from policyholder premiums, not tax dollars.

NFIP Administrator Lowe said flood insurance can be purchased through most insurance companies and licensed property and casualty insurance agents.

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FLOOD INSURANCE – Add ONE

“FEMA sets the rates, so the premium will be the same for a particular property regardless which agent or company writes the policy,” Lowe said. Currently, the average annual premium is \$396, and the average coverage amount is \$143,927.

Lowe said the maximum coverage amounts available for a single-family home are \$250,000 for the structure and \$100,000 for its contents. Maximum coverages for businesses are \$500,000 for the building and \$500,000 for contents. Renters can also purchase up to \$100,000 of contents coverage for their belongings.

Lowe pointed out that flood insurance provides more complete protection for flood victims than does federal disaster assistance, which is quite limited and is available only if the President issues a major disaster declaration. In addition, federal disaster assistance is often in the form of a loan that must be repaid, with interest.

“Flood insurance is a much better deal, both for the flood victims and for the taxpayers at large,” he said. “As more and more people assume responsibility for their own protection by purchasing flood insurance, fewer will need the federal government to bail them out after a flood.”