



**FEMA**

W-08055a

August 25, 2008

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

FROM: WYO Clearinghouse

SUBJECT: Federal Insurance Administrator Letter in *USA Today*

Attached is an open letter to all Americans from David L. Maurstad, the Federal Insurance Administrator, which was published in the August 25 edition, Main News section of *USA Today* newspaper. This represents the first action stated in WYO Clearinghouse Bulletin W-08051 (August 18, 2008) for communicating to the NFIP stakeholders and consumers the critical need for all homeowners, renters and businesses to be insured against flood damage.

Please support the Federal Insurance Administrator in increasing public awareness of this important information.

Attachment

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Claims, Marketing, Underwriting

# Protecting our homes and businesses against flooding is critical.

August 25, 2008



## An open letter to all Americans:

Again this year, thousands of people have experienced the terrible consequences of flooding. Those in the Midwest and the South have been hit particularly hard recently. Some have suffered the total loss of their homes to floodwaters. Others are still dealing with the difficult and costly work of making their homes livable again.

Time and time again, we see too many Americans shoulder these burdens without the cushion of flood insurance. And when the next flood strikes, many others could find themselves in the same position. **It does not have to be this way.**

As Federal Insurance Administrator, I want you to know that you have options for protecting your home and business against flooding. **The best way to decrease financial burdens from flood losses is with flood insurance.** Flood insurance is available for most homeowners, renters and businesses, covering buildings and their contents. Please, take a moment now to consider the facts about flood risks and insurance.

**1. Homeowners insurance does not cover flooding.** A separate flood insurance policy is typically the only way to protect against flood losses.

**2. In high-risk areas,\* there's a reason why flood insurance is required.** By law, most mortgage lenders require flood insurance in these areas because there is a significant risk that you will be flooded. Even if your mortgage is paid off and flood insurance is no longer required by your lender, you can still purchase flood insurance.

\*For insurance purposes, a high-risk area is defined as an area with at least a one-in-100, or 1 percent, chance of being flooded in any given year. If your community participates in the National Flood Insurance Program (most do), the entire community is eligible to purchase flood insurance, inside and outside of high-risk areas. Underwriting restrictions apply in certain limited circumstances.

**3. Flood insurance is also available if you live outside a high-risk area, and at lower cost.** Floods occur in lower-risk areas, too. A quarter of all flood insurance claims come from lower-risk areas where flood insurance is not required. "Not required" doesn't mean "not needed." Flood insurance is a good idea whether or not a lender requests it.

**4. If you live near a levee, you can, and should, purchase flood insurance.** Many levees and flood control structures were resilient during recent floods. But levees can fail or overtop, and, as we've seen, with disastrous consequences.

**5. Flood insurance can be purchased through most leading insurance companies.** Rates are federally set and will not differ from company to company. For more information or help in finding an agent near you, please visit the National Flood Insurance Program (NFIP) website, **[www.FloodSmart.gov](http://www.FloodSmart.gov)**.

**The fact is, floods do not have to be a financial disaster.** We don't know when the next flood will occur. But they have happened recently—and they will happen again. Taking steps now to cover your building and contents with flood insurance can make a world of difference for your property, your savings and your future.

**Please consider the risk. Consider the consequences. Talk with your insurance agent. Make the choice to protect your greatest investment.**

A handwritten signature in dark ink, reading "David I. Maurstad".

David I. Maurstad  
Federal Insurance Administrator  
National Flood Insurance Program  
Mitigation Directorate, Federal Emergency Management Agency  
Department of Homeland Security  
Washington, D.C.



**FEMA**

For more information about flood insurance, call 888-724-6973.