

NATIONAL FLOOD INSURANCE PROGRAM

Why Do I Need Flood Insurance?

INTRODUCTION TO FLOOD INSURANCE

What Is a Flood?

Most properties are vulnerable to flooding, even if they aren't located near water. From the years 2013 to 2023, one-third of National Flood Insurance Program (NFIP) claims came from areas located outside of current high-risk flood areas. That's why it's important to protect the life you've built with flood insurance, even if you live in an area with low-to-moderate flooding risk.

The official definition of a flood used by the NFIP is:

1. "A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is your property) from:
 - a. Overflow of inland or tidal waters;
 - b. Unusual and rapid accumulation or runoff of surface waters from any source;
 - c. Mudflow.*
2. Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above."

**Mudflow is defined as "A river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water. Other earth movements such as landslide, slope failure, or a saturated soil mass moving by liquidity down a slope, are not mudflows."*

Why Purchase Flood Insurance?

Unfortunately, many property owners don't find out that their homeowners insurance policy doesn't cover flooding until it's too late. The NFIP offers a separate policy that protects your single most important financial asset—your home or business.

Did you know?

The federal government requires that homes located in a special flood hazard area (SFHA) be protected by flood insurance if they are classified as a security for loans backed by a federally regulated lender. Lenders must notify borrowers of this requirement prior to closing, if their property is in one of these areas. Visit the Map Service Center at msc.fema.gov to learn more about your flood zone.

NFIP POLICY DETAILS

NFIP Building Coverage

The following items are a sample of those covered under building coverage:

- The building and its foundation;
- Carpet permanently installed over unfinished flooring;
- Central air-conditioners;
- Electrical systems;
- Furnaces and radiators;
- Ranges, cooking stoves and ovens;
- Refrigerators; and
- Window blinds.

For a complete list, see your policy or contact your insurance agent.

NFIP Contents Coverage

Whether you rent or own, make sure to ask your flood insurance agent about coverage to protect your personal property. It can be purchased separately, whether in addition to building coverage or by itself.

Contents coverage usually covers items like:

- Personal belongings such as clothing, furniture and electronic equipment;
- Carpets;
- Washers and dryers;
- Food freezers and the food in them; and
- Portable microwave ovens and dishwashers.

If you are a tenant and made improvements at your own expense, they are covered up to 10% of the limit of liability.

For a full list of coverages, see your policy or contact your insurance agent.

NFIP Coverage Limits

You can purchase flood insurance up to the maximum amount of insurance available for the following property types:

Property Type	Building Coverage	Contents Coverage
Single-Family Home	\$250,000	\$100,000
Residential Mobile/Manufactured Home	\$250,000	\$100,000
Residential Condominium Unit in a Residential Building	\$250,000	\$100,000
Rented Residence (e.g. apartment unit, rented single-family, etc.)	N/A	\$100,000
Non-Residential Buildings (e.g. office, retail space, hotel, condominium, etc.)	\$500,000	\$500,000
Other Non-Residential Buildings (e.g. house of worship, garage, school, clubhouse)	\$500,000	\$500,000

Flood Insurance Versus Disaster Assistance

In the event of a flood, disaster assistance may be limited or unavailable. Federal disaster assistance is available only if the president declares a disaster. However, your home is covered by flood insurance even if a federal disaster is not declared.

Federal disaster assistance comes in two forms: a U.S. Small Business Administration (SBA) loan and financial or direct assistance from FEMA. The loan must be repaid with interest, and FEMA assistance is not intended to compensate for all losses caused by a flooding event or serve as a substitute for insurance. Both options have strict eligibility requirements based on individual need, and many disaster survivors may not qualify. By comparison, flood insurance claims do not have to be repaid and have averaged \$52,000 from 2019 to 2023.

For more information, visit fema.gov/assistance or agents.floodsmart.gov/financial-recovery-flooding.

WHEN TO PURCHASE

You can buy flood insurance at any time.

There is usually a 30-day waiting period before the policy goes into effect, with some exceptions.

- If you initially purchased flood insurance while securing, adjusting or renewing a loan for your property, there is no waiting period. Coverage goes into effect when the loan is closed.
- If you live in an area newly affected by a flood map change, review your options with your insurance agent.
- Additionally, the 30-day waiting period may not apply if your property experiences flood damage caused by wildfire in your community. Learn more at floodsmart.gov/policy-terms.

Keeping these exceptions in mind, plan ahead so you are not caught without insurance. NFIP policies don't cover losses caused by a flood that occurred prior to the policy becoming effective. In addition, you cannot increase your insurance coverage once a flood has begun.

Start your coverage as soon as possible—get a quote today by contacting your insurer or call FEMA Mapping and Insurance eXchange (FMIX) at (877) 336-2627 for assistance.

ADDITIONAL GUIDANCE AND CONTACT INFORMATION

The NFIP has valuable resources that can help you understand flood insurance coverage and get you connected to the information you need.

To find a flood insurance provider, use our online tool at floodsmart.gov/find.

Visit our Flood Insurance Advocate page at fema.gov/flood-insurance/advocate to learn more about fair treatment of policyholders and property owners.

To learn more about recovery after a flooding disaster, visit fema.gov/assistance/individual or review the Recovering Financially After a Flood booklet at agents.floodsmart.gov/financial-recovery-flooding.

At msc.fema.gov/fmix, we have Customer Care Center specialists to help you with questions about flood mapping and insurance. You can contact FEMA Mapping and Insurance eXchange (FMIX) directly at FEMA-FMIX@fema.dhs.gov or by calling (877) 336-2627.

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Congress created the National Flood Insurance Program (NFIP) in 1968 to reduce future flood damage through floodplain management, and to provide people with flood insurance through individual agents and insurance companies. FEMA manages the NFIP. For more information about NFIP flood insurance, call (800) 621-3362.

If you use a relay service, such as video relay service (VRS), captioned telephone service or others, give FEMA the number for that service.

For the most up-to-date version of this resource, please visit agents.floodsmart.gov/you-need-flood-insurance.

To download the designed version of this resource, [click here](#).

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