

Published 8/8/2009

What Homeowners Need to Know About National Flood Insurance!

How Homeowners Can Navigate Choppy Waters With Ease!

The purpose of flood insurance is to protect property owners and renters against losses from floods—losses that a typical homeowner's policy does not cover. Whether you have a condo or a house, whether you're a builder or a renter, here's information to help you know who is eligible for this insurance, where to obtain it, and how the program works.

Flood insurance is available only in communities that participate in the National Flood Insurance Program (NFIP), a program of the Federal Emergency Management Agency (FEMA).

Homeowners, builders, and communities want to preserve and protect their property. What measures exist to help them?

Why Have Flood Insurance?

You may not think you live near enough to water to be at risk, but dams and levees do break, drainage systems can become overloaded and back up, and hurricanes can veer off path.

Protecting your home and belongings with flood insurance is far less costly than cleaning up after the fact. Nor can you depend upon Presidential Disaster Declaration aid. Even if such a declaration is made for your area, it can be a long time before the money arrives.

The National Flood Insurance Program

Over time, the US government realized that the measures in place to discourage unwise land development or to decrease losses from floods simply didn't work. Therefore, in 1968, Congress established the National Flood Insurance Program to protect property owners against the possibility of loss.

How Does It Work?

A community must agree to adopt and enforce a floodplain management ordinance that is designed to reduce future flood risks in Special Flood Hazard Areas (SFHAs). When a community follows or agrees to follow these laws, the federal government will make flood insurance available to every property owner in that community.

Each property owner must then follow all of FEMA's and NFIP's requirements whether or not he or she purchases flood insurance. One of the requirements is properly installed flood vents in enclosures and crawlspaces below elevated buildings in flood zones "A".

How Do You Define Community?

A community is any State, area, or political subdivision (county, borough, parish, city, town, village or township); any Indian tribe, authorized tribal organization, or Alaska native village; or authorized native organization with the authority to adopt and enforce floodplain management ordinance for the area under its jurisdiction.

Community participation in the NFIP is voluntary, although some states require participation as part of their floodplain management program. Each community in an identified flood-prone area must assess its flood hazard and determine whether flood insurance and floodplain management would benefit its residents and economy.

How are Flood Hazard Areas Determined?

The Federal Emergency Management Agency (FEMA) produces maps that identify various flood hazard areas, such as the Special Flood Hazard Area (SFHA), a high-risk area that stands a 1% chance of occurring in any year. The government believes that this high-risk standard is a reasonable compromise between the need for floodplain development and the need for building restrictions aimed at minimizing loss of life and property.

Development can take place in the SFHA as long as it complies with local floodplain management ordinances that meet the minimum federal requirements.

What Kind of Requirements Are There?

When a community participates in the National Flood Insurance Program, every property owner in that community has to follow all of the requirements as set out in its floodplain management ordinance. That's true whether or not the property owner buys flood insurance. These code requirements include but aren't limited to foundation openings (also called "flood vents") and first floor elevation height requirements.

What Types of Structures Can Be Insured?

If you are in a community that participates in the NFIP, nearly every type of walled and roofed building that is mostly above-ground and not entirely over water can be insured. This includes mobile homes and travel trailers without wheels that are anchored to permanent foundations. Separate coverage is available for the contents of these buildings.

What isn't insurable under the NFIP?

Buildings entirely over water or principally below ground, gas and liquid storage tanks, animals, birds, fish, aircraft, wharves, piers, bulkheads, growing crops, shrubbery, land, livestock, roads, machinery, motor vehicles, equipment in the open. Most contents and finishing materials located in a basement or in enclosures below the lowest elevated floor of an elevated building are not covered.

How To Find Out If You Can Buy Flood Insurance

Property owners and renters can see if their community participates in the NFIP by contacting a community official or insurance agent or by visiting <http://www.fema.gov/fema/csb>.

How to Obtain A Flood Insurance Policy

If your local insurance agent does not sell flood insurance, call the NFIP at 1-888-379-9531 or visit www.floodsmart.gov.

How Much Flood Insurance Coverage Is Available?

The NFIP Flood Insurance Manual provides coverage limits under the Residential Condominium Building Association Policy. Under its regular program, property owners can buy up to \$250,000 per single-family dwelling or other residential building and up to \$500,000 for a non-residential building.

Coverage is available up to \$100,000 for residential building contents and up to \$500,000 for non-residential contents.

When To Buy Flood Insurance?

There is typically a 30-day waiting period for flood insurance to go into effect. Remember that hurricane season is flood season, so obtain your insurance well ahead of time.

Tips to Remember

- 1 - Everyone lives in a flood zone.
- 2 - Most homeowners' policies don't cover flood damage.
- 3 - No matter what your flood risk is, you can buy flood insurance if your community participates in the NFIP.
- 4 - Don't wait for federal disaster assistance to help you.
- 5 - Keep your home compliant with federal regulations.
- 6 - There's usually a 30-day waiting period before your policy takes effect.
- 7 - Buy a separate policy to protect your contents.

This article is not intended to be a substitute for FEMA's comprehensive guidelines. For more information, visit FEMA.gov.

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