National Flood Insurance Program

Myths and Facts about the National Flood Insurance Program

F-002

MYTH:
The NFIP encourages coastal development.

FACT:
One of the NFIP's primary objectives is to guide development away from high-flood risk areas. NFIP regulations minimize the impact of structures that are built in SFHAs by requiring them not to cause obstructions to the natural flow of floodwaters. Also, as a condition of community participation in the NFIP, those structures built within SFHAs must adhere to strict floodplain management regulations enforced by the community. In addition, the Coastal Barrier Resources Act (CBRA) of 1982 relies on the NFIP to discourage building in fragile coastal areas by prohibiting the sale of flood insurance in designated CBRA areas. While the NFIP does not prohibit property owners from building in these areas, any Federal financial assistance, including federally backed flood insurance, is prohibited. However, the CBRA does not prohibit privately financed development or insurance.

MYTH:
Federal disaster assistance will pay for flood damage.

FACT:
Before a community is eligible for disaster assistance, it must be declared a federal disaster area. Federal disaster assistance declarations are issued in less than 50 percent of flooding events. The premium for an NFIP policy, averaging a little over $500 a year, can be less expensive than the monthly payments on a federal disaster loan. Furthermore, if you are uninsured and receive federal disaster assistance after a flood, you must purchase flood insurance to remain eligible for future disaster relief.

MYTH:
The NFIP does not cover flooding resulting from hurricanes or the overflow of rivers or tidal waters.

FACT:
The NFIP defines covered flooding as a general and temporary condition during which the surface of normally dry land is partially or completely inundated. Two or more acres must be affected. Flooding can be caused by:

- Overflow of inland or tidal waters,
- Unusual and rapid accumulation or runoff of surface waters from any source, such as heavy rainfall,
- Overtopping of堤防 or dikes, or many sources,
- Subsidence of land along the shore of a natural body of water, or
- General or a combination of these sources.

In addition, the Coastal Barrier Resources Act (CBRA) of 1982 prohibits the sale of flood insurance in designated CBRA areas. The CBRA does not prohibit privately financed development or insurance.

For more information about the NFIP and flood insurance, call 1-800-427-4661 or contact your insurance company or agent. For an agent referral, call 1-888-435-6637. TDD 1-800-427-5593.

http://www.fema.gov/business/nfip
http://www.floodsmart.gov
http://www.fema.gov

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The NFIP recommends both building and contents coverage:

- The building insurance provides flood insurance for all building structures that you own or rent, including homes, businesses, and commercial properties.
- Contents insurance provides protection for the items that are located inside the building, such as personal belongings, furniture, and electronics.

**FACT:** The NFIP offers flood insurance coverage for both building and contents.

### Building Insurance

- **Contents Coverage:** covers up to $250,000 of the building's contents.
- **Building Coverage:** can be purchased separately or combined with contents coverage.

### Contents Insurance

- **Contents Coverage:** can be purchased separately or combined with building coverage.
- **Building Coverage:** can be purchased separately or combined with contents coverage.

### Coverage Options

- **Standard Insurance Policy:** provides basic coverage with a $500,000 limit for the building and a $250,000 limit for the contents.
- **Preferred Risk Policy:** offers more comprehensive coverage with a $500,000 limit for both the building and the contents.

### Coverage Effective Date

- **Immediate Coverage:** is effective immediately after payment of the premium.
- **Waiting Period:** Before coverage becomes effective, there is a 1-day waiting period.

### Benefits of Purchase

- **Protection:** Provides protection for your property from flood damage.
- **Peace of Mind:** Offers financial security in the event of a flood.

### Important Information

- **Insurance Effective Date:** Always verify the effective date in writing, as it can affect your coverage.
- **Claim Handling:** Claims are handled by the NFIP, ensuring prompt and efficient service.

### Additional Tips

- **Regular Inspections:** Regular inspections of your property can help prevent flood damage and improve your insurance coverage.
- **Prepare for a Flood:** Create a flood emergency plan and have an emergency kit ready.

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**FAITH:** You can purchase national flood insurance to protect your property from potential flood damage.

**MYTH:** You can't buy flood insurance if your property is located in a high-flood risk area.

**FACT:** You can purchase flood insurance if your property is located in any area, regardless of flood risk.

**FACT:** The NFIP does not offer any coverage for flood insurance.

**FACT:** National flood insurance can only be purchased through the NFIP directly or through participating insurance agents.

**MYTH:** National flood insurance is only available to homeowners.

**FACT:** National flood insurance is available to homeowners, renters, and commercial property owners.

**MYTH:** Flood insurance is only available to homeowners who live in NFIP participating communities.

**FACT:** Flood insurance is available to homeowners, renters, and commercial property owners in any area, regardless of flood risk.

**MYTH:** You can't buy flood insurance if you are located in a high-flood risk area.

**FACT:** You can buy flood insurance if you are located in a high-flood risk area.

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**FACT:** The NFIP offers flood insurance for commercial properties, including businesses and commercial properties.

**FAITH:** You can buy flood insurance for your business.

**MYTH:** National flood insurance is only available to homeowners.

**FACT:** National flood insurance is available to homeowners, renters, and commercial property owners.

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**FACT:** Flood insurance is available to everyone, regardless of their location.

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