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FACT SHEET

Frequently Asked Questions

Flood Insurance is Important for Homeowners, Renters and Businesses

The flooding that followed Hurricane Matthew in October 2016 damaged more than 60,000 structures in North Carolina. Fewer than 10 percent of the homeowners, business owners and renters of those properties carried National Flood Insurance Program (NFIP) flood insurance. Floods can affect anyone and are the most common and most costly natural disasters in the United States. Without flood insurance, it may be impossible, impractical or too costly for the owners to repair or rebuild after the disaster.

However, there is a way to protect your family and your property: NFIP flood insurance. [...](#)

Why should I get flood insurance?

- Your homeowner's insurance may not cover damage caused by floods. Check with your agent to see whether your policy covers flood damage. Flood insurance is usually written as a separate policy.
- It will help in your recovery if another flood event occurs.
- It helps you plan ahead. As many residents found out during Hurricane Matthew, it can sometimes be impossible to stop the water from invading your property. That is why flood insurance is so important.
- It provides financial protection for your property.
- Flood insurance from the National Flood Insurance Program gives you control. As long as your community participates in the NFIP, as a homeowner or business owner you can get building and contents coverage included in your NFIP policy. Renters can get coverage for contents only.

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Where can I buy flood insurance?

- You can buy flood insurance by contacting your insurance company or agent.
- For an agent referral, call 800-427-4661.

When should I buy a policy?

Right now! [FEMA](#) urges you to buy flood insurance before a flood event occurs. NFIP cannot pay a claim if you don't have a policy in effect when damage occurs. An insurance policy from NFIP becomes effective 30 days after you buy it, unless the purchase is associated with the origination, renewal or extension of a federally backed loan on property in a high-risk area.

If your home, apartment or business was flooded in the Hurricane Matthew disaster of 2016 and you did not have flood insurance, you cannot get coverage for damage from this event. However, you can get coverage against future flooding.

My community has never flooded, so why do I need flood insurance?

Almost 25 percent of flood insurance claims come from areas of moderate-to-low risk for flooding. These areas historically receive one-third of all federal disaster assistance provided for flooding. Flooding can occur almost anywhere. It occurs in moderate-to-low risk areas as well as in high-risk areas. Even if you live in a low-to-moderate risk area, you are encouraged to get and keep coverage. Low risk does not mean no risk.

I am not in a special flood hazard area, or a high-risk flood zone, but I'd like to purchase flood insurance. Is this possible?

Yes, as long as your community participates in the NFIP. You are eligible to purchase a flood insurance policy with the same coverage you would receive if you lived in a high-risk area. A Preferred Risk Policy (a lower-cost flood insurance policy) provides both building and contents coverage for eligible properties in moderate-to-low risk areas for one low price.

My community does not participate in NFIP. What can I do to get insurance? Is there any action I can take?

You may be able to purchase private flood insurance. Contact your insurance agent for more information. For community inclusion in NFIP, contact the proper authorities in your community, i.e., the mayor, county emergency manager, floodplain manager, etc. The proper community officials should contact the North Carolina NFIP State Coordinator within the North Carolina Department of Public Safety for guidance.

Can I get flood insurance if I'm renting a property?

Yes. If you live in a community that participates in the NFIP and you are a renter, you can get flood insurance to cover the contents of your home, apartment or business at a rented location.

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How much does a policy cost?

The cost of a policy depends on the flood risk, but the average cost for a homeowner is approximately \$700 per year. It is essential that you speak with your insurance agent to determine your exact costs.

How much will I get from NFIP after my property is damaged by a flood?

There are some misconceptions about the amount a policyholder will receive following flood caused damage. While a policy may state it covers losses up to a certain amount:

- The amount paid to the policyholder is the cost of physical damage caused by or from flood.
- The amount NFIP flood insurance will pay for contents is the actual cash value of the damage by or from flood to your contents.
- The amount paid out for businesses covered for structure and contents will be only for actual cash value of physical damage by or from flood to buildings and insured contents.

Where can I get more information on flood insurance?

Visit www.FloodSmart.gov or call the NFIP help desk at 800-427-4661.

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