



FEMA

National Flood Insurance Program

Do I have to have it?

- It is mandatory to have this insurance if the person is living within a participating National Flood Insurance Program (NFIP) community, and in a Special Flood Hazard Area (SFHA).
 - To know if your community participates in the NFIP, check online at www.fema.gov/fema/csb.shtm or contact your community official or insurance agent
 - To see if your property is located within SFHA, look online at <http://msc.fema.gov>.
- Some financial institutions may require flood insurance for those outside SFHA as part of their own risk management.
 - Reason for this is to alert communities of the danger of flooding and to help with potential property loss.
- Lenders also require the purchase of flood insurance to those who acquire loans from federally regulated, supervised, or insured financial institutions.

What is a Regular program?

- A community without a Flood Insurance Rate Map enters the National Flood Insurance Program (NFIP) as an Emergency Program Community. Once a detailed engineering study is completed for the community and a Flood Insurance Rate Map (FIRM) issued, the community is brought into the Regular Program of the NFIP. The community is required to adopt or amend its floodplain management regulations to incorporate the new flood data on the FIRM. Under the Regular Program, higher amounts of flood insurance coverage are provided than under the Emergency Program and new construction is charged actuarial rates for flood insurance that fully reflect the building's risk of flooding.



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- Some communities are brought into the regular program as minimally flood prone communities or if no special flood hazard areas have been identified within the community. Minimally flood prone communities generally have only a minimal flood hazard and limited potential for floodplain development. These communities are issued a FIRM with special flood hazard areas designated, but no BFEs are provided. No special flood hazard area communities have no readily identifiable source of flooding or only a small flood hazard. These communities do not have a FIRM and are regarded as all Zone X for flood insurance purposes. No special flood hazard area communities are not required to adopt floodplain management ordinances.

What is an Emergency Program?

- The Emergency Program is the initial phase of a community's participation in the National Flood Insurance Program (NFIP) if no flood hazard information is available or the community has a Flood Hazard Boundary Map (FHBM), but no Flood Insurance Rate Map (FIRM). A limited amount of flood insurance coverage at less than actuarial rates is available for all residents of the community. The community is required to adopt minimum floodplain management standards to control future use of its floodplains. Communities are converted to the Regular Program upon completion of a Flood Insurance Study and issuance of a FIRM or a determination that the community has no special flood areas (NSFHA). Under the Regular Program, more comprehensive floodplain management requirements are required of the community and higher amounts of flood insurance coverage are provided.



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How much does it cost?

- If you live in a high risk zone, then a FEMA agent or Insurance agent has to go out to your property and determine the cost.
- (preferred risk policy “low risk zone” no more than 2 floods within 10 years) rating section
 - The National Flood Insurance Program's (NFIP) Preferred Risk Policy (PRP) offers lower-cost protection for homes and apartments in areas of low to moderate flood risk. These areas outside of known floodplains are shown as B, C, or X, zones on a Flood Insurance Rate Map.

Preferred Risk Policy Premium Table: Residential (Effective April 1, 2017)

Building & Contents			Contents Only		
Coverage	Annual Premium		Coverage	Annual Premium	
	With Basement or Enclosure	Without Basement or Enclosure		Contents Above Ground Level (More Than One Floor)	All Other Locations (Basement-Only not eligible)
\$20,000/8,000	\$127	\$100	\$8,000	\$20	\$40
30,000/12,000	\$160	\$133	12,000	\$37	\$66
50,000/20,000	\$214	\$187	20,000	\$70	\$104
75,000/30,000	\$258	\$226	30,000	\$85	\$125
100,000/40,000	\$286	\$255	40,000	\$98	\$143
125,000/50,000	\$302	\$270	50,000	\$111	\$161
150,000/60,000	\$321	\$290	60,000	\$124	\$179
200,000/80,000	\$358	\$321	80,000	\$149	\$200
250,000/100,000	\$386	\$344	100,000	\$175	\$222

- Discount
 - If communities join *Community Rating System* (CRS), policyholders may receive a discount on flood insurance premiums



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Who is the program though?

- The program was established August 1, 1968 by the U.S Congress and is administered by the Federal Emergency Management Agency (FEMA), which is a component of the U.S. Department of Homeland Security (DHS).

How long does it take to go into effect?

- There is a 30 day waiting period;
 - 12:01 AM, Local time, on the 30th calendar day after the application date and the presentment of payment of premium

What does it cover?

- Manufactured (i.e., mobile, travel trailers without wheels) homes that are affixed and anchored to a permanent foundation are eligible for coverage.
- Not covered:
 - 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 or equipment in the open, and most motor vehicles are not insurable through the NFIP.
- There is no minimum coverage for those voluntarily purchasing flood insurance
- Lender Requirements (mandatory purchase requirement), the amount of flood insurance required must be at least equal to the lesser of:
 1. The outstanding principal balance of the loan,
 2. The maximum amount available under the NFIP
 3. The total insurable value of the property



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What if I live outside of a flood zone, can I still get insurance?

- Yes, because you are considered in a flood zone area, be it a high or low risk flood zone area.

What happens if I don't get flood insurance if it is required (FEMA provided assistance to the community to help it become compliant.)?

- Low risk areas not mandatory
- High risk
- Communities will be placed on Probation or Suspicion.
 - Depending on community regulations
- Probation:
 - Community will be placed 90 days after FEMA provides written notice to community officials. It may last up to 1 year after community corrects all Programs deficiencies and remedies all violations to maximum extent possible.
 - Community will have to comply then claims will not be complied for individuals (suspicion)
- Suspension:
 - This occurs when a community fails to adopt an adequate ordinance, including the most current FIRMs. Community receives written notice of impending suspension and granted 30 days to show why they should not be suspended.

If I have insurance am I still eligible to apply for FEMA's Flood Insurance?

- Yes, because FEMA regulates all flood insurance.



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How many times will the insurance pay out?

- Every time you have a claim, as long as you have flood insurance. Once 50% of your home is damaged, FEMA puts your home in a different category to consider on how to prevent future flooding, be it, leveling your house or a buyout, etc.