



FEMA

W-09009

February 25, 2009

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators
and National Flood Insurance Program (NFIP) Servicing Agent

FROM: 
Edward L. Connor
Acting Federal Insurance Administrator
National Flood Insurance Program

SUBJECT: National Flood Safety Awareness Week and Spring Flooding Outreach

Flooding captured the Nation's attention when waters devastated parts of the Midwest during the spring season this past year. But Midwestern States were not the only ones to get hit hard in 2008. From mudflows in Oregon to hurricanes in Texas to the heavy rains and snowmelt in Illinois and Iowa, flooding brought significant personal and financial hardship to areas across the country.

As part of Flood Safety Awareness Week 2009 (March 16-22), the NFIP will partner with the National Oceanic and Atmospheric Administration (NOAA) and the National Weather Service (NWS) to illustrate flood risks throughout the United States. The NFIP and its partners will take steps to educate consumers on their flood risk and steps they can take to lessen the impact of flooding, including the purchase of flood insurance. Information on topics such as rainfall and weather patterns and historical flood events will also be provided as part of this outreach project.

Because Flood Safety Awareness Week occurs in the spring, when the Midwest is most at risk for flooding, a special focus will be placed on that region, beginning the first week of March. The NFIP will coordinate with State and local officials, the insurance industry, and FEMA Regional staff to ensure that residents are prepared for the severe flooding predicted for the Midwest when the significant snowpack accrued this winter starts to melt.

FloodSmart.gov will host a Flood Safety Awareness Week landing page. Interested parties will be able to obtain information about the week, learn about NFIP and NWS tools for consumers, and follow links to related sites. The cornerstone of the landing page will be an interactive map showing the scope and magnitude of flooding in the United States. The map will highlight major flooding events and their causes – from hurricanes and mudflows to spring snow melt and flash floods.

As part of this effort, the NFIP and its partners will approach consumer and trade media in select markets, as well as national media, to bring attention to the dangers and consequences of flooding. Local stakeholders, NFIP State coordinators, insurance commissioners, and others will also be encouraged to promote this effort by highlighting issues and forwarding press materials to local residents.

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I encourage you to become involved in this important initiative. I have included an informational document and talking points, which your agents can use as they speak with their customers about flood insurance. Please visit www.FloodSmart.gov for additional information about flood risk, flood insurance, and Flood Safety Awareness Week, including materials and resources created just for this outreach. If you have additional questions and suggestions, please contact Mary Jo Vrem by electronic mail message at maryjo.vrem@dhs.gov.

Thank you for your continued support of the NFIP.

Attachments

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Claims, Underwriting

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Top Ten Things to Know About Flood Insurance

- 1. Flood insurance is available.** You can – and should – buy flood insurance. If you live in a participating National Flood Insurance Program (NFIP) community, and there are more than 20,600 nationwide, you can purchase flood insurance from your insurance agent. You can purchase a policy whether or not your property has flooded before. Renters, condominium owners, homeowners, and business owners are all eligible to purchase a policy.
- 2. Flood insurance is sometimes required, but it should always be considered.** Flooding can happen anywhere and at any time, caused by events such as heavy rains, melting snow, tropical storms and hurricanes, and failed protective structures such as levees and dams. Most individuals with a home in a high-risk area are required by law to carry flood insurance. But just because flood insurance is not *required* does not mean it is not *needed*. Even if your lender doesn't require you to carry it, you should ask your agent about flood insurance options to better protect your biggest investment. Without a flood insurance policy, your financial security is at risk.
- 3. Flood insurance is the most dependable resource to speed recovery.** Most homeowners insurance *does not* cover flooding losses. Only flood insurance covers damage from rising waters. Despite what many might think, Federal disaster assistance is not always available after a flood. Disaster assistance declarations are issued for fewer than half of the flooding events that occur. When such assistance is available, it usually comes in the form of a low-interest loan, which must be paid back with interest.
- 4. Flood insurance is affordable.** Rates are based on a variety of factors, such as the flood zone, date of construction, history of flood claims, elevation of the property, and home improvements made to mitigate future damage. The average flood insurance premium is around \$500 per year. If you live in an area of moderate to low flood risk, you may be eligible for a Preferred Risk Policy with rates as low as \$119 a year. Flood insurance rates are federally set and will not differ between one insurance company and another.
- 5. Flood insurance is available for your building and its contents.** Individuals typically choose to carry building coverage, contents coverage, or both. However, residents in a lower-risk area may be eligible for a Preferred Risk Policy, which covers both the structure and personal items for a lower cost than a standard policy. A complete summary of the type of buildings and contents covered by flood insurance is available on the FEMA website at <http://www.fema.gov/library/viewRecord.do?id=3011>.
- 6. Know your coverage limits, and be fully insured.** A maximum of \$250,000 of building coverage is available for single-family residential buildings; \$250,000 per unit is available for residential condominiums. The limit for contents coverage on all residential buildings is \$100,000; contents coverage is also available to renters. Commercial structures can be insured to a limit of \$500,000 for the building and \$500,000 for the contents. Review your coverage limits to be sure your building, its contents, and any improvements made to your home are adequately insured.
- 7. The 100-year flood standard – what it really means.** The government definition of a floodplain, or high-risk flood zone, is an area with at least a 1-in-100 or 1-percent chance of flooding in any given year. These 1-percent-annual-chance flood events are often called “100-year floods,” but that term can be misleading. The 100-year flood benchmark is a *minimum standard* used for

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insurance purposes. While major flood events are not common, they happen, have happened recently, and will happen again.

8. Levee protection comes with risks. Levees, dams, and other flood control structures are designed to protect against a certain level of flooding. In more serious flood events, levees can fail or be overtopped. As levees age, their level of protection can change. When levees are overtopped or fail, the flooding that follows can be catastrophic. Because of these unique risks, if you live near a levee or dam or in an area reliant on other flood control structures, purchasing flood insurance is highly recommended.

9. Filing your claim – what to expect. After a flood event, call your agent or insurance company and ask when to expect an adjuster at your home. Be sure to call your insurance company again if an adjuster hasn't been assigned within several days of the flooding. Before the adjuster arrives, separate damaged and undamaged items, take photos, make a list of damaged or lost items, and copy the damage estimates prepared by a contractor to give to the adjuster. Once a detailed Proof of Loss statement has been prepared and agreed upon, your claim can be submitted.

10. Stay insured. You can purchase flood insurance at any time. However, there is usually a 30-day waiting period before the policy becomes effective. If you already have a flood insurance policy, remember that your policy needs to be renewed each year.

For more information or for help in finding an agent, please visit the NFIP website, <http://www.FloodSmart.gov>.

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Agent Talking Points

Flooding is a major concern right now throughout the Red River valley.

- Melting of heavy snowpack from the past winter can overwhelm local rivers and streams, stress levees, and increase the flood threat throughout the spring and into the summer.
- Because of the heavy snows this winter, the risk of flood is higher than it has been in several years.
- Just a few inches of water can cause tens of thousands of dollars in damage.

This is the time to consider your risk and purchase flood insurance.

- Most homeowners insurance does not cover floods.
- Only flood insurance financially protects your home and your personal property from floods.
- Flood insurance compensates policyholders for all covered losses. Unlike a disaster loan, there is no requirement to pay it back.
- The average flood insurance premium is approximately \$500 a year.
- Once purchased, there is typically a 30-day waiting period for the policy to become effective.

You can purchase flood insurance no matter what your flood risk is.

- You can purchase flood insurance as long as your community participates in the NFIP.
- You are eligible for flood insurance even if your house has been flooded before, and you can purchase it even if your mortgage company doesn't require it.
- Twenty to 25 percent of all flood insurance claims come from low- to moderate-risk areas.

You may be eligible for a lower-cost Preferred Risk Policy if you live in a low- or moderate-risk area.

- For just \$119 a year, you can purchase a minimum of \$20,000 building coverage and \$8,000 contents coverage for your home.
- Business owners can purchase \$50,000 building coverage and \$50,000 contents coverage (per building) for just \$550 per year.

If a flood event occurs in your community, you should know what to do in response to a flood watch or warning, as well as the steps to take as you return home.

- In advance of a possible flood event, remember to:
 - Make a flood plan.
 - Plan evacuation routes.
 - Keep important papers in a safe, waterproof place.
 - Itemize and take pictures of possessions.
- Check for damage, including structural damage, before re-entering your home. Contact appropriate professionals immediately, if you suspect damage to water, gas, electric, and/or sewer lines.
- Call the agent who handles your flood insurance to file a claim. Have the necessary information with you when you contact him or her.

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- Work with the adjuster to calculate the damage in order to prepare an accurate estimate. To make filing your claim easier, take photographs of damaged personal property and any water in the house.
- Make a list of damaged or lost items, including their age and value where possible. If possible, have receipts for lost items available for the adjuster. To prevent mold, remove wet contents immediately.
- Gather any documents such as photographs, receipts, and itemized lists that you made prior to the flood.
- Obtain the free “Repairing Your Flooded Home” guide from the American Red Cross website. This guide will help as you re-enter your damaged home.
- Contact FEMA Disaster Assistance by telephone at 1-800-621-3362. For general flood insurance questions, call 1-800-427-4661.

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