

QUESTIONS OFTEN ASKED CONCERNING FLOOD INSURANCE

1. IS FLOOD INSURANCE REQUIRED??

FEMA SAYS FLOODING AFFECTS ALL STATES, AND EVERYONE IS AT RISK BECAUSE EVEN SMALL STREAMS AND CREEKS CAN FLOOD. YOUR FLOOD ADMINISTRATOR WILL BE ABLE TO TELL YOU IF YOU ARE AT RISK.

2. WHERE DO YOU PURCHASE FLOOD INSURANCE?

FEMA ALLOWS PRIVATE INSURERS TO WRITE AND ADMINISTER POLICIES FOR THE NATIONAL FLOOD INSURANCE PROGRAM. YOUR HOME OWNER OR RENTERS INSURANCE AGENT SHOULD BE ABLE TO WRITE COVERAGE FOR YOU.

3. HOW DOES FLOOD INSURANCE WORK?

FIRST YOU HAVE TO KNOW THE INSURANCE DOES NOT GO INTO EFFECT UNTIL 30 DAYS AFTER THE POLICY IS ISSUED.

FLOOD COVERAGE TO YOUR HOME ITSELF IS CAPPED AT \$250,000, WHILE THE CONTENTS CAN BE INSURED ONLY UP TO \$100,000. THE BUILDING AND CONTENTS COVERAGES ARE PURCHASED SEPARATELY. YOU MAY BE ABLE TO GET HIGHER COVERAGE THROUGH SPECIALTY CARRIERS.

THE POLICY PAYS EITHER THE VALUE OF YOUR LOST PROPERTY OR THE COST OF REPLACING IT, UP TO THE COVERAGE LIMIT.

FLOOD POLICIES INSURE AGAINST PHYSICAL DAMAGE TO YOUR HOME OR BELONGINGS DIRECTLY CAUSED BY FLOODING. SOMETIMES, THAT IS NOT QUITE AS STRAIGHTFORWARD AS IT SOUNDS. FOR EXAMPLE, IF A FLOOD CAUSES A SEWER BACKUP THAT CAUSES DAMAGE, IT WOULD BE COVERED. IF SOMETHING ELSE CAUSES THE BACKUP, IT IS NOT COVERED.

FLOOD INSURANCE WON'T REIMBURSE YOU FOR: TEMPORARY LIVING EXPENSES WHILE YOUR HOME IS BEING REPAIRED; LOST CASH OR STOCK CERTIFICATES, A RUINED CAR (WHICH IS A MATTER FOR YOUR AUTO INSURANCE); DAMAGE FROM MOISTURE OR MOLD THAT YOU COULD HAVE PREVENTED; FINANCIAL LOSS FROM BUSINESS INTERRUPTION; AND ANYTHING ON YOUR PROPERTY BEYOND THE WALLS OF YOUR HOME – SUCH AS PLANTS, DECKS, AND HOT TUBS.

4. HOW MUCH WILL THE COVERAGE COST??

THE PREMIUM WILL BE DETERMINED BY YOUR HOME'S DESIGN. AGE. LOCATION, CONTENTS AND THE AMOUNT OF COVERAGE YOU DECIDE TO BUY.

SIMILAR TO CAR INSURANCE YOU CHOOSE DEDUCTIBLES WHICH WILL LOWER THE COST OF THE POLICY DEPENDING ON THE DEDUCTIBLE YOU OPT FOR.

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