

## PROTECT YOURSELF

The following information was taken from the web site [floodsmart.gov](http://floodsmart.gov) (1-888-379-9531):

In 1968, Congress created the National Flood Insurance Program (NFIP) to help provide a means for property owners to financially protect themselves. The NFIP offers flood insurance to homeowners, renters, and business owners if their community participates in the NFIP. Participating communities agree to adopt and enforce ordinances that meet or exceed FEMA requirements to reduce the risk of flooding.

### Flood Facts

- In the past 5 years, all 50 states have experienced floods or flash floods.
- Everyone lives in a flood zone.
- Homeowners' insurance does not cover flood damage.
- If you live in a Special Flood Hazard Area (SFHA) or high-risk area and have a Federally backed mortgage, your mortgage lender requires you to have flood insurance. (To find your flood risk, fill out the Flood Risk Profile.)
- Just a few inches of water from a flood can cause tens of thousands of dollars in damage.
- Flash floods often bring walls of water 10 to 15 feet high.
- A car can easily be carried away by just two feet of rushing water.
- Hurricanes, winter & summer storms and snowmelt are common (but often overlooked) causes of flooding.
- New land development can increase flood risk, especially if the construction changes natural runoff paths.
- Federal disaster assistance is usually a loan that must be paid back with interest. For a \$50,000 loan at 4% interest, your monthly payment would be around \$240 a month (\$2,880 a year) for 30 years. Compare that to a \$100,000 flood insurance premium, which is about \$400 a year (\$33 a month).
- A Preferred Risk Policy provides both building and contents coverage for properties in moderate- to low-risk areas for one low-price.
- You are eligible to purchase flood insurance as long as your community participates in the National Flood Insurance Program.
- In most cases, it takes 30 days after purchase for a policy to take effect, so it's important to buy insurance before the storm approaches and the floodwaters start to rise.
- In a high-risk area, your home is more likely to be damaged by flood than by fire.
- Even though flood insurance isn't federally required, anyone can be financially vulnerable to floods. In fact, people outside of mapped high-risk flood areas file over 20-percent of all National Flood Insurance Program flood insurance claims and receive one-third of Federal Disaster Assistance for flooding.
- From 2005 to 2014, total flood insurance claims averaged more than \$3.5 billion per year.
- Since 1978, The NFIP has paid nearly \$50 billion for flood insurance claims and related costs (as of 2/17/15).
- There are currently more than 5.3 million flood policies in force across more than 22,000 communities in the U.S.

- The two most common reimbursement methods for flood claims are: Replacement Cost Value (RCV) and Actual Cash Value (ACV). The RCV is the cost to replace damaged property. It is reimbursable to owners of single-family, primary residences insured to at least 80% of the building's replacement cost.

**Flood insurance premiums are calculated based on factors such as:**

- Year of building construction
- Building occupancy
- Number of floors
- The location of its contents
- Its flood risk (i.e. its flood zone)
- The location of the lowest floor in relation to the elevation requirement on the flood map (in newer buildings only)
- The deductible you choose and the amount of building and contents coverage

**What Will it Cost?**

The average moderate to low risk premium in Pennsylvania \$459\* (National Flood Insurance Program premiums are reflective of policy holder in December 2014. National Flood Insurance Program claims are reflective of the average paid claim from 2010 to 2014)

Many insurance agents offer this coverage. We suggest that you contact your individual agent to obtain a quote or policy.