

National Flood Insurance Program

Protecting Communities From Floods

The National Flood Insurance Program (NFIP) lessens the financial devastation caused by flooding in communities across the United States by enabling homeowners, business owners and renters to purchase federally backed flood insurance; by requiring participating communities to regulate construction in high-flood-risk areas; and by encouraging mitigation best practices (www.fema.gov/plan/prevent/bestpractices/index.shtm).

WORKING TO INSURE THE PUBLIC AND LESSEN FLOOD RISKS

The NFIP addresses the risks associated with America's number one natural disaster, flooding. The program's elements include flood hazard mapping (creation of maps that show the risk of flooding); flood insurance (insuring homes and businesses in high-and low-to moderate-risk areas nationwide); and floodplain management (encouraging communities to adopt and enforce ordinances to lessen the damage from flooding).

FLOOD INSURANCE REQUIREMENTS AND OPTIONS

Areas with at least a 1 percent chance of flooding in a given year are known as high-risk areas, or Special Flood Hazard Areas. If a structure in a high-risk area has a mortgage from a federally regulated or insured lender, federal law requires that it be insured against flood damage.

A residential building can be insured for up to \$250,000 and its contents for up to \$100,000. Residential renters can cover belongings for up to \$100,000, and a nonresidential property owner can insure a building and its contents for up to \$500,000 each. In general, a policy does not take effect until 30 days after flood insurance is purchased. If a structure is located in a low-to moderate-risk area, the flood risk is reduced, not removed. 25 percent of all flood claims occur in low-to moderate-risk areas. Lower cost Preferred Risk Policies (PRPs) are available for most properties located in areas of low to moderate risk, starting as low as \$119 a year.

Homes and apartments located in low-to moderate-risk areas may be eligible for PRP rates as long as the building meets the requirements, including the flood history.

Lower premiums may also be available in communities that go beyond NFIP minimum standards of floodplain management by adopting stricter construction requirements or by adopting additional mitigation plans and preparedness activities. The NFIP's Community Rating System qualifies such communities for reduced flood insurance premiums ranging from a 5 to 45 percent discount.

A common misconception is that homeowners policies cover flood damage. This is not true. Typically, only flood insurance through the NFIP protects a property from flood-related losses.

NFIP BY THE NUMBERS

NFIP flood insurance is available in all 50 U.S. states and its territories, to property owners and renters whose communities have agreed to adopt and enforce floodplain management ordinances that meet NFIP standards.

To date, more than 20,600 communities have agreed to adopt and enforce such floodplain management ordinances to reduce future flood losses.





INCREASING AWARENESS AND PROMPTING ACTION

To build awareness of flood protection and spur policy growth, the NFIP created the FloodSmart integrated marketing campaign. FloodSmart informs consumers about their flood risk and protection options, and it helps insurance agents understand the importance of flood insurance and improve service in their communities. A substantial amount of information can be disseminated at the local level by reaching out to citizens and the media to help people better understand flood insurance and their policy options.

The NFIP also has published documents to clarify policyholder questions. The Flood Insurance Claims Handbook helps policyholders through the process of filing a claim. Policyholders also receive a Summary of Coverage document that provides general information about deductibles, what is and is not covered by flood insurance, and how items are valued at the time of loss. These documents, in addition to other fact sheets that provide more information about the NFIP and flood insurance, can be downloaded from the Federal Emergency Management Agency's (FEMA's) Web site at www.fema.gov/business/nfip/library.shtm.

For more information about the NFIP or the FloodSmart campaign, visit FloodSmart.gov.



FloodSmart Campaign

In 2004, the Federal Emergency Management Agency's (FEMA's) National Flood Insurance Program (NFIP) identified the critical need to educate communities nationwide about the risk of flooding and the importance of flood insurance coverage. In response to this need, the NFIP developed FloodSmart, a comprehensive, integrated campaign to educate and inform partners, stakeholders, property owners and renters about financially protecting their homes and businesses from flood damage.

The campaign, now in its third year, promotes awareness about the threat of flooding caused by weather-related events such as hurricanes, tropical storms and minor or heavy rain events. Awareness of flood risk drives people to visit FloodSmart.gov and to phone a toll-free number or call center to learn how they can protect their home and property from floods, including the purchase of flood insurance.

After a flood, FloodSmart also provides immediate information to media in communities with flood-damaged property to help policyholders process their flood insurance claims and begin the rebuilding process.

CAMPAIGN STRATEGY

FloodSmart's awareness strategy promotes flood insurance nationwide, not only among those who live in high-risk areas, but also among those who live in lower-risk areas. Everyone is at risk from flooding, and the FloodSmart campaign reminds people in low-to moderate-risk areas that their risk is simply reduced, not removed. In addition, the campaign targets high-risk areas with a greater and more consistent emphasis on the importance of flood preparedness and protection.

CORE CAMPAIGN ELEMENTS

Through TV, print, radio, online advertising, online sites FloodSmart.gov, Agents.FloodSmart.gov and consistent media relations, the campaign employs direct public outreach to gain the most exposure to the message.

FLOODSMART STAKEHOLDER CAMPAIGN

The NFIP also strongly relies on close ties with partners in the insurance industry and other related stakeholders. An important aspect of the FloodSmart campaign is building stakeholder relationships and engaging partners as resources of information for homeowners, business owners and renters. Through consistent communications via e-mail, postal mail, industry conferences and phone correspondence, the campaign ensures that partners are always up to date and informed about NFIP activities and the status of the program.

Encourage residents to visit FloodSmart.gov or call **1-800-427-2419** to learn more about how to prepare for floods, how to purchase a flood insurance policy and what the benefits are of protecting their homes and property against flooding.

CAMPAIGN RESULTS

Since the campaign's launch, the NFIP has grown to more than 5.3 million flood insurance policies in force in more than 20,300 participating communities nationwide. Current policies represent more than \$1 trillion worth of coverage.

The NFIP's 31 consecutive months of uninterrupted growth (June 2004 – December 2006) combined with an 8.7 percent growth rate from April through October 2006 for the current campaign year illustrate FloodSmart's effectiveness.

