



Floodplain FAQ

Summarized from floodsmart.gov



A. *Consider purchasing a policy:*

1. **Doesn't my homeowner's insurance policy cover flooding?**

No. Flood damage is not typically covered by a homeowner's insurance policy.

2. **If my home is flooded, won't federal disaster assistance pay for my damages?**

Not necessarily. Federal disaster assistance typically comes in the form of a low interest loan to help cover flood damage, not compensation for your losses. Even then, those loans are only available if the president formally declares a disaster and must be repaid along with any existing mortgage.

3. **Can I get flood insurance if I'm renting a property?**

If you live in a community that participates in the NFIP, you can get flood insurance to cover the contents of your home or business.

4. **I live in a low-risk flood zone. Do I really need flood insurance?**

Most likely, yes. It's a good idea to buy flood insurance even if you live in a moderate- or low-risk area. Anyone can be financially vulnerable to floods. People outside of high-risk areas file over 20% of NFIP claims and receive one-third of disaster assistance for flooding. When it's available, disaster assistance is typically a loan you must repay with interest. You may qualify for the Preferred Risk Policy (a lower-cost flood insurance policy) that provides contents coverage beginning at \$49 per year and building plus contents coverage beginning at \$129 a year.

5. **Why do I need flood insurance, even though my community has never been flooded?**

Flooding occurs in moderate-to-low risk areas as well as in high-risk areas. Poor drainage systems, rapid accumulation of rainfall, snowmelt, and broken water mains can all result in flood. Properties on a hillside can be damaged by mudflow, a covered peril under the Standard Flood Insurance Policy. In high-risk areas, there is at least a 1 in 4 chance of flooding during a 30-year mortgage. For these reasons, flood insurance is required by law for buildings in high-risk flood areas as a condition of receiving a mortgage from a federally regulated or insured lender.

6. **Why does my mortgage lender require me to buy flood insurance?**

Under federal law, the purchase of flood insurance is mandatory for all federal or federally related financial assistance for the acquisition and/or construction of buildings in high-risk flood areas (Special Flood Hazard Areas or SFHAs).

The amount of flood insurance coverage required by the Flood Disaster Protection Act of 1973, as amended by the National Flood Insurance Reform Act of 1994, is the lesser of the following:

1. The maximum amount of NFIP coverage available for the particular property type,
2. The outstanding principal balance of the loan, or
3. The insurable value of the structure.

If the property is not in a high-risk area, but instead in a moderate-to-low risk area, federal law does not require flood insurance; however, a lender can still require it. It is also recommended since historically one-in-five claims come from these moderate-to-low areas. Note that if during the life of the loan the maps are

revised and the property is now in the high-risk area, your lender will notify you that you must purchase flood insurance.

7. I live in a high-risk risk area. After my home was damaged in a flood, I received federal disaster assistance. Do I need to purchase flood insurance now?

Yes. If you live in an SFHA and have received disaster assistance in the form of a federal grant or loan, you must cover the building for flood insurance for as long as you own it. Should you sell the building, you are required to inform the new owner of the necessity to purchase and maintain flood insurance. Failure to carry flood insurance could result in the denial of future federal disaster assistance.

8. Who do I contact if I want to purchase a flood insurance policy?

The National Flood Insurance Program has an arrangement with private insurance companies to sell and service flood insurance policies. A list of private insurance companies that sell and service NFIP flood insurance policies is available to you.

You may also contact your insurance agent or company to find out more about federal flood insurance or find an agent serving your area by filling out the Flood Risk Profile.

12. What if I want to purchase more insurance than the NFIP offers?

Many private insurance companies offer Excess Flood Protection, which provides limits over and above those of the NFIP. For more information, contact your insurance agent or company, or find an agent serving your area by filling out the Flood Risk Profile.

B. Flood Zones:

1. What are flood zones?

Flood zones are land areas identified by the Federal Emergency Management Agency (FEMA). Each flood zone describes that land area in terms of its risk of flooding. Everyone lives in a flood zone—it's just a question of whether you live in a low, moderate, or high risk area.

2. What is a Flood Insurance Rate Map (FIRM) and how do I use it?

A FIRM is a map created by the NFIP for floodplain management and insurance purposes. Digital versions of these maps are called DFIRMs.

A FIRM will generally show a community's base flood elevations, flood zones, and floodplain boundaries. As a property owner/renter, you can use this map to get a reliable indication of what flood zone you're in. However, maps are constantly being updated due to changes in geography, construction and mitigation activities, and meteorological events. Therefore, for a truly accurate determination, contact your insurance agent or company, or your community floodplain manager.

3. What is a Special Flood Hazard Area (SFHA)?

Land areas that are at high risk for flooding are called Special Flood Hazard Areas (SFHAs), or floodplains. These areas are indicated on Flood Insurance Rate Maps (FIRMs).

In high-risk areas, there is at least a 1 in 4 chance of flooding during a 30-year mortgage.

C. Risk Assessment:

1. Why do I need flood insurance if I live on a hill and will never get flooded?

Floods can occur in any area, although to varying degrees. If you live on a hill or in an area that has never been flooded, your risk may be significantly reduced, but it is not eliminated.

Flooding can be caused by heavy rains, melting snow, inadequate drainage systems, failed protective devices such as levees and dams, as well as by tropical storms and hurricanes. Please make an informed decision about

the flood risks you face before deciding not to purchase flood insurance. Talk to your agent for additional details – you may qualify for a Preferred Risk Policy (a lower-cost flood insurance policy).

2. Why does the risk assessment tool say I'm in a high-risk area when the ground my home is built on is very high?

Flood Insurance Rate Maps (FIRMs) cannot reflect every variation in the physical geography of an area. Therefore, a FIRM occasionally will show a property as being in a Special Flood Hazard Area (SFHA), even though the building may be above the Base Flood Elevation (BFE).

However, there is a mechanism for resolving such a situation. A property owner can submit property and elevation materials in support of a request for a Letter of Map Amendment (LOMA) to remove the property from the SFHA. This process involves the property owner and Federal Emergency Management Agency (FEMA). For detailed information regarding the LOMA process, call toll free at 1.877.336.2627.

3. Where can I find more information about the maps that were used to determine my relative risk level?

FEMA publishes maps indicating a community's flood hazard areas and the degree of risk in those areas. Flood insurance maps usually are on file in the Borough of Baldwin Administrative Building.

In addition, you can order maps online or by writing, phoning, or faxing a request to the FEMA Map Assistance Center. There is a minimal charge for maps for most users.

D. Types of Flood Insurance:

1. How much flood insurance coverage is available?

Flood coverage limits for a standard flood policy are:

Coverage Type	Coverage Limit
One to four-family structure	\$250,000
One to four-family home contents	\$100,000
Other residential structures	\$250,000
Other residential contents	\$100,000
Business structure	\$500,000
Business contents	\$500,000
Renter contents	\$100,000

2. What is the Preferred Risk Policy (PRP)?

The Preferred Risk Policy offers multiple coverage combinations for both buildings and contents (or contents-only, for renters) that are located in moderate-to-low risk areas (B, C, and X Zones). Preferred Risk Policies are available for residential or non-residential buildings also located in these zones, and that meet eligibility requirements based on the building's entire flood loss history.

3. What is covered in my basement?

Flood insurance covers your home's foundation elements and equipment that's necessary to support the structure (for example: furnace, water heaters, circuit breakers, etc.). It's important to note that some items in your basement are covered under building coverage (like a furnace, hot water heater and circuit breaker) and others are covered under contents coverage that must be purchased in addition to building coverage (for example, your washer and dryer, or your freezer and the food in it).

The NFIP encourages people to purchase both building and contents coverage. Flood insurance does not cover basement improvements, such as finished walls, floors, ceilings or personal belongings that may be kept in a basement. For a complete list of what's covered, view the Standard Flood Insurance Policy (SFIP) Forms.

4. Does flood insurance cover flood damage caused by hurricanes, rivers, or tidal waters?

Yes, providing that, if confined to your property, the flood water covers at least two acres. A general condition of flood also exists if two properties are affected, one of which is yours.

5. Is flood damage from wind-driven rain covered?

No. When rain enters through a wind-damaged window or door, or comes through a hole in a wall or roof, the NFIP considers the resulting puddles and damage to be windstorm-related, not flood-related.

Flood insurance covers overflow of inland or tidal waters and unusual and rapid accumulation or runoff of surface waters from any source. However, the flood must be a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is yours). Although flood insurance specifically excludes wind and hail damage, the good news is that most homeowners insurance provides such coverage.

6. What is Increased Cost of Compliance (ICC) coverage?

If a flood damages your property, you may be required by law to bring your home up to community and/or state floodplain management standards. If you have NFIP insurance, and your home has been declared substantially damaged by your community, ICC coverage is provided to cover up to \$30,000 of the cost to elevate, flood proof, demolish, or relocate your property. ICC coverage is in addition to the coverage you receive to repair flood damages; however, the total payout on a policy may not exceed \$250,000 for residential buildings and \$500,000 for non-residential buildings.

E. Reduce Flood Risk:

1. How can I reduce my flood risk?

Relocate utilities. Your washer, dryer, furnace, water heaters, and heating, ventilating, and cooling (HVAC) equipment can be damaged in the event of a flood and should be elevated above the risk.

2. Is there any improvements I could make to my house to reduce the flood risk?

Yes. Insure you have proper flood openings below finished floors. This will allow for the automatic entry and exit of floodwaters.

3. What should I do with my propane tank?

Use a flood proof propane or fuel oil tanks. Propane and fuel oil tanks that are not properly flood proofed can pose a serious threat to your family, house, public safety and environment. To prevent oil tanks from floating away, they should be anchored to a cement slab heavy enough to keep the tank secure.

4. Should I do anything with my old clothes stored in the basement?

Yes. Personal property should be moved above the risk or stored in water-tight containers. This will help reduce the damage and expense to replace damaged personal property.