

# Joining the National Flood Insurance Program

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# NFIP is a Quid Pro Quo Program

FEMA agrees to make flood insurance available within a community when that community agrees to adopt and enforce floodplain management regulations.



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# What is the NFIP?

- A program to reduce the financial burden to the general taxpayer from flood-related disasters.
- Federal government program enabling property owners in participating communities to purchase flood insurance

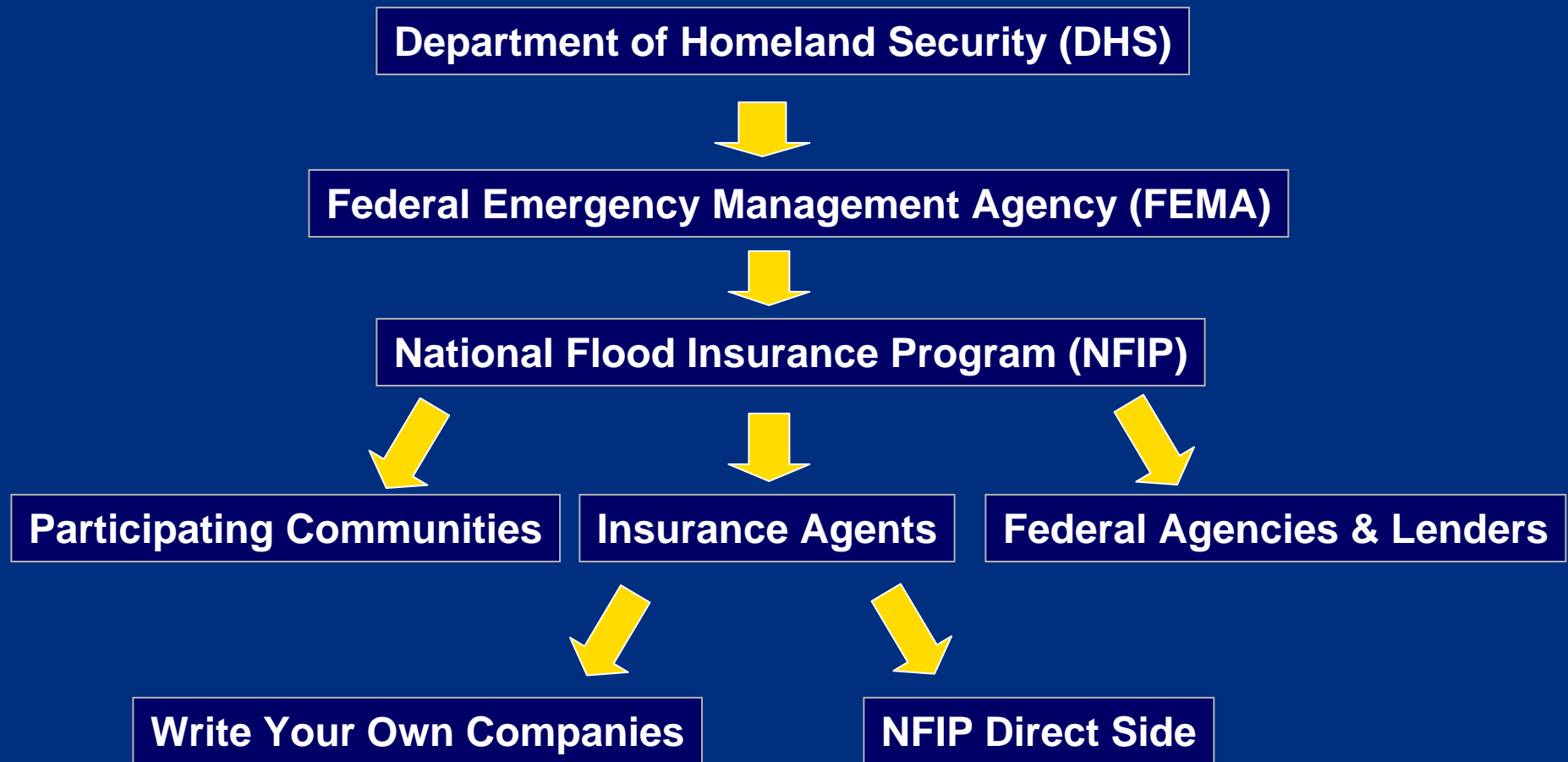


# It's Purpose ...Protect Lives and Property

- Identify Risks
  - Flood Hazard mapping
- Establish Safe Building Standards
  - Floodplain management
- Provide Affordable Flood Insurance
  - Flood Insurance



# How Are We Organized



# Insurance vs. Disaster Assistance

## FLOOD INSURANCE

- Policyholder
- Contractual basis for claims
- High policy limits
- Policy needed to pay claim
- Premiums buy coverage/loss payout

## DISASTER ASSISTANCE

- Victim
- Application for aid
- Low limits
- Declaration
- If eligible, loan or grant




# Direct physical loss by or from a flood

National Flood Insurance Program

**Dwelling Form**

Standard Flood Insurance Policy


 FEMA

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National Flood Insurance Program

**General Property Form**

Standard Flood Insurance Policy


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National Flood Insurance Program

**Residential Condominium Building Association Policy**

Standard Flood Insurance Policy

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# Limits of Coverage

## Buildings

## Regular Program

Single Family

\$250,000

Other Residential

\$250,000

Non-Residential

\$500,000

## Contents

## Regular Program

Residential

\$100,000

Non-Residential

\$500,000



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# Eligible Structures

- At least two rigid exterior walls and a roof
- Principally above ground
- Permanent site
- Participating community



# Not Insurable

- Buildings over water
- Unanchored manufactured homes
- Motorized vehicles
- Gas and liquid storage tanks (as structures)
- Underground Buildings & Equipment
- Land, Walks, Driveways, Piers



# Preferred Risk Policy

- Building and contents coverage available for 1-4 family and non-residential structures
- Contents only policies available to all occupancies
- Zones B, C, and X only
- Loss eligibility requirements
- \$500 standard deductible



# What Does the Policy Pay?

- Actual Cash Value on Dwelling\* and General Property Form

\* Exception: Pays replacement cost if it is the **principal residence** and the building is insured to at least 80% of its replacement cost value or \$250,000 whichever is less

- Replacement Cost on the Residential Condominium Building Association Policy



# Factors Used For Rating

- Flood zone
- Amount of insurance & deductible
- Building type
- Age of Structure-Elevation Certificates are required for post-FIRM rated structures in A or V zones (except AR/A99)
- Lowest Floor Elevation
- Foundation



# Waiting Period

- Standard 30 day waiting period for voluntary purchase
- Policy effective immediately when requested by lender
- No binders

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

# Flood Insurance Deductibles

- Standard Pre-FIRM: \$1,000
- Standard Post-FIRM: \$500
- Optional deductibles are available up to:
  - **\$5,000 Residential**
  - **\$50,000 Non-residential**



# Where to Get More Information

- NFIP Website

[www.fema.gov/business/nfip](http://www.fema.gov/business/nfip)

- Floodsmart Website

[www.floodsmart.gov](http://www.floodsmart.gov)





# Questions



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