



FEMA

November 7, 2016
DR-4285-NC
FS 002
FEMA News Desk: (404) 358-2776

Fact Sheet

Answering Your Flood Insurance Questions

Whether you have it or want to buy it, FEMA wants to provide you answers to flood insurance questions that you may have following Hurricane Matthew – Where can I get more information about flood insurance and what does it cover?

The National Flood Insurance Program (NFIP) provides a toll free number 800-427-4661 and website that can provide a wealth of information about the risk, costs and benefits of flood insurance. The website is: www.FloodSmart.gov. You also can call FEMA’s Helpline at 800-621-3362 and choose option two to obtain information about flood insurance.

Since standard homeowners insurance does NOT cover flooding, it is important to have financial protection from floods associated with the many ways flooding can occur—from snow melt to flash floods to tropical storms. All it takes is a few inches of water to cause major damage to your home and its contents.

As of Nov. 7, in less than five weeks after Hurricane Matthew made land fall in North Carolina, FEMA has authorized and issued more than \$13.2 million in advance payments to NFIP disaster survivor policy holders to provide expedited relief to help them proceed with recovery efforts while negotiating the Proof of Loss with the adjuster.

Once a policyholder provides a notice of loss, an insurer may offer an advance payment after confirming coverage and validating that the insured property has flooded. Such advance payment may not exceed \$5,000. An insurer may offer a total advance payment of up to \$10,000 if the policyholder also provides the following documentation:

1. Photographs depicting flood damage to covered property, and
2. Either
 - a. Documentation verifying out-of-pocket expenses related to the repair or replacement of covered property, such as receipts, or
 - b. A contractor’s itemized damage estimate

What does flood insurance protect?

The NFIP was created in 1968 to help provide a means for property owners to financially protect themselves. Flood insurance protects two types of insurable property: building and contents. The first covers your building, the latter covers your possessions; neither covers the land they occupy. Learn more at [Coverage from the NFIP](#) or call the NFIP Helpdesk 800-427-4661.

Building coverage includes:

- The insured building and its foundation.
- The electrical and plumbing system.
- Central air conditioning equipment, furnaces and water heaters.
- Refrigerators, cooking stoves, and built-in appliances such as dishwashers.
- Permanently installed carpeting over unfinished flooring.

Contents coverage includes:

- Clothing, curtains, furniture and electronic equipment.
- Portable items such as; window air conditioners, microwaves and dishwashers.
- Carpeting that is not already included in property coverage.
- Clothing washers and dryers.

The two most common reimbursement methods for flood claims are:

- Replacement Cost Value (RCV).
- Actual Cash Value (ACV).

The RCV is the cost to replace damaged property; it is reimbursable to owners of single-family primary residences who are insured to at least 80 percent of the building's replacement cost. All other buildings and personal property (i.e. contents) are valued at ACV. The ACV is the replacement cost value at the time of loss minus physical depreciation. Personal property is always valued using the ACV.

The NFIP is administered by FEMA which works closely with more than 80 [private insurance companies](#) to offer flood insurance to homeowners, renters, and business owners through private property and casualty insurance agents.

Rates are set nationally and do not differ from company to company or agent to agent. These rates depend on many factors, which include the date and type of construction of your home, along with your building's level of risk.

In order to qualify for flood insurance, your home or business must be in a community that has joined the NFIP and agreed to adopt and enforce sound floodplain management regulations and ordinances that meet or exceed FEMA requirements to reduce the risk and consequences of serious flooding.

In exchange for a community's proactive efforts to reduce flood risk, policyholders can receive reduced flood insurance premiums for buildings in the community.

You can find out if your community is one of more than 22,000 communities that have implemented floodplain management measures and participate in the [National Flood Insurance Program](#) by clicking on the link.

Following the devastation of Hurricane Matthew, FEMA is making every effort to ensure the prompt settlement of claims to NFIP policyholders affected by the recent flooding event.

###