

## **THE RISK IS REAL**

In the past 5 years, all 50 states have experienced flooding. A flood can be devastating, and you don't have to live near water to be at risk. Factors such as changing weather patterns or land development can present new flooding risks for your community. Visit **FloodSmart.gov** or call **1-800-427-2419** to learn your risk and to find a local insurance agent if you don't already have one. Having flood insurance means you can recover more quickly, with less financial pain. But don't stop there. Here are more things you can do to prepare for flooding and assure your safety.

## **FLOOD PREPARATION AND SAFETY**



**FEMA**

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## **BE PREPARED BEFORE A FLOOD**

Floods can happen anytime and anyplace. And they can happen fast:

- If you don't have a flood insurance policy, contact your insurance agent today. If you have purchased a policy, review your policy with your agent and ask questions to make sure you have the proper amount of coverage.
- Keep your flood insurance policy and insurance agent's contact information on hand in the event you need to file a claim.
- Copy important documents (mortgage papers, deed, passport, bank information, etc.). Keep copies in your home and store originals in a secure place outside the home, such as a bank safe deposit box.
- Take photos of your possessions (furniture, antiques and collectibles, musical instruments, electronic equipment, etc.). Store copies with your other important documents.
- Save receipts for expensive household items (appliances, electronic equipment, etc.) as proof of original cost.
- Make an itemized list of other possessions, such as clothing, books, and small kitchen appliances. The more comprehensive your list, the better.

## **HAVE AN EMERGENCY PLAN**

Emergency plans are a critical component of flood preparation:

- Give your emergency contact information to your insurance agent, employer, and family.
- Put aside an emergency kit with a flashlight, a battery-powered or handcrank radio, additional batteries, candles, and waterproof matches.
- Keep a minimum 3-day supply of nonperishable food and bottled water on hand.
- Visit **Ready.gov** for more information.

## **BE PREPARED DURING A FLOOD**

If you are affected by a flood, here are things you can do to stay safe:

- Heed official instructions. Monitor potential flood hazards on NOAA Weather Radio All Hazards or on the Internet at **[NOAAwatch.gov/floods.php](http://NOAAwatch.gov/floods.php)**.
- Don't walk through a flooded area. Just 6 inches of moving water can knock you off your feet.
- Don't drive through a flooded area. A car can be carried away by just 2 feet of water.
- Keep away from downed power lines and any other electrical wires.
- Animals that lost their homes during a flood may seek shelter in your home and aggressively defend themselves.

## **WHAT TO DO AFTER A FLOOD**

If you experience a flood, here are some steps to take once the waters have receded:

- Check for structural damage before entering your home. If you suspect damage to water, gas, electric, or sewer lines, contact authorities.
- Remove wet contents like carpeting, furniture, and bedding immediately but keep swatches for the adjuster. Mold can develop within 24 to 48 hours. Use dehumidifiers and air-conditioners to dry out the building.
- Photograph and list all damaged or lost items including their age and value where possible. Take photos of water in the house. Adjusters need evidence of the damage to prepare your estimate.
- Plan before you repair. Contact your local building inspections, planning office, or clerk's office to get information on local building requirements.



## LEARN MORE ABOUT YOUR NFIP POLICY COVERAGE BELOW

### The NFIP offers building coverage.

The following items are a sample of those covered under building coverage:

- The building and its foundation
- Electrical and plumbing systems
- Central air-conditioning, equipment, furnaces, and water heaters
- Refrigerators, stoves, and dishwashers
- Permanently installed carpeting
- Window blinds

### The NFIP offers coverage for your belongings.

Whether you rent or own, make sure to ask your insurance agent about contents coverage. For most standard policies, contents coverage is not automatically included with the building coverage. Contents coverage usually covers items like:

- Personal belongings such as clothing, furniture, and electronic equipment
- Carpets
- Washers and dryers
- Food freezers and the food in them
- Portable microwave ovens and dishwashers

### The NFIP offers some basement coverage.

While flood insurance does not cover basement improvements (such as finished walls, floors, or ceilings), or personal belongings kept in a basement (such as furniture and other contents), it does cover structural elements and essential equipment kept in a basement, such as hot water heaters and furnaces.



Christian White, home insurance adjuster, assesses flood damage inside of a home in East Baton Rouge Parish, Louisiana.



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For more information about the NFIP and flood insurance, contact your insurer or agent, or call **1-800-427-4661**.

If you are deaf, hard of hearing, or have a speech disability and use relay services, call **711** from your TTY.

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## NATIONAL FLOOD INSURANCE PROGRAM

# WHY DO I NEED FLOOD INSURANCE?



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Flood waters remain high in neighborhoods impacted by Hurricane Matthew in Lumberton, North Carolina.

## Every property is vulnerable to flooding.

Flooding can happen anywhere, at any time. In fact, more than 20 percent of the NFIP's claims come from outside high-risk flood areas. That's why it's important to protect the life you've built with flood insurance, even if you live in an area with low-to-moderate flooding risk.

### Property owners located in low-to-moderate risk areas should ask their agents if they are eligible for the Preferred Risk Policy,

which provides flood insurance protection at a lower cost than a standard policy in a high-risk area.

The low-cost Preferred Risk Policy is ideal for homes and other properties currently mapped in low-to-moderate risk areas—and it costs homeowners an average of \$439 a year.

Learn more about Preferred Risk Policies here:  
[fema.gov/media-library/assets/documents/17576](https://fema.gov/media-library/assets/documents/17576)

## The NFIP covers flooding resulting from hurricanes or other weather events.

The NFIP defines covered flooding as any temporary event where the surface of normally dry land is partially or completely underwater. Flooding can be caused by:

- Overflow of inland (lake or river) or coastal waters
- Pooling or runoff of surface waters from any source, such as heavy rainfall
- Mudflows
- Collapse of land along the shore of a lake or other body of water due to wave or water currents

## You can purchase flood insurance at any time.

There is usually a 30-day waiting period before the policy goes into effect. There are some exceptions:

- If you initially purchased flood insurance while securing, adjusting, or renewing a loan for your property, there is no waiting period. Coverage goes into effect when the loan is closed.
- If you live in an area newly affected by a flood risk map change, review your options with your insurance agent.

Additionally, the 30-day waiting period may not apply if your property experiences flood damage caused by wildfire in your community. Learn more about the Post-Wildfire Exception at [fema.gov/wildfires-you-need-flood-insurance](https://fema.gov/wildfires-you-need-flood-insurance).

Keeping these exceptions in mind, plan ahead so you are not caught without insurance. The policy does not cover losses caused by a flood that occurred prior to the policy becoming effective. In addition, you cannot increase your insurance coverage once a flood has begun.

### DID YOU KNOW?

The government requires that homes in high-risk flood areas are protected by flood insurance if they are backed by a federally regulated lender. Lenders must notify borrowers of their flooding risk, prior to closing, if their property is in a high-risk flood area.

## And remember, most homeowners insurance does NOT cover flood damage.

Unfortunately, many property owners do not find out until it's too late that their policies do not cover flooding. The NFIP offers a separate policy that protects your single most important financial asset—your home or business.

You can insure your condominium unit or home with flood insurance for up to \$250,000 for the building and up to \$100,000 for the contents. Property owners can insure their commercial properties for up to \$500,000 for the building and \$500,000 for the contents.

## In the event of a flood, federal disaster assistance may be limited or unavailable.

Federal disaster assistance is available only if the president declares a disaster. Your home is covered by flood insurance even if a disaster is not declared.

Disaster assistance comes in two forms: A U.S. Small Business Administration loan, which must be paid back with interest, or a FEMA disaster grant, which is about \$5,000 on average per household.

Both programs have strict eligibility requirements based on individual need and many disaster survivors may not qualify. By comparison, the average flood insurance claim is nearly \$30,000 and does not have to be repaid.

## Flood insurance is available for individuals in participating communities.

Today, more than 22,000 communities participate in the NFIP and most people who live in participating communities, including renters and condo unit owners, can purchase NFIP flood insurance. Flood insurance coverage is not limited to properties in a high-risk flood area. That's why it's important to secure flood insurance; because everywhere it can rain in these communities, it can flood.

Those living in Coastal Barrier Resources Systems (CBRS) or other protected areas are not eligible for NFIP coverage.



Rupi Prasad purchased flood insurance for peace of mind during her retirement years. With help from the NFIP, she's rebuilding after Hurricane Harvey.

## ***Flood Safety***

### ***Outdoors***

**Do not walk through flowing water.** Drowning is the number-one cause of flood deaths. Currents can be deceptive; six inches of moving water can knock you off your feet. Use a pole or stick to ensure that the ground is still there before you go through an area where the water is not flowing.

**Do not drive through a flooded area.** More people drown in their cars than anywhere else. Don't drive around road barriers; the road or bridge may be washed out. A car can float in as little as two feet of water.

**Stay away from power lines and electrical wires.** The number two flood killer after drowning is electrocution. Electrical current can travel through water. Report downed power lines.

### ***Indoors***

**Turn off your electricity if your building is flooded.** If you don't feel safe doing this, call an electrician. Some appliances, such as television sets, can shock you even after they have been unplugged. Don't use appliances or motors that have gotten wet unless they have been taken apart, cleaned, dried and inspected by a professional.

**Watch for animals.** Small animals like rats and snakes that have been flooded out of their homes may seek shelter in yours. Use a pole or stick to poke and turn items over and scare away small animals.

**Look before you step.** After a flood, the ground and floors are covered with debris including broken bottles and nails. Floors and stairs that have been covered with mud can be very slippery.

**Be alert for gas leaks.** Use a flashlight to inspect for damage. Don't smoke or use candles, lanterns, or open flames unless you know the gas has been turned off and the area has been thoroughly aired out.

**Carbon monoxide exhaust kills.** Use a generator or other gasoline-powered machine outdoors. The same goes for camping stoves. Fumes from charcoal are especially deadly — cook with charcoal outdoors.

**Clean everything that got wet.** Flood waters have picked up sewage and chemicals from roads, farms, factories, and storage buildings. Spoiled food and flooded cosmetics and medicines are health hazards. **When in doubt, throw them out.**

## Mitigation Reduces Future Flood Damage

Is your building insured through the National Flood Insurance Program (NFIP) with a Standard Flood Insurance Policy (SFIP)? If so, you may be eligible for up to \$30,000 in Increased Cost of Compliance (ICC) coverage. ICC will help cover the costs of meeting the community's rebuilding requirements that will protect your home from future flood damages.

ICC coverage can help to pay the cost of one or any combination of these four mitigation activities.



**Elevate** above the flood level required by your community



**Relocate** to a new site, preferably out of the floodplain



**Demolish** the building



**Dry floodproof** the building (primarily non-residential)

Your insurance carrier and community building department can help you to determine your ICC eligibility and the documentation you will need.



## ICC Helps Reduce Future Flood Damage

Flooding badly damaged John Smith's \$200,000 home. After John **reported his flood loss to his insurance carrier**, an assigned adjuster inspected the property and said he may be eligible to receive ICC and should talk to his community building department.

John contacted the **community building department** and **after an inspection of the home, it was declared substantially damaged**. John and the building department jointly decided elevating his home was the best way to meet the local floodplain rebuilding requirements and reduce future flood damage.

John provided the substantial damage letter he received from his community building department to the insurance carrier. After **the insurance carrier verified that the flood damages equaled at least 50 percent of the pre-flood market value, John qualified to receive ICC**. After submitting a signed contract for the work, a building permit from the building department, and a signed ICC Proof of Loss form, **John was ready to elevate his home\***.

*\*Check with your insurance carrier to determine if you are able to receive a partial payment to help with the initial mitigation activity costs.*

For more information about the NFIP, flood insurance, and ICC, contact your insurance carrier or visit [www.FloodSmart.gov](http://www.FloodSmart.gov).



National Flood Insurance Program

# Increased Cost of Compliance Coverage

Reduces Future Flood Damages



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## What is Increased Cost of Compliance (ICC)?

ICC coverage is included under the National Flood Insurance Program (NFIP) Standard Flood Insurance Policy (SFIP). ICC helps policyholders with the costs incurred if they are required by the community building department to meet rebuilding standards after a flood.

ICC coverage provides up to \$30,000 to help pay for relocating, elevating, demolishing, and floodproofing (non-residential buildings), or any combination of these mitigation activities.

The ICC portion of the claim is handled separately from the building and/or contents portion of the claim. However, the combination of payments cannot exceed the maximum coverage limits available through the NFIP. For example, a policyholder cannot receive more than \$250,000 in claim payments for a residential building.

## Are You Eligible to File a Claim for ICC?

Yes, if:

- 1) You have an NFIP flood insurance policy; and
- 2) Your community building department determines your home is substantially or repetitively damaged by flooding; and
- 3) The flood damage to your home is equal to 50 percent of the pre-flood market value.

*“Substantially damaged”* means damages of **any** origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damages occurred.

*“Repetitively damaged”* means the building must have flood damage on at least two occasions during a 10-year period; the cost of which to repair the flood damage, on average, equaled or exceeded 25 percent of the market value of the building on each occasion.

## Starting the ICC Claims Process after a Flood



1. If your community building department determines your structure is substantially or repetitively damaged, discuss what mitigation activities will be required to rebuild in the floodplain and if any grants may be available.



2. Promptly contact your insurance carrier to file a claim for ICC and document the loss (photographs, etc.) Do not begin minor repair work before filing an ICC claim.



3. Submit to your insurance carrier the letter from your community building department declaring the building substantially or repetitively damaged, a signed contract for the mitigation activity, and the building permit that documents rebuilding requirements in the floodplain.



4. The insurance carrier will verify that the flood damage to your building equals at least 50 percent of the pre-flood market value, which is required to start the ICC claim.

## Where to Get More Information

For more information about the ICC claim process, visit [www.FEMA.gov/Increased-Cost-Compliance-Coverage](http://www.FEMA.gov/Increased-Cost-Compliance-Coverage), contact your insurance carrier, or your State NFIP Coordinator (<http://www.floods.org/>).

## Things to Remember about ICC

- After it has been determined which mitigation activity you will be taking, contact your insurance carrier to file a claim for ICC. An adjuster will be assigned to you.
- Your adjuster will ask you to submit your substantial damage letter and building permit from the community building department, a copy of a signed contractor bid for the work, and a signed ICC Proof of Loss form, which the adjuster may provide to you as a courtesy.
- Before you begin the work, check with your insurance carrier to see if you are able to receive a partial payment to help cover some of the initial construction costs.
- After the work is completed, your community building department will provide written evidence the work meets the floodplain management regulations. Submit this to your insurance carrier to receive a full or remaining partial ICC payment.
- If necessary, your community building department may also be able to use ICC to supplement Federal or state grant funding for your elevation, demolition, relocation, or floodproofing (non-residential buildings).

