

*National Flood Insurance Program*

**What You Need to  
Know about Federal  
Disaster Assistance  
and National Flood  
Insurance**



**FEMA**

**When it comes to  
flood insurance, do  
you have feelings like  
these?**

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*"Who needs flood insurance?  
If my home or business is ever  
flooded, disaster assistance  
will bail me out."*

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*"Flood insurance is too  
expensive."*

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*"We're not going to be  
flooded. This area has never  
been flooded."*

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**The facts show:  
Flood insurance is the  
prudent choice.**

Flood insurance from the NFIP puts you in control. You won't have to wait in line to apply for disaster assistance. Homeowners, business owners, and renters all can buy flood insurance, as long as their communities participate in the NFIP.

Flood insurance claims are paid even if a disaster is not declared by the President. And NFIP claims are paid promptly, so flood victims can recover quickly. If you file a flood insurance claim, you may request an advance partial payment for your immediate needs.

Flood insurance reimburses you for all covered losses. Homeowners can buy up to \$250,000 of coverage; businesses, up to \$500,000. Separate contents coverage is available, so renters can buy protection, too.

## Answers to Common Misconceptions about Flood Insurance

**"Who needs flood insurance? If my home or business is ever flooded, disaster assistance will bail me out."**

### THE FACTS ARE:

- Before most forms of federal disaster assistance can be offered, the President must declare a major disaster.
- The most common form of federal disaster assistance is a loan, which must be paid back with interest.
- The average federal Individuals and Households Program (IHP) award is around \$4,000.
- To qualify for federal Home Repair Assistance, your home must have relatively minor damage that can be repaired quickly.
- You can't qualify for federal Rental Assistance unless your home has been heavily damaged or destroyed.

**"Flood insurance is too expensive."**

### THE FACTS ARE:

- The average duration of a U.S. Small Business Administration (SBA) disaster home loan is 30 years.

- The recipient of a \$50,000 SBA residential disaster loan must pay back about \$240 a month at 4% interest.
- The average premium for federally backed flood insurance through the National Flood Insurance Program (NFIP) is about \$400 a year.

**"We're not going to be flooded. This area has never been flooded."**

### THE FACTS ARE:

- Floods are the most common, and most costly, natural disaster.
- In the past several years, about 60% of all Presidentially declared disasters involved flooding.
- Because more roads, buildings, and parking lots are being constructed where forests and meadows once stood, floods are becoming more severe throughout the U.S.
- In areas with the greatest risk of flooding, called Special Flood Hazard Areas (SFHAs), a building has a 26% chance of being flooded during a 30-year mortgage.
- About 20-25% of all flood insurance claims paid by the NFIP are for property outside of SFHAs.

**Flooding—the risk is real.  
Don't gamble any longer.**

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

For an agent referral, call  
**1-888-435-6637**  
**TDD 1-800-427-5593**

<http://www.fema.gov/business/nfip>  
<http://www.floodsmart.gov>