

Flood Insurance Misconceptions

Flooding is the United States #1 natural hazard. The National Flood Insurance Program and City of Rochester Emergency Management Division wants consumers to know that while homeowner's insurance won't cover them against flooding, they can protect their home and property by purchasing a flood insurance policy separately through their local insurance agent.

Many people are under the misconception that they are ineligible for flood insurance because of where they live, or their mortgage status. But the truth is, Rochester is an NFIP community, and most homeowners, business owners and renters can get flood insurance. The NFIP urges consumers to know these flood insurance basics:

- You *CAN* get flood insurance if you live in a floodplain or high-flood-risk area.
- You *CAN* get flood insurance if you live outside a floodplain, or a low-to-moderate flood-risk area, - and at lower cost.
- You *CAN* get flood insurance if your property has been flooded before.
- You *CAN* get flood insurance from insurance agents in your area.
- You *CAN* buy flood insurance even if your mortgage broker doesn't require it.

Armed with the proper information about their flood risk and protection options, consumers can make more informed decisions to protect their financial investments.

Doesn't my homeowner's insurance policy cover flooding?

No. Flood damage is not typically covered by a homeowner's insurance policy. This includes water seepage from storm run-off and other sources – check with your agent to learn about insurance policy exclusions.

Am I eligible for flood insurance?

You must live in a community that participates in the National Flood Insurance Program (NFIP) to qualify for National Flood Insurance. [Find out if your community participates in the NFIP](#) and the kinds of NFIP resources available in your community – [City of Rochester \(275246#\) is an NFIP community](#).

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. Read more [about residential coverage for renters](#) at FloodSmart.gov

Can I get flood insurance before floodwaters reach my house?

Typically, there's a 30-day waiting period from date of purchase before your policy goes into effect. That means the best time to buy flood insurance is well before the risk of flooding appears.

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.

Is there a low-cost policy for homes in moderate-to-low risk areas?

Yes. The [Preferred Risk Policy](#) is available in moderate-to-low risk areas for as little as \$129 per year.

I'm not in a high-risk area, but I'd like flood coverage. Is this possible?

Yes! You are eligible to purchase a flood policy with the same coverage you would receive if you lived in a high-risk area. That is, of course, as long as your community participates in the NFIP. And you may qualify for the [Preferred Risk Policy](#) (a low-cost flood insurance policy) that provides contents coverage for as little as \$49 per year and for as little as \$129 per year for both building and contents coverage.

My mortgage lender did not require flood insurance, so I don't need it?

Mortgage companies should make home buyers aware of special flood hazard areas, and that they are eligible for flood insurance. Floodwaters don't stop at a line on a map and history of past flooding does not mean a new high water mark is reached. In September 2010, some home dwellers experienced the first flood ever – due to saturated ground and water entering the home from an unexpected location.

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](#) (http://www.floodsmart.gov/floodsmart/pages/landing_pages/landing0011_12.jsp?WT.mc_id=FEMA_PRP)

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. 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.

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. The September 2010 flood affecting Olmsted, Wabasha, and other SE Minnesota counties is an example of a disaster where a Presidential declaration for individual assistance to citizens was not granted. There is no guarantee federal funding will be available after a flood.

Source: FloodSmart.gov and City of Rochester Emergency Management Division. [More information...](#)