

Flood insurance is essential as flooding can occur in various locations, with 40% of claims from the National Flood Insurance Program (NFIP) arising outside high-risk areas. The NFIP defines flooding as the inundation of normally dry land or properties due to overflow from inland or tidal waters, rapid accumulation of surface waters, mudflow, or land subsidence caused by water erosion. Most homeowners insurance policies do not cover flood damage, making NFIP policies crucial for protecting homes and businesses. The NFIP provides building coverage for structures and their foundations, including essential systems and appliances, while contents coverage protects personal belongings, with specific limits for different property types. For instance, single-family homes can receive up to \$250,000 in building coverage and \$100,000 for contents. Properties in high-risk flood zones must have flood insurance if they secure federally backed loans, and lenders are required to inform borrowers of this necessity. Federal disaster assistance is limited and often requires a presidential disaster declaration, whereas flood insurance claims do not need to be repaid and have averaged \$27,000 since 2010. Flood insurance can be purchased at any time, but typically has a 30-day waiting period before coverage begins, with exceptions for certain circumstances like loan closings or changes in flood maps. It is important to plan ahead, as losses from floods occurring before the policy takes effect are not covered, and coverage cannot be increased once a flood has started. For further assistance, policyholders can contact their insurance agent or the NFIP directly.