

# Florida Insurance Roundup



*From Lisa Miller & Associates*

## **Top 10 Facts About the National Flood Insurance Program**

1. About 95% of all flood insurance policies in the United States (approximately 5 million policies) are underwritten by the federal government's National Flood Insurance Program (NFIP). Most homeowners and business traditional property insurance policies do not cover flooding, necessitating a separate flood policy.
2. NFIP policies limit structural damages to \$250,000 for a home and \$500,000 for a business and limit contents coverage to \$100,000 for a home and \$500,000 for a business. They do not cover homeowners' living expenses, such as temporary housing, nor cover loss of income suffered by businesses due to a flood.
3. NFIP policies cover flooding from hurricanes, rivers, and tidal waters only when two properties in the area or two or more acres are affected.
4. NFIP policies pay only actual damage and replacement costs, not the full value of the policy. Also, unlike many homeowners policies, an NFIP policy is not a guaranteed replacement cost policy – it does not pay more than the policy limit.
5. NFIP policies are available no matter where you live, including high-flood risk areas, so long as your community participates in the NFIP mitigation program, except in Coastal Barrier Resources System or other protected areas.
6. Although you can purchase National Flood Insurance at any time, there is usually a 30-day waiting period after premium payment before the policy is effective; there is no waiting period for a purchase made in connection with a loan and a one-day waiting period for purchase made within 13 months of a new flood map showing the property now in a Special Flood Hazard Area.
7. NFIP policies are available to homeowners, renters, condo unit owners, and businesses.
8. You can purchase an NFIP policy regardless of your property being flooded in the past.
9. As nearly 25% of the NFIP's claims come from outside high-flood risk areas, all property owners should consider purchasing flood insurance.
10. Federal Disaster Assistance pays for flood damage only when a federal disaster declaration is issued, which occurs in less than 50% of flooding events.

Source: Federal Emergency Management Agency