

NFIP Desk Reference Guide

For State Insurance Commissioners and Others

October 2017

FEMA

Table of Contents

3 NFIP Desk Reference Guide

How the NFIP Desk Reference Guide Is Organized
Icons Used in the Desk Reference Guide
Commonly Used Acronyms

10 Before the Flood

What is the National Flood Insurance Program (NFIP)?
Why Flood Insurance?
Identifying and Mapping Flood Risk
Managing Flood Risk
Flood Mitigation Grants
Insuring Flood Risk
Who Must Buy Flood Insurance? (Mandatory Purchase)
Waiting Period
NFIP Premiums
Preferred Risk Policy
Increased Cost of Compliance
FEMA's Flood Insurance Advocate

23 During the Flood

Information for Citizens
Information for Policyholders

26 After the Flood

NFIP Claims Process
Appealing a Claim
Complaints
Who to Contact
Information for Policyholders
FEMA Disaster Assistance

NFIP Desk Reference Guide

FEMA is answering the call from State Insurance Commissioners and others to provide a direct, comprehensive, and reliable resource on the National Flood Insurance Program (NFIP). The purpose of the desk reference guide is to both educate and clarify common issues that surround the NFIP in three ways:

1. Answer your NFIP question in clear, plain language
2. Guide you to the proper resource or reference
3. Provide you with additional information about the NFIP – if you want to know more

The reference guide will help you understand why the NFIP matters because Congress created it to do the following:

SAVE LIVES	SAVE MONEY	SAVE YOUR COMMUNITY
Floods kill more than 100 people annually, more than any other single hazard.	Flooding is the most frequent and costliest disaster in the U.S.	Over 22,000 communities participate in the NFIP, with over 5 million policies in force.

This guide defines your role and what you need to know as a State Insurance Commissioner and what is important to share with your constituents.

How the NFIP Desk Reference Guide Is Organized

The National Flood Insurance Program Desk Reference is in three distinct parts: Before the Flood, During the Flood, and After the Flood. Each part will provide valuable resources on what you need to know, what you need to share with policyholders and property owners, and who to contact. We organized this guide to provide you the information you need to know when you need to know it most. FEMA publishes it electronically to ensure easy updates as the program evolves.

Section I—Before the Flood

In this section, you will find information and resources on the NFIP, flooding and flood risk, and NFIP flood insurance (what is covered and what is not covered). You will also learn about participating communities, who can and must buy flood insurance, how much it costs and more.

Section II—During the Flood

In this section, you will learn valuable information and advice to citizens and policyholders. Helpful tips are available to you to assist in your community's recovery such as setting up a local call center to respond to flood inquiries and issuing public statements to overcome misinformation.

Section III—After the Flood

In this section, you will learn about how NFIP policyholders file a claim, the role of NFIP adjusters, and other FEMA assistance that may be available in a presidentially declared disaster. You will learn what happens when a policyholder has concerns with their claim and what to expect from FEMA. You will learn about resources that may be available to assist policyholders with mitigation to reduce the potential for damage the next time floods threaten.



Icons Used in the Desk Reference Guide

Infographics
Infographics provide a shortcut on steps or processes in a colorful and cartoon-like format. You can download and share them via your outreach materials, blogs, websites, and social media.

Flood Fact
Dollar amounts and numbers make up the NFIP and the Flood Fact icon gives you a sense of how much taxpayers and communities benefit and lose from the NFIP.

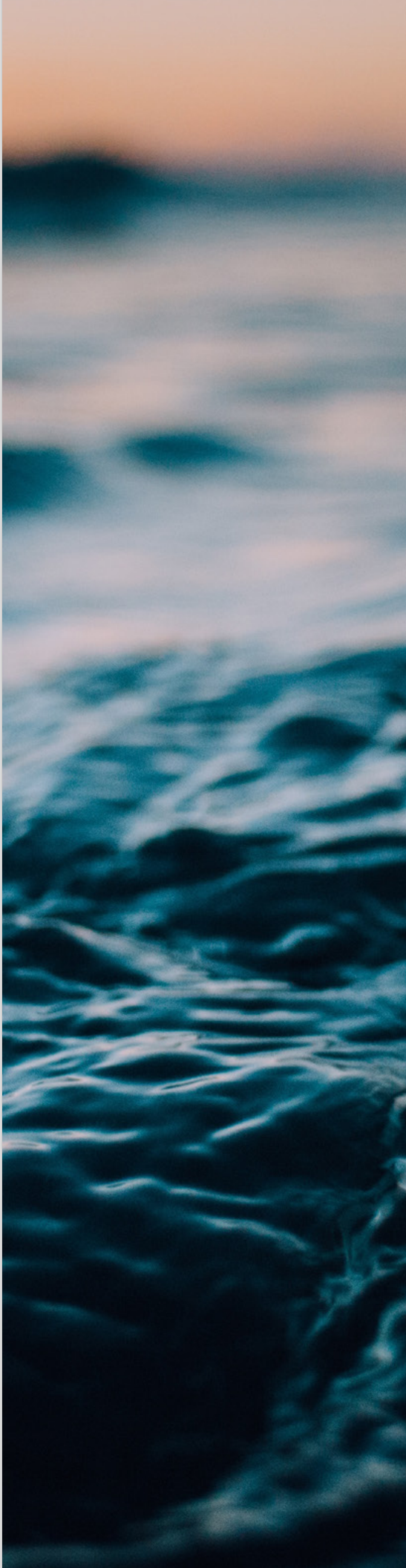
Flood Resource
The icon will lead you to additional information and provide more context to the subject area.

Flood Tips
The Flood Tips icon provides helpful disaster preparedness tips.

Red Bold Text: Refers to additional resources found on ***FEMA.gov*** and at the end of this guide.

Commonly Used Acronyms

FEMA	Federal Emergency Management Agency
FIMA	Federal Insurance and Mitigation Administration
NFIP	National Flood Insurance Program
SFHA	Special Flood Hazard Area
FIRM	Flood Insurance Rate Map
CRS	Community Rating System
WYO	"Write-Your-Own" NFIP policy



Resource Information

The chart below provides helpful resources for general information about the NFIP.

Local Planning, Building Inspections or Zoning Office

Contact the local planning, building or zoning office for information on:

- Copies of flood maps
- Copies of existing elevation certificates and elevation information
- Building permits and local regulations or ordinances governing development in the SFHA

Disaster Assistance

For information on disaster assistance including how to register, types of assistance, and to check on the status of a disaster application.

Toll-Free	1-800-621-3362
TTY	1-800-462-7585
Website	*disasterassistance.gov*
Federally-Declared Disaster Address Lookup	*disasterassistance.gov/address-lookup*

NFIP Call Center

For information about the NFIP or questions about an existing flood policy.

Toll-Free	1-800-621-3362
Email	FEMA-NFIP-Support@fema.dhs.gov
TTY	1-800-462-7585
Website	*fema.gov/national-flood-insurance-program-technical-support-hotline*

FEMA Map Information Exchange (FMIX)

For information on Flood Insurance Rate Maps (FIRMs), Letter of Map Revision (LOMR), Letter of Map Amendment (LOMA), and flood zones definitions.

Contact a Map Specialist	1-877-336-2627
Hours	Monday–Friday, 8AM–6:30PM (ET)
Email	FEMAMapSpecialist@riskmapcds.com
Chat	Live Chat Available, Monday–Friday, 9AM–5PM (ET)
Website	*floodmaps.fema.gov/fhm/fmx_main.html*

Flood Insurance Advocate

Advocates for the fair treatment of policyholders and property owners by providing education and guidance on all aspects of the NFIP.

Website	*fema.gov/national-flood-insurance-program-flood-insurance-advocate*
Fact Sheet	*fema.gov/media-library/assets/documents/104126*
Ask the Advocate	*fema.gov/webform/flood-insurance-advocate-ask-question*

WYO Insurance Company List

Website	*fema.gov/wyo_company*

NFIP Regional Liaisons

Each FEMA Region staffs an NFIP Specialist to meet the needs of the state and local communities.

FEMA Regional NFIP Insurance Specialists	
Region I Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont	**Bob Desaulniers** (617) 832-4760 *robert.desaulniers@fema.dhs.gov*
Region II New Jersey, New York, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands	**Andrew Martin** *(temporary contact)* (202) 716-2721 *andrew.martin@fema.dhs.gov*
Region III Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia	**Rich Sobota** (215) 931-5514 *richard.sobota@fema.dhs.gov*
Region IV Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee	**Janice Mitchell** (770) 220-5441 *janice.mitchell@fema.dhs.gov*
Region V Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin	**Frank Shockey** *(temporary contact)* (312) 408-5321 *frank.shockey@fema.dhs.gov*
Region VI Arkansas, Louisiana, New Mexico, Oklahoma, and Texas	**Mark Lujan** (940) 383-7327 *mark.lujan@fema.dhs.gov*
Region VII Iowa, Kansas, Missouri, and Nebraska	**Chris Parsons** (816) 283-7980 *christopher.parsons@fema.dhs.gov*
Region VIII Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming	**Diana Herrera** (303) 235-4988 *diana.herrera@fema.dhs.gov*
Region IX Arizona, California, Hawaii, Nevada, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, and the Federated States of Micronesia	**Edith Lohmann** (510) 627-7235 *edith.lohmann@fema.dhs.gov*
Region X Alaska, Idaho, Oregon, and Washington	**Deb Gauthier** (425) 487-2023 *deborah.gauthier@fema.dhs.gov*

A History of Mitigation & Flood Insurance

From large-scale flood events in the early part of the 20th century to devastating tornadoes and hurricanes more recently, nature consistently brings threats to life and property.

These hazards and the damages they cause have served as important triggers for change, heightening our understanding of risk and underscoring the need for mitigation. Legislation and new policies, as well as more informed community planning and safer building practices, have evolved over the decades and show that through investment, expertise, and partnership—between individuals, government, and the private sector—we can significantly strengthen our ability to withstand a range of hazards.

Mitigation is the effort to create stronger, safer, and more resilient communities. It is essential not only to our personal safety and protecting financial investments but also to safeguarding the heritage and defining features of communities across our Nation.

The Federal Emergency Management Agency's (FEMA's) Federal Insurance and Mitigation Administration (FIMA) has a lead role in helping communities address and reduce their disaster risks. It does so through three primary activities that help states and localities achieve the highest level of mitigation: risk analysis, risk reduction, and risk insurance. Through these activities and FIMA's day-to-day work across the country, communities are able to make better decisions before, between, and after disasters.

Resilient communities that are not only able to survive hazards, but come through them safely, quickly, and securely require collaboration and commitment from individuals, businesses, and local leaders. When the Whole Community is engaged and invests their time, energy, and resources in mitigation activities before disasters occur, we increase our resilience.

This timeline showcases some defining events and advancements in the history of mitigation and flood insurance.

1889-1927: Early period
1889: Great Johnstown Flood
1900: Galveston Hurricane
1906: San Francisco Earthquake
1910: Great Fire of 1910
1915: Galveston Hurricane
1917: Flood Control Act (P.L. 64-367)

1920s/30s: Series of Major Floods
1927: Great Mississippi River Flood

1933: Long Beach Earthquake
1935: "Labor Day Hurricane"
1938: Great Hurricane of 1938

1950: The Disaster Relief Act of 1950 (P.L. 81-875)
1956: Federal Flood Insurance Act of 1956 (P.L. 84-1016)
1959: U.S. Geological Survey Flood Inundation Maps



The "Long Island Express" makes landfall along the New England Coast. (Source: NOAA/U.S. Dept. of Comm.)



The aftermath of Hurricane Camille.
(Source: NOAA/U.S. Dept. of Comm.)

1964: Great Alaska Earthquake and Tsunami

1965: Flood Control Act of 1965 (P.L. 89-298)

1965: Hurricane Betsy and the Southeast Hurricane Disaster Relief Act (P.L. 89-339)

1966: The Disaster Relief Act of 1966 (P.L. 89-769)

1968: National Flood Insurance Program Hurricane Camille

1969: First NFIP Communities

1960

1971: San Fernando Earthquake

1972: Hurricane Agnes

1973: Flood Disaster Protection Act of 1973

1977: 1.2 million NFIP Active Policies

1977: Executive Orders (E.O.) 11988 Floodplain Management and 11990 Protection of Wetlands

1979: Federal Emergency Management Agency (FEMA) created

1970

1980: More than 2 million NFIP Active Policies

1980: Eruption of Mount St. Helens

1983: NFIP Write Your Own (WYO) Program Created

1985: Peoria County floods and lessons learned from 1970s flooding

1988: Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act)

1989: Hurricane Hugo

1989: Loma Prieta Earthquake (World Series Earthquake)

1980

1990: E.O. 12699 Seismic Safety for New Construction

1990: NFIP Community Rating System (CRS) Established

1992: Hurricane Andrew

1993: Great Midwest Flood of 1993

1994: More than three million NFIP Active Policies

1994: National Flood Insurance Reform Act (NFIRA)

1994: Northridge Earthquake

1995: Oklahoma City Bombing

1996: National Dam Safety Program Act of 1996

1997: More than four million NFIP Active Policies

1997: Project Impact

1998: Iowa State Fair Community SafeRoom

1990

2000: Disaster Mitigation Act of 2000 (P.L. 106-390)

2001: Tropical Storm Allison

2001: September 11 Terrorist Attacks

2003: U.S. Department of Homeland Security (DHS)

2003: FloodSmart Program

2003: Map Modernization Program Established

2004: Bunning, Bereuter, Blumenauer Flood Insurance Reform Act

2005: Hurricane Katrina

2006: First NFIP CRS Class 1 Community

2007: Greensburg, KS, Tornado

2008: Hurricane Ike and Port Naches Wind-Retrofit

2008: QuakeSmart

2009: Risk Mapping, Assessment, and Planning (Risk MAP) Program

2011: Presidential Policy Directive-8 (PPD-8)

2012: Biggert-Waters Flood Insurance Reform Act of 2012 FEMA Mitigation and Insurance Strategic Plan

2000

Before the Flood

What is the National Flood Insurance Program (NFIP)?

The NFIP is a voluntary Federal program enabling property owners in participating communities to purchase insurance against flood losses in exchange for adopting and enforcing regulations that reduce future flood damage. A participating community's floodplain management regulations must meet or exceed the NFIP minimum requirements.

There are nearly 70 private participating insurance companies in the Write-Your-Own (WYO) program that sell and service NFIP policies through insurance agents, where FEMA retains responsibility for the underwriting losses. Flood insurance is also offered directly through the NFIP by the NFIP Direct. There are approximately 5 million policyholders nationwide and the NFIP is the Nation's largest single-line insurance program providing nearly $1.3 trillion in coverage against flood.

The U.S. Congress established the NFIP on August 1, 1968, with the passage of the National Flood Insurance Act (NFIA) of 1968, which has been modified over the years. Congress broadened and modified the NFIP with the passage of the Flood Disaster Protection Act of 1973 and other legislative measures. The National Flood Insurance Reform Act (NFIRA) of 1994 and the Flood Insurance Reform Act (FIRA) of 2004 made additional changes. The Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014 further refined the program.

FEMA, a component of the U.S. Department of Homeland Security (DHS), administers the NFIP and it is a partnership between the Federal Government, the property and casualty insurance industry, states, local officials, lending institutions, and property owners.

Why Flood Insurance?



Today, many Americans are either unaware their homeowner's insurance policy does not cover flood damage or they choose to not purchase flood insurance. Definitive figures on the potential market for flood insurance are difficult to obtain. For a number of flood disasters in the past few years, only 10 to 20 percent of the survivors in Special Flood Hazard Areas (SFHAs) had flood insurance coverage. The remaining 80 to 90 percent relied on taxpayer-funded assistance, i.e. FEMA disaster assistance, loans that owners must repay, tax write-offs, or savings to help them recover.

There are four key elements of the National Flood Insurance Program:

1. Identifying & Mapping Flood Risk
2. Floodplain Management
3. Incentivizing Risk Reduction through Grants and Premium Discounts
4. Flood Insurance

Links to More Information on Flood Hazard Mapping

National Flood Insurance Program: Flood Hazard Mapping
www.fema.gov/national-flood-insurance-program-flood-hazard-mapping

Coastal Flood Risks: Achieving Resilience Together
www.fema.gov/coastal-flood-risks-achieving-resilience-together

What Goes into a Flood Map: Infographic
www.fema.gov/blog/2014-02-21/what-goes-flood-map-infographic

Flood Fact

You may have heard the term "100-Year Flood Zone" and think "A flood like that only happens once in every one hundred years." Unfortunately, that is an old adage and is untrue. The SFHA is an area that has a one-percent chance, or a one-in-one hundred chance, of a flood happening in any given year. That means a "One Hundred Year Flood" could happen this year, and again next year. It has nothing to do with calendar years.

Identifying & Mapping Flood Risk

Working closely with participating communities, FEMA identifies flood hazards from riverine, coastal, ponding, lakes, and other flood sources including dams and levees through scientific and engineering modeling.

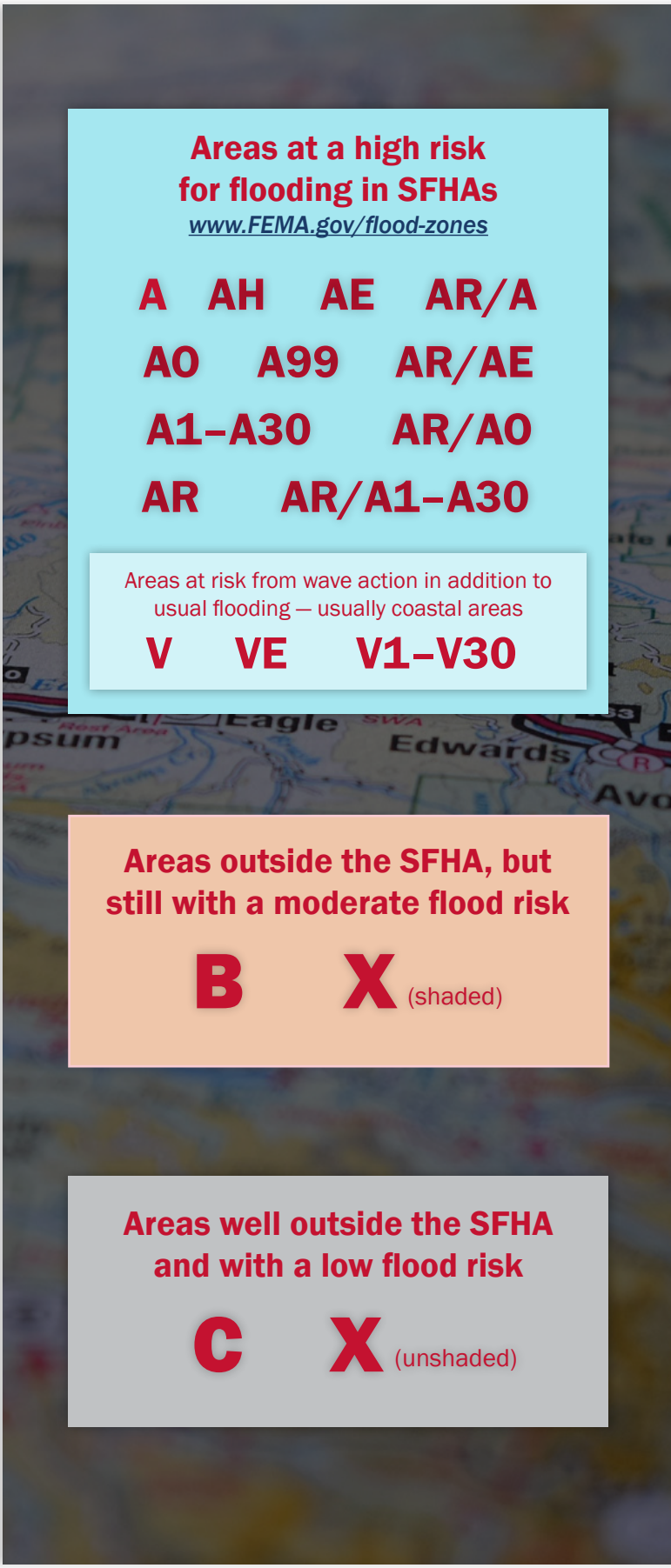
FEMA then maps those hazards on a Flood Insurance Rate Map (FIRM). A FIRM is an official map of a community that displays the flood zones. Communities use the FIRM to adopt and enforce local floodplain management regulations. Lenders use them to assess property-specific flood risk and to determine the requirement for purchasing flood insurance. Insurers use them to calculate the appropriate risk-based premium rates. FEMA and all stakeholders use them to communicate flood risk to property owners and the public.

Communities adopt FIRMs after 12-24 months of consultation with FEMA during their development and public input. Special Flood Hazard Areas (SFHAs) have special flood, mudflow, or flood-related erosion hazards and are displayed on the FIRM, along with the moderate-to-low risk areas known as non-SFHAs, as defined by FEMA.

The SFHA is the area that will be inundated by the flood event having a 1-percent-chance of being equaled or exceeded in any given year. The 1-percent-annual-chance flood is also referred to as the base flood. Elevation related to the flood having a 1-percent-annual-chance is referred to as the Base Flood Elevation.

Did You Know?

You can find the digital Flood Insurance Rate Maps on FEMA's Map Service Center webpage at ***http://msc.fema.gov***. There are also a number of apps available for mobile devices with flood map information.



Making a Flood Risk Determination

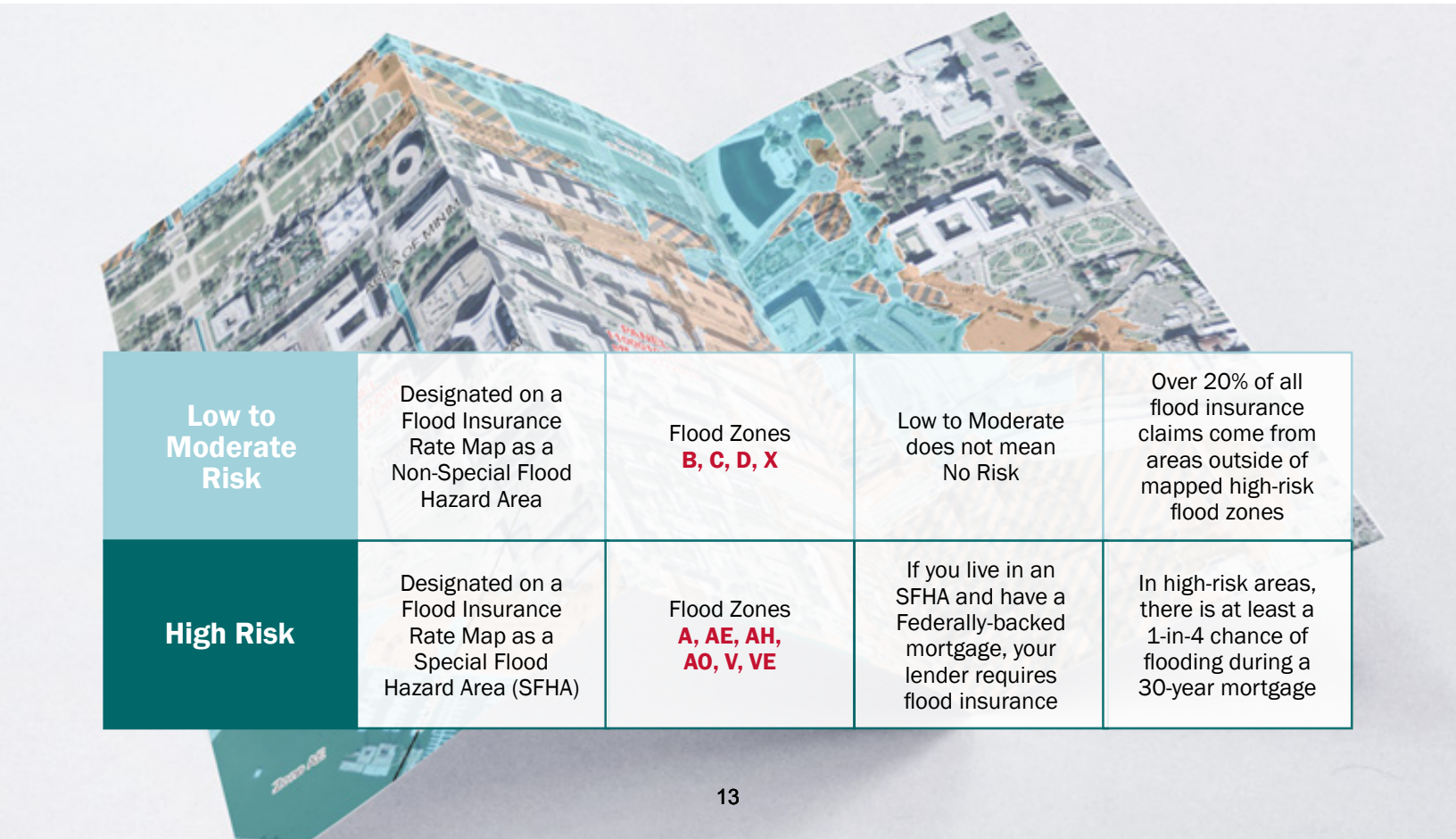
How to Help Policyholders Determine Their Flood Zone and Risk

1 **Visit the FEMA Map Service Center at: *msc.fema.gov***

2 **Type in the physical address**

3 **Speak to a map specialist for your flood map-related questions**

- **877-336-2627 Monday through Friday 8am to 6:30pm ET**
- ***FEMAMapSpecialist@riskmapcds.com***



Low to Moderate Risk	Designated on a Flood Insurance Rate Map as a Non-Special Flood Hazard Area	Flood Zones **B, C, D, X**	Low to Moderate does not mean No Risk	Over 20% of all flood insurance claims come from areas outside of mapped high-risk flood zones
High Risk	Designated on a Flood Insurance Rate Map as a Special Flood Hazard Area (SFHA)	Flood Zones **A, AE, AH, AO, V, VE**	If you live in an SFHA and have a Federally-backed mortgage, your lender requires flood insurance	In high-risk areas, there is at least a 1-in-4 chance of flooding during a 30-year mortgage

Floodplain Management

Floodplain management is a community-based effort to prevent or reduce the risk of current and future flooding, resulting in a more resilient community. Multiple stakeholders with a stake in protecting their communities from flooding carry out floodplain management functions including zoning, building codes, enforcement, education and other tasks. While FEMA has minimum floodplain management standards for communities participating in the NFIP, adopting higher standards will lead to safer, stronger, more resilient communities.

FEMA's Floodplain Management Division provides tools and resources to help communities navigate NFIP requirements and implement higher standards of floodplain management.

State and Federal agencies, local communities and property owners have a role in reducing flood risk and helping communities become more resilient. From states providing strong model ordinances, to communities adopting and enforcing higher-standard building practices, to property owners elevating their homes, everyone can play a part in making communities safer and more resistant to flood disasters.

More Information About Floodplain Management on *FEMA.gov*

Floodplain Management 101
www.fema.gov/floodplain-management

Community Status Book
www.fema.gov/national-flood-insurance-program-community-status-book

Community Rating System
www.fema.gov/national-flood-insurance-program-community-rating-system

Joining the NFIP is an important step toward reducing a community's risk of flooding and making a speedier, more sustained recovery possible should flooding occur. It also allows property owners within a participating community to purchase NFIP flood insurance and receive disaster assistance for flood-related damage. Participation is voluntary and more than 22,000 communities have already agreed to adopt and enforce floodplain management ordinances that provide flood-loss reduction building standards for new and existing development.

Participating counties, municipalities, and tribal nations can become stronger and more resilient by taking the following actions:

- Adopting and enforcing higher floodplain management standards than NFIP minimum requirements (e.g., higher freeboard, lower substantial damage ratios)
- Maintaining rigorous enforcement of those standards
- Promoting open space through property buyouts and community planning
- Encouraging responsible building practices

Communities can adopt higher standards at any time. The map adoption process near the end of a new FIRM study process is a good opportunity to improve those standards. With higher standards, a community can expect faster recovery from flooding events; lower impact to other properties and communities; and reduced financial and physical effects on individual property owners. In addition, if communities build higher and actively participate in the Community Rating System (CRS) their home and business owners can benefit from reduced flood insurance premiums.

The CRS encourages communities to establish sound programs that recognize and promote floodplain management activities that exceed the minimum NFIP requirements. By conducting mitigation and outreach activities that increase safety and resilience, communities can earn credits and discounts (up to 45 percent) on flood insurance premiums for property owners.

Incentivizing Risk Reduction through Grants and Premium Discounts

FEMA manages three programs to help communities and individuals manage their flood risk.

Flood Mitigation Assistance (**FMA**) grant program, authorized by the National Flood Insurance Act. This program, designed to reduce or eliminate flood insurance claims, provides funding to state, local, tribal, and territorial communities for projects that reduce or eliminate long-term risk of flood damage to structures insured under the NFIP. Typical projects may include acquisition of repetitive loss properties, elevation of buildings, and neighborhood-scale flood defense investment.

Generally, local communities will sponsor applications on behalf of homeowners and then submit the applications to their state. A state, U.S. Territory, or Federally-recognized tribe must submit the grant application to FEMA.

Pre-Disaster Mitigation Grant Program (**PDM**), authorized by Section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, assists states, U.S. Territories, Federally-recognized tribes, and local communities in implementing a sustained pre-disaster natural hazard mitigation program. The goal is to reduce overall risk to the population and structures from future hazard events, while also reducing reliance on Federal funding in future disasters. This program awards planning and project grants, and provides opportunities for raising public awareness about reducing future losses before disaster strikes. Mitigation planning is a key process used to break the cycle of disaster damage, reconstruction, and repeated damage. Annual Congressional appropriations fund these grants and FEMA awards them on a nationally competitive basis.

Flood Resource

FEMA Data Visualization Tools
www.fema.gov/data-visualization

FEMA developed the Flood Risk Visualization Tool to help community officials better understand historical flood risk and potential flood related costs. The tool analyzes the cost of flooding by providing a comparison of the average NFIP claims payment to the average Individuals and Households Program (IHP) or FEMA grants, including mitigation grants, for each state.

All 50 States, the District of Columbia, Federally-recognized Native American Tribal governments, American Samoa, Guam, Northern Mariana Islands, Puerto Rico and the U.S. Virgin Islands may apply.

PDM grants fund mitigation plans and eligible projects that reduce or eliminate long-term risk to people and property from natural disasters. Examples of these grants include, but are not limited to, buy-outs of flood-prone homes, elevating flood-prone buildings, earthquake hardening, and tornado and high-wind safe rooms.

Hazard Mitigation Grant Program (**HMGP**) helps communities implement hazard mitigation measures following a Presidential major disaster declaration. Hazard mitigation is any action taken to reduce or eliminate long-term risk to people and property from natural hazards. Mitigation planning is a key process used to breaking the cycle of disaster damage, reconstruction, and repeated damage. Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act authorizes these grants.



HMGP funds projects that reduce or eliminate the losses from future disasters. Projects must protect public or private property and provide a long-term solution to a problem. The grants are for projects to protect public or private property or to purchase property that experienced a flood or is in danger of repetitive damage. Examples include acquisition of real property for willing sellers; demolition or relocation of buildings to convert the property to open space use; retrofitting structures and facilities to minimize damages from high winds, earthquake, flood, wildfire, or other natural hazards; elevation of flood prone structures; development and initial implementation of vegetative management programs; minor flood control projects that do not duplicate the flood prevention activities of other Federal agencies; localized flood control projects, such as certain ring levees and floodwall systems that are designed specifically to protect critical facilities; and post-disaster building code related activities that support building code officials during the reconstruction process.

Limited funding is available for the Hazard Mitigation Grant Program (HMGP) under a presidential disaster declaration. The program may provide a state with up to 15 percent of the total disaster grants awarded by FEMA. States that meet higher mitigation planning criteria may qualify for a higher percentage under the Disaster Mitigation Act of 2000. FEMA can fund up to 75 percent of the eligible costs of each project. The state or grantee must provide a 25 percent match, which can be fashioned from a combination of cash and in-kind sources. Recipients may not use funding from other Federal sources for the 25 percent share with one exception. Recipients may use funding provided to states under the Community Development Block Grant program from the Department of Housing and Urban Development to meet the non-federal share requirement.

Flood Facts

FEMA studies show that structures built to NFIP standards experience 73 percent less damage than structures not built to these standards; as a result, the standards reduce flood losses nationwide by $1.9 billion per year.

An important distinction to remember about PDM is that it is a pre-disaster mitigation program. An annual competitive process awards grants to applicants based on available funding and hazard risk – not on disaster activity.

NFIP premiums pay 100 percent of Flood Mitigation Assistance grants. FEMA administers these grants, but the program criteria are different from the other two grant programs.

An important distinction to remember about HMGP is that it is a post-disaster mitigation program. Funds only flow following a Presidentially-declared major disaster.

To date, the NFIP has paid over $2.3 billion in claims since its creation in 1968.

Flood Insurance

The NFIP makes flood insurance available for homeowners, renters, business owners, and community associations. There are approximately 5 million policyholders in more than 22,000 NFIP-participating communities, including federally-recognized tribes, in all 50 states and six territories. By law, FEMA can only provide flood insurance to those communities that adopt and enforce floodplain management regulations that meet or exceed minimum NFIP requirements.

For decades, the national response to flood disasters was generally limited to constructing flood-control works such as dams, levees, seawalls, and the like, and providing disaster relief to flood victims. This approach, however, did not reduce losses, nor did it discourage unwise development. In some instances, it may have actually encouraged additional development. To compound the problem, due to its high risk and seasonal nature of flooding, insurance companies were not able to provide affordable flood insurance coverage and stopped providing that coverage throughout the middle of the 20th Century.

In light of mounting flood losses and escalating costs of disaster relief to the taxpayers, the U.S. Congress in 1968 created the NFIP. The intent was to reduce future flood damage through community floodplain management and provide protection for property owners against potential losses through an insurance mechanism.

The NFIP collects premiums and uses them to pay for losses and the administrative and operating expenses of the flood insurance program. In addition, the NFIP can borrow from the U.S. Treasury should losses exceed the amount of cash on hand. The NFIP must repay any borrowings and the interest associated with borrowing.

WYO Program (WYO)

A critical partner is the more than 70 private insurance companies that participate in the NFIP's WYO Program. The WYO Program began in 1983. It is a cooperative undertaking between the private insurance industry and FEMA.

The WYO Program allows participating insurance companies to sell and service the Standard Flood Insurance Policy in their own names. The companies receive an expense allowance for policies written and claims processed while the Federal Government retains responsibility for underwriting losses. The WYO Program operates as part of the NFIP and is subject to its rules and requirements.



Flood Resource

Learn more about FEMA's recent efforts to become more financially sustainable through the purchase of Reinsurance on the FEMA website: ***www.fema.gov/nfip-reinsurance-program***

Did you know?

FEMA also writes and services policies outside the WYO program through the NFIP Direct. NFIP flood insurance is sold through independent (non-captive) agents, as well as captive agents, including independent agents who sell flood insurance outside of the NFIP.

If a policyholder did not purchase flood insurance through a WYO, they may have purchased it directly through FEMA. Contact the NFIP Flood Service Center at 1-800-638-6620.

Flood Resource

The NFIP provides FREE online and in-person training to insurance agents, adjusters and others.

For information on online training for claims adjusters available 24/7, click here: ***www.fema.gov/claims-adjuster-presentations-and-online-courses***

Find more information on online training for agents available 24/7 here: ***www.fema.gov/agent-training***

The goals of the WYO Program are to:

- Increase the NFIP policy base and the geographic distribution of policies.
- Improve service to NFIP policyholders through the infusion of insurance industry knowledge.
- Provide the insurance industry with direct operating experience with flood insurance.

Many WYO companies contract with private companies that provide varying degrees of flood insurance operations support.

However, FEMA determines the rates and coverage available under the NFIP, so there is no difference in what is offered by the WYO Companies and NFIP Direct.

State's Role in WYO Oversight

As established by the U.S. Congress, the sale of flood insurance is subject to NFIP rules and requirements. FEMA has elected to have state-licensed insurance companies' agents and brokers sell flood insurance to consumers. State regulators hold the insurance companies' agents and brokers accountable for providing NFIP customers with the same standards and level of service that the states require of them in selling their other lines of insurance. When issues arise with the sale of flood insurance, although the NFIP requirements must be adhered to, the actions of the insurance agents during the procurement of the policy is regulated by the state.

States must license and regulate the private insurance companies participating in the WYO Program to engage in the business of property insurance in those states in which they wish to sell flood insurance.

Flood Resource

The Standard Flood Insurance Policy (SFIP) defines flood as:

- A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area, or
- An overflow of inland or tidal waters, from unusual and rapid accumulation or runoff of surface waters from any source, or from mudflow on two or more properties, at least one of which is the policyholder's property.

Standard Flood Insurance Policy (SFIP)

The Standard Flood Insurance Policy (SFIP), issued by FEMA, specifies the terms and conditions of the agreement of insurance between the insurer and the policyholder.

To be eligible for flood insurance, a structure must:

- Have at least two solid walls and a roof, and
- Be principally above ground, and not entirely over water. This includes manufactured (i.e., mobile) homes that are anchored to permanent foundations and travel trailers without wheels that are anchored to permanent foundations and are regulated under the community's floodplain management and building ordinances or laws.

Contents of eligible walled and roofed buildings are insurable under the policy as separate coverage.

Properties Not Covered

Buildings entirely over water or principally below ground, gas and liquid storage tanks, animals, birds, fish, aircraft, wharves, piers, bulkheads, growing crops, shrubbery, land, livestock, roads, machinery or equipment in the open, and generally motor vehicles are not insurable. Most contents and finishing areas of basements are not covered. Similarly, this coverage limitation applies to enclosures below the lowest elevated floor of an elevated building constructed after the FIRM became effective.

Three Basic Forms

The Standard Flood Insurance Policy Dwelling Form insures one-to-four-family residential buildings and single-family dwelling units in a condominium building. The General Property Form insures five-or-more-family residential buildings and non-residential buildings. The Residential Condominium Building Association Policy (RCBAP) Form insures residential condominium association buildings.

While the three forms are similar, they do contain some important differences. For example, the General Property Form does not provide coverage for contents in any building other than the insured building. The Dwelling Form has a replacement cost provision in it that requires a building to not only be the principal residence of a named insured, but be insured at least 80 percent of its full replacement value. The RCBAP contains a coinsurance clause, which provides for a pro-rata

Flood Resource

Some important distinctions to know about flood insurance:

1. A Standard Flood Insurance Policy is a single-peril (flood) policy that pays for direct physical damage to insured property up to the replacement cost or Actual Cash Value (ACV) of the actual damages or the policy limit of liability, whichever is less.
2. Insureds must purchase contents coverage separately.
3. It is not a valued policy. A valued policy pays the limit of liability in the event of a total loss. For example, a fire destroys a home and it costs $150,000 to rebuild it. If a homeowner's insurance policy is a valued policy with a $200,000 limit of liability on the building, the claimant would receive $200,000. Flood insurance pays the replacement cost or ACV of actual damages, up to the policy limit.
4. It is not a guaranteed replacement cost policy. A guaranteed replacement cost policy pays the cost to rebuild your home regardless of the limit of liability. For example, a fire destroys a home and it costs $200,000 to rebuild it. If a homeowner's insurance policy is a guaranteed replacement cost policy with a $150,000 limit of liability on the building, the claimant would receive $200,000. Flood insurance does not pay more than the policy limit.

reduction in the building claim payment if the owner does not insure the building to 80 percent of its full replacement value.

Two Types of Flood Insurance Coverage

The NFIP SFIP offers coverage for:

- Building Property
- Personal Property (Contents)

The NFIP encourages property owners to purchase both types of coverage. Lenders may require a certain amount of flood insurance coverage.

Coverages and Exclusions

A flood insurance policy covers physical damage to an insured building or personal property "directly" caused by a flood. For example, the policy covers damages caused by a sewer backup if the backup is a direct result of flooding. If some other problem causes the backup, the policy does not cover the damages. For information on flood insurance coverage limitations in areas below the lowest elevated floor and in basements, see page 3 of the Summary of Coverage.

What is insured under* Building Property *coverage

- The insured building and its foundation
- The electrical and plumbing systems
- Central air-conditioning equipment, furnaces, and water heaters
- Refrigerators, cooking stoves, and built-in appliances such as dishwashers
- Permanently installed carpeting over an unfinished floor.
- Permanently installed paneling, wallboard, bookcases, and cabinets
- Window blinds
- Detached garages in the Dwelling Form only (up to 10 percent of Building Property coverage)
- Debris removal
- Other items as stated in the SFIP Sec III.A.7.-8

What is insured under* Personal Property *coverage

- Personal belongings such as clothing, furniture, and electronic equipment
- Curtains
- Portable and window air conditioners
- Portable microwave ovens and portable dishwashers
- Carpets not included in building coverage (see above)
- Clothes washers and dryers
- Food freezers and the food in them
- Certain valuable items such as artwork and furs (up to $2,500)

What is not insured under either Building Property or Personal Property coverage

- Damage caused by moisture, mildew, or mold that the property owner could have avoided
- Currency, precious metals, and valuable papers such as stock certificates
- Property and belongings outside of a building such as trees, plants, wells, septic systems, walks, decks, patios, fences, seawalls, hot tubs, and swimming pools
- Living expenses such as temporary housing
- Financial losses caused by business interruption or loss of use of insured property
- Most self-propelled vehicles such as cars, including their parts

Links to More Information

The National Flood Insurance Program
www.fema.gov/national-flood-insurance-program

Coming Home After A Flood
www.fema.gov/media-library/assets/images/114335

How To File a Flood Insurance Claim
www.fema.gov/nfip-file-your-claim

Buying Flood Insurance

Insurance agents and brokers sell NFIP flood insurance policies. They may place coverage with various WYO Companies or with the NFIP Direct. There is no difference in coverage with whoever the coverage is placed, since the product is regulated by FEMA.

Property owners should contact a licensed property and casualty insurance agent that offers flood insurance through the NFIP to obtain a quote. Independent agents and brokers interested in selling flood insurance should contact the NFIP Direct to complete an application for flood insurance.

Who Must Buy Flood Insurance? (Mandatory Purchase)

Simply speaking, a property owner who has property in the SFHA and has a loan/mortgage from a Federally-regulated or insured lender is required to purchase flood insurance.

The Flood Disaster Protection Act of 1973, as amended, requires Federally-regulated or insured lenders to mandate the purchase of flood insurance as a condition of any loan on a property located in a SFHA. The building owner must maintain insurance for the life of the loan. At minimum, the insurance must cover the:

- Outstanding principle balance of the loan,
- Maximum amount of coverage available under the NFIP for that particular type of building, or
- Full insurable value of the building and its contents.

If during the life of the loan, FEMA revises its flood maps and a building is newly mapped into the SFHA, upon discovery, the lender must notify the property owner of the requirement to purchase flood insurance.

If a borrower fails to purchase flood insurance within 45 days of being notified by the lender, a policy may be purchased by the lender on behalf of the borrower, or force-placed, until the borrower purchases their own policy. Once evidence of flood insurance is presented to the lender, their force-placed policy can be terminated.

FEMA has no statutory authority to mandate the purchase of flood insurance, nor any regulatory authority over lenders. The regulation of lenders is the responsibility of various Federal agencies. If a borrower has tried to resolve an issue directly with their lender and continues to require further assistance, the Federal regulator for the lender can be contacted. Information to assist your constituents in contacting the appropriate Federal regulator is available online at: ***www.ffiec.gov/consumercenter/default.aspx***.

Waiting Period

Generally, NFIP flood insurance policies become effective 30 days from purchase. NFIP agents do not have any authority to bind coverage. A 30-day waiting period applies to all new policies, including increases in the amount of coverage. The waiting period prevents people from purchasing flood insurance right before they know flooding is imminent. However, there are several exceptions to the 30-day waiting period.

No Waiting Period:

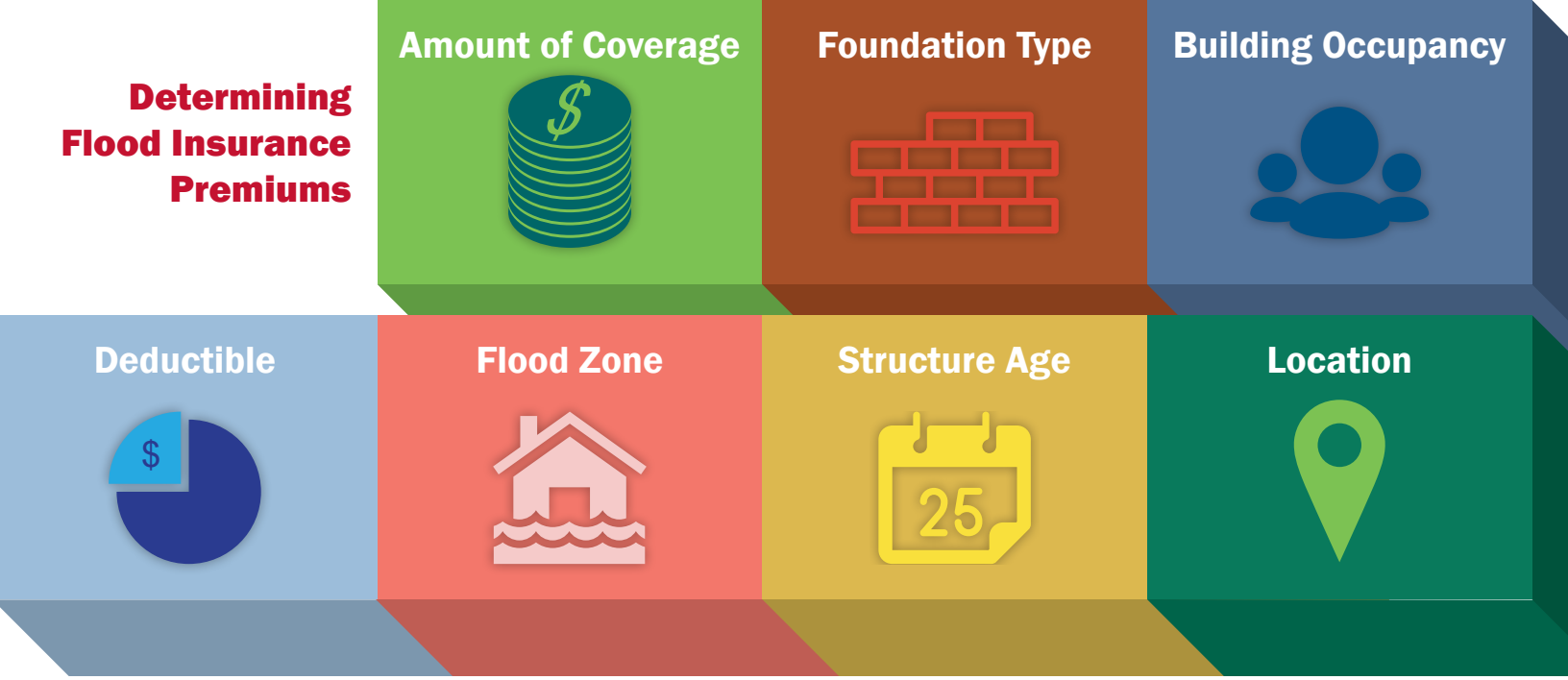
- When the initial purchase of flood insurance is in connection with the making, increasing, extension, or renewal of a mortgage loan.
- When a policy is purchased for a property that has been affected by flooding from Federal land that was caused by post-wildfire conditions.

1-Day Waiting Period:

When the initial purchase of flood insurance for a building newly mapped into a SFHA is done so within the 13-month period from the effective date of a FIRM revision.

Flood Resource

Discover how FEMA calculates risk with the NFIP Actuarial Rate Review, available in the FEMA media library: ***www.fema.gov/media-library/assets/documents/23143***.



NFIP Premiums

The Biggert-Waters Flood Insurance Reform Act of 2012 (BW-12) required FEMA to eliminate certain subsides and it set limits on the amount by which rates may increase. The Homeowner Flood Insurance Affordability Act of 2014 repealed some of the provisions in BW-12 and included new provisions that slowed down the phase-outs of subsidies and discounts. The goal of both pieces of legislation was to ensure long-term financial stability of the program by moving toward a more risk-based rating system for premium calculations.

A number of factors are taken into consideration when determining the premium for flood insurance. They include the amount of coverage, deductible, flood zone, location, age of the building, building occupancy type, and foundation type. For buildings in SFHAs built after FEMA issued the first FIRM for the community (Post-FIRM), the elevation of the building in relation to the Base Flood Elevation (BFE) is also a factor in determining the premium.

Discounted Rates and Grandfathering

Congress, in establishing the NFIP, created discounts to help lessen the potential high-cost of flood insurance. FEMA defines a discounted policy as one that does not pay a rate that reflects the true risk of flood to that property. Many homes are rated with discounted flood insurance premiums, including those eligible under the grandfather option. Policyholders can continue to take advantage of the discounted rates by maintaining their flood insurance coverage and complying with the FIRM that was in effect when their building was constructed.

Following catastrophic losses in hurricanes Katrina and Rita, the NFIP borrowed $17 billion from the U.S. Treasury to pay claims from those two events. Further borrowing became necessary following Superstorm Sandy losses in 2012 and the twin flood events in Louisiana and Hurricane Matthew in 2016.

Preferred Risk Policy (PRP)

The Preferred Risk Policy offers low-cost coverage to owners and tenants of eligible buildings located in a B, C, X, AR or A99 flood zones on the effective date of a policy in NFIP Regular Program communities. However, a building's flood loss history determine its eligibility for the PRP. The loss history applies regardless of who owned the building at the time of the losses. At the time of the renewal offer, the effective flood map and loss history will be evaluated.

Increased Cost of Compliance (ICC)

Most NFIP policies include ICC coverage, which provides coverage up to $30,000 for the costs associated to bring a building in compliance with state or local floodplain management regulations. The activities eligible under ICC are floodproofing, relocating, elevating, or demolishing flood-damaged homes, or any combination of activities. If a community declares a home "substantially damaged" (usually 50% or more of the home's value) or "repetitively damaged" by a flood, the local community official will issue a letter of substantial damage to a property owner requiring the building be brought into compliance.

Links to More Information

Homeowner Flood Insurance Affordability Act of 2014
www.fema.gov/tl/media-library/resources-documents/collections/414

Biggert-Waters Flood Insurance Reform Act of 2012
www.fema.gov/media-library/assets/documents/31873?

Preferred Risk Policy for Homeowners and Renters
www.fema.gov/media-library/assets/documents/17576

The total amount of a building claim and ICC claim cannot exceed the maximum limit of building coverage available under the NFIP (such as $250,000 for a single-family home).

FEMA's Flood Insurance Advocate

The Office of the Flood Insurance Advocate (OFIA) is available to the public and staffed with experts in National Flood Insurance Program (NFIP) flood insurance, flood hazard mapping, floodplain management, and Hazard Mitigation Assistance (HMA) grants: the OFIA's four primary focus areas.

Flood Fact

The role of private flood insurance: Although the NFIP is the largest seller of flood insurance in the United States, private flood insurance is also available and market share is expanding. Private companies may sell flood insurance that competes with the NFIP, flood insurance that is above the coverage provided by NFIP polices, flood insurance as a covered peril on policies, or other insurance products. FEMA does not regulate private flood insurance offerings. Unlike the NFIP policy, like most other insurance products, private label flood insurance policies are subject to state regulation.

The Advocate works with existing resources across the organization to assist policyholders. Policyholders should first utilize the following resources:

- FEMA's NFIP webpage (*www.fema.gov/national-flood-insurance-program*) for a broad range of NFIP informational and guidance publications for policyholders and informational materials for Property Owners, Insurance agents, Claims Adjusters, Lenders, etc.
- Contact an insurance agent or NFIP insurer for information related to an existing flood insurance policy, flood insurance premium quotes, or guidance on how to obtain flood insurance.
- Map Information Exchange (1-877-336-2627 or *https://msc.fema.gov/portal*) for information on Letters of Map Amendment (LOMA), Letters of Map Revision (LOMR), how to view or read a flood map, and understanding zone definitions.
- NFIP Help Center (1-800-427-4661) for general information about the NFIP or advice on how to obtain a property loss history report.
- Local planning, building inspections, or zoning offices for information on building permits and local regulations or ordinances governing development in Special Flood Hazard Areas, to obtain copies of flood maps, or copies of existing elevation certificates and elevation information.

Policyholders and property owners who are unable to get the necessary support they need after utilizing the existing resources above, may contact the OFIA for further assistance. The office works diligently to provide assistance to all inquirers, but must adhere to the applicable statutes and regulations that govern the NFIP. The OFIA staff provides education, guidance, and assistance to policyholders and property owners to develop a better understanding of the NFIP.

Policyholders may visit the OFIA's webpage at *www.fema.gov/flood-insurance-reform-flood-insurance-advocate*, where questions and inquiries may be submitted via the "Ask A Question" link. An Advocate Representative will respond as soon as possible with additional information on how they will handle the questions or concerns.

During the Flood



Information for Citizens

As floods threaten, now is a good time to offer the following information/advice to citizens. Feel free to use the following information in outreach to consumers in your state:

Flood Resource

What is the difference between a Flood Watch and a Flood Warning issued by the National Weather Service?

- **Flash Flood Warning:** Take Action! A Flash Flood Warning is issued when a flash flood is imminent or occurring. If you are in a flood prone area, move immediately to high ground. A flash flood is a sudden violent flood that can take from minutes to hours to develop. It is even possible to experience a flash flood in areas not immediately receiving rain.
- **Flood Warning:** Take Action! A Flood Warning is issued when the hazardous weather event is imminent or already happening. A Flood Warning is issued when flooding is imminent or occurring.
- **Flood Watch:** Be Prepared: A Flood Watch is issued when conditions are favorable for a specific hazardous weather event to occur. A Flood Watch is issued when conditions are favorable for flooding. It does not mean flooding will occur, but it is possible.
- **Flood Advisory:** Be Aware: An Flood Advisory is issued when a specific weather event that is forecast to occur may become a nuisance. A Flood Advisory is issued when flooding is not expected to be bad enough to issue a warning. However, it may cause significant inconvenience, and if caution is not exercised, it could lead to situations that may threaten life and/or property. What is the difference between a Flood Watch and a Flood Warning issued by the National Weather Service?

You should also remind constituents about following the direction or advice of local officials regarding evacuations and urge them not to drive across flooded roads.

The information below will assist them in case they need to evacuate or are flooded.

You Can Help!

Begin thinking now about recovery. You should consider:

- Setting up a call center to respond to inquiries
- Identifying spaces for insurance company mobile HQ to position near, but not in, damaged areas
- Organizing public meetings to match constituents up to insurance companies to answer their questions
- How to get and report the data you'll want and need to monitor recovery
- Any public statements you will want to make (fraud, claims information, expediting recovery) in the aftermath and how to make them (blogs, social media, press releases, radio/TV)

Information for Policyholders

Check the policy and declarations page

Make sure all the information is correct, including information about your mortgage company. If your mortgage information is shown incorrectly, call your insurance agent or company representative immediately.

Secure important papers

- Keep originals of important documents in a safe place, preferably in a safe deposit box.
- Be sure your papers include contact information for your insurance agent or company, important receipts, your flood insurance policy and documentation on the contents of your home.
- Keep copies of important papers in the safest, most accessible place in your home or business that is not subject to flooding.
- Detailed documentation will make filing your claim much easier. If floodwaters actually carry away your property, this list and the photos and receipts will be important to documenting your loss.

Prepare your home

- If you own a sump pump, first make sure it works and install a battery-operated backup, in case of a power failure. Installing a water alarm will also let you know if water is accumulating in your basement.
- Clear debris from gutters and downspouts.
- Anchor any fuel tanks.
- Raise your electrical components (switches, sockets, circuit breakers, and wiring) at least 12 inches above your home's projected flood elevation.
- Place the furnace, water heater, washer, and dryer on cement blocks at least 12 inches above the projected flood elevation.
- Move furniture, valuables, and important documents to a safe place.

List and document your property

If you purchased coverage for the contents of your property, have a detailed list of your home or business's contents and or your personal property. Include:

- Date and place of purchase
- Model number
- Serial number (for large appliances)
- Descriptions
- Original purchase costs (with receipts, if possible)
- Photos or video of your home's interior and your personal property

Speak with your insurance agent

Call your insurance agent or company representative to report your flood claim. This can vary from company to company, so knowing how to proceed can save a lot of effort later.

After a flood, it may be difficult to get in touch with your agent or insurance company. Power and phone service may be unavailable or phone lines may be overwhelmed with other callers.

Prepare your possessions

Create a file with information about your possessions and keep it in a secure place, such as a safe deposit box or waterproof container. This file should have:

Copy of your insurance policies with your agent's contact information.

Household inventory with a written and visual (i.e., videotaped or photographed) record of all major household items and valuables stored in basements, attics or garages. Include serial numbers and receipts for major appliances and electronics. Have jewelry and artwork appraised. These documents are critical when filing insurance claims. For more information, visit *www.knowyourstuff.org*.

Copies of other critical documents including finance records or receipts of major purchases.

Plan an emergency contact

After a flood, you may be unable to stay in your home. Provide emergency information to your insurance agent and family so they can reach you.

After the Flood

Following a flood, a community or region will strive to begin the cleanup and recovery process as soon as possible – sometimes even before the waters fully recede. The National Flood Insurance Program (NFIP) stands ready to assist policyholders throughout their recovery journey.

You can assist by ensuring that NFIP policyholders have the information and resources to begin the claims process.

NFIP Claims Process

The NFIP Standard Flood Insurance Policy (SFIP) is designed to cover insured property which is damaged directly by or from a flood if a policyholder:

- paid the correct premium,
- complied with all terms and conditions of the SFIP, and
- furnished accurate information and statements.

For more information regarding the NFIP claims process, please review the Flood Insurance Claims Handbook and the NFIP Claims Fact Sheet.

Links to More Information

Flood Insurance Claims Handbook
https://www.fema.gov/media-library/assets/documents/6659

Flood Claims Process Fact Sheet
https://www.fema.gov/media-library/assets/documents/114402

Following a flood loss, the policyholder must promptly notify their insurer to start the claims process. Upon notification, the insurer assigns an adjuster to assist the policyholder with the claim. Generally, the adjuster contacts the policyholder within 24 to 48 hours after receiving the notice of loss. However, assigning an adjuster may take more time depending on upon the severity of flooding and local conditions.

Damage Estimate

The adjuster will visit the property to determine the extent of the flood loss, assess the damage, and review the policyholder's documentation to prepare a detailed estimate of the covered damages.

The adjuster may ask if the policyholder wants to request an advance payment from the insurer.

The adjuster may also request an inspection by a qualified expert to review structural or foundation damages in other buildings such an elevated building or a building with a basement.

The adjuster will provide all of the information to the insurer for coverage consideration.

Proof of Loss

The insurer will then make a decision and the adjuster will provide the policyholder a proof of loss form, a copy of the building damage estimate, and any personal property inventory list. If the policyholder agrees, they will sign and swear to the proof of loss form, so payment can be issued. The proof of loss form is the policyholder's requested monetary covered loss amount for the flood damage.

A policyholder must provide their proof of loss with supporting documentation to their insurer within 60 days following the date of loss or any extension granted by the Associate Administrator for the Federal Insurance and Mitigation Administration.

Policyholders have the right to submit an amended proof of loss to their insurer to request an additional payment under the claim. This could be for omitted items on the initial proof of loss, or if the amount to repair or replace the flood damaged property was more than estimated. Of course, a supporting document to justify the amount a policyholder is seeking must accompany their completed, signed and sworn-to Proof of Loss form. A policyholder should be encouraged to work with their adjuster with any assistance needed in filing an amended proof of loss.

Just like the original, the same requirements surrounding the proof of loss apply.

Following review of the amended proof of loss, the insurer may make additional payments for covered damaged items.

Although a policyholder may submit multiple proofs of loss for their claim, there is only one claim for every flood loss event.

If an insurer receives a policyholder's Proof of Loss form with supporting documentation after the expiration of the 60-day submission period, the insurer may request a FEMA waiver of the SFIP's proof of loss requirement. The waiver requires that FEMA's rights to fully and properly investigate the loss have not been prejudiced. FEMA approves waiver requests on a case-by-case basis.

Claim Payment

Once the policyholder receives final payment for the loss, the claim process is complete. If the insurer underwrites the policy correctly, the claim payment basis equals the agreed-upon proofs of loss, which are subject to the coverage limits and deductibles at the time of loss.

Insurers must reform any incorrectly rated polices that are discovered during the claim process in accordance with the SFIP.



How You Can Help

Following a large-scale disaster, insurance adjusters will travel to the damaged areas to begin adjusting claims. In some past events, particularly with heavily damaged areas, adjuster access to areas off-limits to all but first-responders has slowed adjusting activity. While safety concerns are always paramount following a disaster, timely access to assess damaged structures is critical to beginning recovery. Before an event, it is important to meet with state and local emergency managers to ensure access for insurance adjusters to begin their work.

Disputed Claims

Policyholders may take the following steps to resolve disputed claims:

- *Work with the Adjuster.* If the policyholder does not agree with the covered loss amount, they should coordinate with the adjuster to find an agreed to covered loss amount and submit supporting documentation to justify their position. Through this effort, the policyholder may also consult a general contractor to support their requested monetary covered loss amount for the flood damages.
- *Contact the Adjusting Firm.* If the policyholder is unable to agree with the adjuster, they should contact the adjusting firm and adjuster's supervisor. The supervisor coordinates with the policyholder to find an agreed to covered loss amount.
- *Work with the Insurer.* If the policyholder is unable to agree with the adjuster's supervisor, they should contact the insurance carrier's claims department to discuss the covered loss amount difference or coverage issue with a claim examiner.
- *File a Proof Of Loss with the Insurer.* If the policyholder is unable to agree with the claim examiner, they should complete a Proof of Loss form for the total covered loss amount requested (undisputed amount plus additional amount) and send the signed and sworn to form with supporting documentation to the claim examiner. If the claim examiner agrees with the form and supporting documentation, they will pay the total covered loss amount requested. If the claim examiner disagrees, they will issue payment for the undisputed amount and provide the policyholder with a written denial letter. If the policyholder agrees with the denial or no longer disputes the decision, the loss is settled.

Appealing a Claim

If the policyholder disputes the denial, they or an authorized representative may appeal the decision directly to FEMA. Appeals must take place within 60 days of the date of the policyholder's denial letter.

Any policyholder with a denied or partially denied claim may file an appeal to FEMA. Policyholders submitting an appeal to FEMA do not lose the right to file suit against the insurer within the one-year statute of limitations. Once the policyholder sues the insurance carrier, FEMA cannot consider any appeals.

Filing an Appeal

A policyholder must submit an appeal request in writing or online. The request should include the following:

- Policyholder name(s)
- Property address
- The flood insurance policy number (shown on the policy's Declarations Page)
- Contact information (i.e., mailing address, telephone number, e-mail)
- A copy of the denial letter from the insurer
- A summary of the issues with the underlying claim including supporting documentation, prior history, and names of the individuals involved in the claim to date

If the policyholder wishes to authorize a third party (e.g., family member, public adjuster, or attorney) to discuss the appeal with FEMA, the policyholder must provide a written authorization including the following information:

- Policyholder's full name
- Current address
- Date and place of birth
- Representative's name
- Policyholder's signature

The authorization must include the wording below and have the authorization notarized and signed as follows:

- "I declare under penalty of perjury that the foregoing is true and correct."
- Executed on (date)
- Signature of policyholder"

The policyholder must send the appeal request and documentation to:

- By Mail:

  Federal Insurance and Mitigation Administration
  Federal Insurance Administrator
  400 C Street SW, Washington, DC 20472-3010

- By E-Mail:
  FEMA-NFIP-Appeals@fema.dhs.gov

Appeals Process

Upon receipt of the appeal, FEMA coordinates with the policyholder (or authorized representative) to address the issue(s) raised. FEMA assigns each appeal to a multi-disciplinary team that conducts a review of the entire claim file. The team works directly with the policyholder, insurer, and other relevant parties to ensure compliance with all terms and conditions of the SFIP. FEMA determines whether the insurer properly evaluated and paid the claim.

Due to Federal mail screening requirements, FEMA may not immediately receive all appeals submitted. However, upon receipt, FEMA begins its appeal review without undue delay. The typical appeal requires an initial review to assure the submission complies with the requirements. The appeal will be assigned to FEMA personnel to review the appealed items and receipt will be confirmed on how it was received, either through regular or electronic mail (e-mail). In either case, the policyholder will receive an e-mail address to communicate with FEMA.

FEMA keeps policyholders informed of the status of their appeal during the review process. Typically, FEMA makes a determination within 90 days of receiving all necessary documentation and sends the policyholder and the insurer a decision memorandum explaining FEMA's decision to either uphold or overturn the insurer's denial or disallowance.

Litigation

If after an appeal the insured still does not agree with the decision, they may file a lawsuit within one year of the insurer's first written denial letter. The insured must file the lawsuit in the United States District Court in the district where the property is located at the time of the loss. The appeal process does not extend the one-year period to file suit beginning with the original written denial by the insurer. Subsequent written denials do not restart the one-year period.

Information For Appealing A Flood Insurance Claim:

https://www.fema.gov/media-library-data/1445375610216-677b966ca615fbc30ce3d88be32611d9/FactSheet_FIMA_Appeals_RID_SC_101415_v4(2)accessible.pdf

You Can Help!

Like other lines of insurance, any entity that secures a mortgage interest in the property will also be required to be listed on any insurance proceeds issued to the policyholder.

In past events, FEMA has seen cases where the mortgage holder withholds the claim payment in escrow for an extended period of time. Delays or limited dispersement of funds prevent the property owner to begin the necessary repairs and slows down the recovery process.

Before a flood event, consider strategies to work with regulated banking institutions to encourage an adequate amount of the claim payment be released and in the hands of the policyholder sooner for a speedier recovery.

Complaints

After a flood event, an NFIP insured may call their state regulatory authority or local community official if they have questions or concerns regarding their flood insurance claim. States do not have jurisdiction over the NFIP or the NFIP claims process. Officials should do the following with NFIP insured calls:

- Refer the insured to their flood insurance agent. The agent acts as a liaison between the carrier and the insured.
- If the agent is unable to assist, encourage the insured to work with their flood insurance adjuster.
- If the insured is having difficulty with their flood insurance adjuster, refer the insured to the adjusting firm handling the claim.
- If the insured is unsuccessful in resolving their claim issue with their adjuster and the adjusting firm, refer them to their carrier.



Information for Policyholders

If your community has been flooded and your property or home has suffered flood damage, please follow these instructions to file your flood insurance claim.

Immediately

- Call your agent or insurance company. If you or your representatives do not have policy information, call 1-800-427-4661.
- Have the following information with you when you make the call:
  - Name of your insurance company (your agent may write policies for more than one company)
  - Policy number if available (If not, they should be able to look it up, or call 1-800-427-4661)
  - Your telephone number and or e-mail address

When You Are Allowed Back To Your Property

- Local officials may require the disposal of damaged items. If you dispose of items, please keep a swatch or other sample of damaged items for the adjuster.
- Separate damaged items from undamaged items.
- Take photographs of damaged personal property. Your adjuster will need evidence of the damaged items to prepare your repair estimate.
- Make a list of damaged or lost items, and include their age and value when possible. If possible, have any available receipts for damaged items available for the adjuster.
- If a contractor documented damage estimates, provide them to the adjuster.
- Contact your insurance company if they have not assigned an adjuster to you within several days.

For More Information

For general flood insurance questions, contact your insurance company or agent, or call 1-800-427-4661.



FEMA Disaster Assistance

After a presidentially declared major disaster, FEMA provides additional assistance to disaster survivors. FEMA under the authority of Section 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §5174, and Title 44 of the Code Federal Regulations (CFR) may provide financial assistance and, if necessary, direct services to eligible individuals and households who, as a direct result of a major disaster, have necessary expenses and serious needs and are unable to meet such expenses or needs through other means.

FEMA's programs help meet essential needs and assist individuals and their households in taking the first steps toward recovery. FEMA programs will not return all homes or belongings to their pre-disaster condition.

When disasters take place, the Individuals and Households Program (IHP) provides money and services to people in the disaster area when insurance does not cover losses to damaged or destroyed property. IHP helps with critical expenses not covered in other ways.

- IHP will not cover all losses from damage to property (home, personal property, household goods) that resulted from the disaster.
- IHP will not restore damaged property to its condition before the disaster.
- In some cases, IHP may only provide enough money, up to the program limits, for applicants to return an item to service.
- IHP does not cover business-related losses that resulted from the disaster.
- By law, IHP cannot provide money for losses covered by your insurance.

While some money is available through IHP, most disaster aid from the Federal Government is in the form of loans from the Small Business Administration (SBA) that borrowers must repay.

Applicants to IHP may be required to seek help from SBA first, before applying for certain types of IHP help. Applicants do not have to submit an SBA loan application for consideration for FEMA rental assistance.

Types of Assistance

The following list shows the types of assistance that are available through IHP and what each provides.

- *Temporary Housing (a place to live for a limited period):* Money may be available to rent a different place to live. A government provided housing unit may be available when rental properties are not available.
- *Repair:* Money may be available to homeowners to repair damage from the disaster not covered by insurance. The goal is to make the damaged home safe, sanitary, and functional. FEMA Disaster Helpline: 1-800-621-FEMA (3362) Hearing/Speech Impaired ONLY: call 1-800-462-7585
- *Replacement:* Money may available to homeowners to replace their home destroyed in the disaster not covered by insurance. The goal is to help the homeowner with the cost of replacing their destroyed home.
- *Permanent/Semi Permanent Housing Construction:* Direct assistance or money for the construction of a home. This type of help occurs only in insular areas or remote locations specified by FEMA, where no other type of housing assistance is possible.
- *Other Needs:* Money is available for necessary expenses and serious needs caused by the disaster. This includes medical, dental, funeral, personal property, transportation, moving and storage, and other expenses authorized by law.



FEMA