



FEMA

Disaster News

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PURCHASING FLOOD INSURANCE IS A SOUND POLICY

The simple reality is that when it floods, it pays to have flood insurance. Flooding is the most common disaster. Often it is localized and does not qualify for federal assistance as a disaster.

Flood insurance pays for damage no matter how small or large the flood, whether or not there is a disaster declaration. The only requirement is that the policy must be in effect for at least 30 days before a loss occurs.

With Arizona's winter storm season rapidly approaching, now is the time to buy.

Most homeowner's insurance policies do not cover flood damage. But most agents selling homeowner's insurance also can sell federal flood insurance policies. Detailed information about the National Flood Insurance Program (NFIP) is available at **FloodSmart.gov** on the Internet. Or a phone call to the NFIP call center at **1-(888) 379-9531** will connect directly with a program representative who can provide the names of local insurance agents and mail a program brochure.

Flood insurance is not just for homeowners. Renters can buy policies that cover their belongings inside a rental unit. Businesses also can cover their properties and contents. Residents and business owners in flood hazard zones, known as floodplains, may be required to carry flood insurance by their lender.

Flood insurance is available outside floodplain areas as well. In fact, one in four flood insurance claims nationwide are paid on policies in low-to-moderate-risk areas. For instance, in Arizona sheet flooding on hillsides or across desert lowlands that may be outside of a floodplain is a major storm hazard.

For residents and businesses to be eligible for flood insurance, their local community must join the National Flood Insurance Program and adopt and enforce minimum floodplain standards. Virtually every community in Arizona is in the program.

Premium rates for flood insurance are based on flood risk. Most inhabited areas of the nation have been assigned to a risk category. Your neighbor's property may be in a different risk category than

your own. The insurance rate is the same nationwide for properties that have the same risk category. Using **FloodSmart.gov**, it is possible for persons to look up their flood risk category and find out what their insurance premium would be.

The lower the risk, the lower the premium. But even those who live or own businesses in the highest hazard areas can be eligible for discounts if their communities have taken extra steps to reduce flood hazards. Several communities in Arizona have earned premium discounts for their residents. Those details also are available at **FloodSmart.gov**.

Buying flood insurance can require diligence by purchasers. While insurance agents sell the insurance, they may not be as familiar with its details as they are with other insurance products.

Remember, each structure on a property must have its own insurance policy. That means a separate policy for a detached garage, a guest house or any other structure you wish to protect. Additional separate policies are required to insure the contents of each structure.

The maximum coverage available is \$250,000 per structure and \$100,000 for contents. Renter policies have a maximum limit of \$100,000. Businesses have higher limits, \$500,000 each per structure and for contents.

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FEMA prepares the nation for all hazards and effectively manages federal response and recovery efforts following any national incident. FEMA also initiates mitigation activities, trains first responders, and manages the National Flood Insurance Program and the U.S. Fire Administration. FEMA became part of the U.S. Department of Homeland Security on March 1, 2003.