



*National Flood Insurance Program*

# The Benefits of Flood Insurance Versus Disaster Assistance



FEMA

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## Flood Insurance

- You are in control. Flood insurance claims are paid even if a disaster is not declared by the President.
- More than 20 percent of NFIP claims come from outside of mapped Special Flood Hazard Areas.
- There is no payback requirement.
- Flood insurance policies are continuous, and are not non-renewed or canceled for repeat losses.
- Flood insurance reimburses you for all covered building losses up to \$250,000 for residential occupancies and up to \$500,000 for businesses. Contents coverage is also available up to \$100,000 for residential occupancies and up to \$500,000 for businesses.
- The average cost of a flood insurance policy is about \$600 annually. The cost of a preferred risk policy is less than \$200 annually, if you live in a moderate-to-low-risk area.

## Disaster Assistance

- Most forms of Federal disaster assistance require a Presidential declaration.
- Federal disaster assistance declarations are not awarded in all flooding incidents.
- The most typical form of disaster assistance is a loan that must be repaid with interest.
- The duration of a Small Business Administration (SBA) disaster home loan could extend to 30 years.
- The average Individuals and Households Program award for Presidential disaster declarations related to flooding in 2008 was less than \$4,000.
- Repayment on a \$50,000 SBA disaster home loan is \$240 a month or \$2,880 annually at 4 percent interest.

For more information about the NFIP and flood insurance, call 1-800-427-4661, or contact your insurance company or agent.

For an agent referral, call 1-888-435-6637 • <http://www.floodsmart.gov> •

<http://www.fema.gov/national-flood-insurance-program>