



National Flood Insurance Program

The Benefits of Flood Insurance Versus Disaster Assistance



FEMA

Here's What To Tell Your Clients About The Benefits Of Flood Insurance Versus Disaster Assistance

FLOOD INSURANCE

- You are in control. Flood insurance claims are paid even if a disaster is not declared by the President.
- Between 20 and 25 percent of all claims paid by the NFIP are outside of Special Flood Hazard Areas.
- There is no payback requirement.
- Flood insurance policies are continuous, and are not non-renewed or cancelled for repeat losses.
- Flood insurance reimburses you for all covered building losses up to \$250,000 and \$500,000 for businesses. Contents coverage is also available up to \$100,000 for homeowners and \$500,000 for businesses.
- The average cost of a flood insurance policy is a little more than \$500 annually. The cost of a preferred risk policy is less than \$200 annually, depending on where you live.

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% interest.

To order The Benefits of Flood Insurance Versus Disaster Assistance as a stuffer for client mailings, call 1-800-480-2520 and ask for form F-216.

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 • TDD 1-800-427-5593 • <http://www.fema.gov/business/nfip> • <http://www.floodsmart.gov>