

Flood Insurance Frequently Asked Questions

If my property is in the newly identified flood zone area do I have to get flood insurance?

Persons within the flood hazard areas will need to purchase flood insurance which is subsidized through the National Flood Insurance Program (NFIP) if their property has a mortgage that is backed by the federal government.

According to the new Broome County Preliminary Flood Insurance Rate Maps, approximately 8,000 structures are newly located in the flood zone. The communities most affected by this are: the city of Binghamton, the villages of Endicott and Johnson City and the towns of Vestal and Union.

What is the National Flood Insurance Program?

Standard homeowners insurance does not cover flooding. It is therefore important to have protection from the floods associated with hurricanes, tropical storms, heavy rains and other conditions that impact the U.S. In 1968, Congress created the National Flood Insurance Program (NFIP) to provide a means for property owners to financially protect themselves. The NFIP offers flood insurance to homeowners, renters, and business owners if their community participates in the NFIP. Participating communities agree to adopt and enforce flood plain management ordinances that meet or exceed FEMA requirements to reduce the risk of flooding.

The NFIP is administered by the Federal Emergency Management Agency (FEMA), which works closely with nearly 90 private insurance companies to offer flood insurance to property owners and renters. Rates are set by the government and do not differ from company to company or agent to agent. These rates depend on many factors, which include the date and type of construction of your home, along with your building's level of risk.

I don't live in a flood zone. Do I need flood insurance?

Yes. Everyone is at risk for flooding. Floods can happen anywhere, at any time. Residents who live in and outside of a high-risk area should know their risk and consider protection. Approximately 20 to 25 percent of all flood claims occur outside of high-risk areas, also known as Special Flood Hazard Areas (SFHAs). In Broome County, nearly two thirds of all flood insurance policies are outside of the SFHA's mapped on the older, currently effective maps. If you live outside of the high-risk area and are eligible for the Preferred Risk Policy, your flood insurance premium may be as low as \$119 a year, including coverage for your property's contents. (double check if this is true)

Can I get flood insurance if I live in a Special Flood Hazard Area?

Yes and we strongly encourage you to get insurance. These areas are considered to be at high risk for flooding, and the National Flood Insurance Program (NFIP) encourages every homeowner, business owner or renter who lives and works in an SFHA to invest in flood insurance protection. Flood coverage is available to anyone who lives in one of the 20,300 NFIP participating communities across the country. (To find out if you live in an NFIP participating community, visit www.fema.gov/fema/csb.shtm). All Broome County communities currently participate in the NFIP. You can call your insurance agent for more information, or visit FloodSmart.gov to find an agent in your area.

Why should I purchase a flood insurance policy since FEMA makes disaster assistance available after a flood?

Flood insurance claims are paid even if a disaster is not declared by the President. FEMA is only activated after a presidential disaster declaration. A flood insurance claim is your money. If you receive disaster assistance funds, on the other hand, it will most likely be a loan that must be repaid, with interest. A flood insurance policy is also more cost-effective than relying on disaster assistance. The average cost of a \$100,000 flood policy is a little more than \$400 annually.

Where can I get a flood insurance policy if my agent doesn't sell it?

Flood insurance is sold and serviced by about 90 private insurance companies nationwide and by independent insurance agents. Any agent or broker licensed to sell property and casualty insurance in New York may write a flood insurance policy. The federal government sets the terms and rates. Claims payments are funded by flood insurance premiums. To purchase a policy, first call your insurance agent. If your insurance agent declines to write a policy, you can find another agent in your area by visiting FloodSmart.gov or call **1-800-427-2419**.

What is FloodSmart?

In 2004, the NFIP identified the critical need to educate communities nationwide about the risk of flooding and the importance of flood insurance coverage. In response to this need, the NFIP developed FloodSmart, a comprehensive, integrated campaign to educate and inform partners, stakeholders, property owners and renters about financially protecting their homes and businesses from flood damage. The campaign promotes awareness about the threat of flooding caused by weather-related events such as hurricanes, tropical storms and minor or heavy rain events. Awareness of flood risk drives people to visit FloodSmart.gov and to phone a toll-free number or call center to learn how they can protect their home and property from floods, including the purchase of flood insurance. After a flood, FloodSmart also provides immediate information to media in communities with flood-damaged property to help policyholders process their flood insurance claims and begin the rebuilding process.

What is the Community Rating System?

The NFIP's Community Rating System recognizes community efforts beyond minimum standards by **reducing flood insurance premiums for the community's property owners**. The CRS is similar to—but separate from—the private insurance industry's programs that grade communities on the effectiveness of their fire suppression plans and building code enforcement. For CRS participating communities, flood insurance premium rates are discounted in increments of 5 percent; i.e., a Class 1 community would receive a 45 percent premium discount, while a Class 9 community would receive a 5 percent discount (a Class 10 is not participating in the CRS and receives no discount). The CRS classes for local communities are based on 18 creditable activities, organized under four categories: Public Information, Mapping and Regulations, Flood Damage Reduction, and Flood Preparedness. For more information, visit www.fema.gov/business/nfip/crs.shtm.