

Flooding causes more than \$2 billion in property damage nationwide annually. However, losses are not covered under most homeowner or business insurance policies. To address this dilemma, Congress created the National Flood Insurance Program (NFIP) in 1968. This program is designed to provide reasonable flood insurance in exchange for the careful management of flood-prone areas by local communities. The program, administered by the Federal Emergency Management Agency (FEMA), is available in over 440 participating Georgia communities.

Unfortunately, there are many myths associated with flood insurance coverage. Review the following information so that you can make an informed decision about coverage for your home or business. If you have any questions, contact the State Floodplain Management Office at (404) 656-6382.

Myth 2

Federal disaster assistance will pay for flood damage.

FACT: Before a community is eligible for disaster assistance, it must be declared a federal disaster area. The thresholds necessary to meet requirements to qualify for federal assistance are usually not met during localized flooding events. While limited state assistance may be available, it does not cover the damage to your structure or its contents. In addition, if you are uninsured and received federal disaster assistance after a flood, you are required to purchase flood insurance in order to receive disaster relief in the future.

The information in this brochure was provided by:



Georgia Department of Natural Resources
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Floodplain Management Office
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(404) 656-6382

Web site: www.dnr.state.ga.us/dnr/enviro

EPD's mission is to help provide Georgia's citizens with clean air, clean water, healthy lives and productive land by assuring compliance with environmental laws and by assisting others to do their part for a better environment.



Georgia Emergency Management Agency
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Atlanta, Georgia 30316-0033

(404) 635-7000 or toll-free in Georgia
1-800-TRY-GEMA

Web site: www.gema.state.ga.us

GEMA's mission is to provide comprehensive, aggressive emergency preparedness, mitigation, response and recovery programs for the public, local and state governments and the private sector in order to save lives, protect property and reduce the effects of disasters and emergencies by ensuring and providing necessary leadership, coordination, information, resources, training and technical assistance.



Before the Water Rises

myths and facts about flood insurance



In Georgia, the word "flood" is most often associated with Tropical Storm Alberto, which ravaged areas in the Flint River and Ocmulgee River Basins in 1994, leaving a trail of flooding and devastation. This disaster, considered the worst natural catastrophe in the state's recorded history, resulted in one-third of Georgia counties being declared federal disaster areas.

However, each year devastating flooding occurs throughout Georgia. Changing weather patterns, coupled with overdevelopment, which reduces the land's natural ability to absorb water, increases the flood risk for many – even those who do not live near water. In fact, a house in a special flood hazard area has a 26 percent chance of experiencing a flood during the life of a 30-year mortgage, compared to a 5 percent chance of fire. Of all the natural disasters in the United States, 90 percent involve flooding.

Myth 1

Flood insurance is only available to those in high-risk flood zones.

FACT: As long as your community belongs to NFIP (except in Coastal Barrier Resources System areas), you can and should purchase flood insurance. NFIP's Preferred Risk Policy, designed for properties located in low-to-moderate flood risk zones, is usually available for less than \$200 a year. Insurance agents or mortgage lenders who have questions regarding flood insurance may contact NFIP's Region IV Office at (770) 396-9117.

Myth 3

Homeowner insurance policies cover flooding.

FACT: Most homeowner's policies **do not** cover damage from flooding. Unfortunately, most homeowners realize this too late. NFIP provides insurance coverage for events traditionally not covered under homeowner's policies. Flood insurance policyholders should also be aware of the Increased Cost of Compliance coverage, which is designed to help homeowners take steps required to reduce future flood damage to their homes or businesses. The coverage, mandated under the National Flood Insurance Reform Act of 1994, may pay up to \$30,000 to offset costs associated with flood-proofing, elevating, demolishing or relocating buildings that are substantially damaged or subject to repetitive flood loss. *Please note that you can purchase NFIP flood coverage at any time, however, there is a 30-day waiting period after you've applied and paid the premium.*



Myth 4

Flood insurance is only available for homeowners.

FACT: Homeowners, renters and business owners with property in communities that participate in the NFIP can purchase flood insurance to protect homes, condominiums, apartments and non-residential structures, including commercial structures.

Myth 5

NFIP coverage is available statewide.

FACT: NFIP coverage is only available to communities participating in NFIP. Find out if your community is a member by calling your insurance company or by calling NFIP at 1-888-RAIN or (924) 724-6924. You may also view a list of participating Georgia communities at www.fema.gov/cis/ga.pdf.

Communities that agree to manage flood hazard areas by adopting minimal standards can participate in NFIP. If a community does not participate in the program, property owners will be unable to purchase federally backed flood insurance. If your community is not participating, contact your local government leaders to express your interest in the program.

Myth 6

Making claims against your flood insurance policy will result in my rates being increased or policy cancelled.

FACT: Rates are set by federal government each year and cannot go up. Policies cannot be cancelled.

Myth 7

Only residents located in high risk flood zones should insure their property.

FACT: Since flooding can be caused by heavy rains, inadequate drainage systems, failed dams, or tropical storms and hurricanes, purchasing flood insurance is advised even if you live in an area that is not flood-prone. One-third of NFIP's claims come from outside special flood hazard areas. NFIP's Preferred Risk Policy, available for as little as \$80 per year, is designed for residential properties located in low to moderate flood-risk zones. To determine if your property is located in a floodplain, contact your city or county government building or planning department or the Georgia Department of Natural Resources Environmental Protection Division's Floodplain Management Office at (404) 656-6382.

Myth 8

You can't buy flood insurance if your property has been flooded.

FACT: It doesn't matter if your property has been flooded. You are still eligible to purchase flood insurance provided your community is participating in NFIP. In fact, to get secured financing to buy, build or improve structures in Special Flood Hazard Areas (SFHA), you will be required to purchase flood insurance. Lending institutions that are federally regulated or federally insured must determine if the structure is located in a SFHA and must provide written notice requiring flood insurance.

Myth 9

Federal flood insurance can only be purchased directly through the NFIP.

FACT: Federal flood insurance is sold and serviced directly through NFIP or through a write-your-own (WYO) company. WYO companies write and service policies on a non-risk bearing basis through a special arrangement with the Federal Insurance Administration. Review participating companies in Georgia at www.floodsmart.gov.

Myth 10

Flood insurance is expensive.

FACT: The average flood insurance premium in Georgia is under \$500 a year. Your specific premium will be determined by such factors as where you live, how much coverage you choose, the age, elevation and structure of your home, the building occupancy, and the deductible. This is much more affordable than payments for disaster loans or the costs of removing flood debris and repairing and replacing carpet, drywall and electrical systems. Additional information on NFIP may be found at www.floodsmart.gov.

