

Texans Can Avert Financial Disaster with Flood Insurance

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Hurricane Harvey last summer showed that everyone needs to prepare for the unexpected. Even if your home or business is not in a high-risk flood area, an insurance policy through the National Flood Insurance Program (NFIP) could save you from an array of surprise expenses.

Homeowners and renters insurance do not cover flood-related damages, but affordable flood insurance is available if your community participates in NFIP. The average flood insurance policy costs about \$700 annually, and the average claim pays \$43,000.

After Harvey, more than 91,000 Texans filed flood insurance claims, and NFIP has paid an estimated \$8.68 billion. Nearly 676,000 Texans are now covered by flood insurance, including more than 90,000 who have signed up since Harvey.

Homeowners can acquire up to \$350,000 of flood coverage through NFIP, with \$250,000 for the building itself and another \$100,000 for its contents. Owners of residential properties with five or more units can purchase \$500,000 of structural coverage and \$100,000 for the structure's contents. Commercial property owners can purchase \$500,000 of structural coverage and \$500,000 of coverage for contents.

Most NFIP policies also include Increased Cost of Compliance coverage for structures whose repairs will cost at least 50 percent of the property's market



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value. This provides up to \$30,000 in additional coverage if the policyholder needs to elevate, relocate or demolish the structure to comply with local standards for rebuilding in a floodplain.

Property owners outside of high-risk areas should know 26 percent of all NFIP claims come from areas considered to be at low or moderate risk for floods. In those lower-risk areas, property owners may qualify for a Preferred Risk Policy (PRP), which provides the same level of coverage as a standard policy but at a lower cost.

No one should rely on federal disaster assistance to make them whole after a flood. Federal assistance is only available if the president declares a disaster, and even then, assistance is likely to be provided in the form of a low-interest loan that must be paid back. During Harvey recovery, households eligible for a federal housing award have received \$7,053 on average. Homeowners and renters eligible for a U.S. Small Business Administration loan have received an average of \$74,761.

Hurricane season begins June 1, and there is typically a 30-day waiting period before flood coverage goes into effect, so act now. Plan ahead so you're prepared when a flood hits.

NFIP insurance is only available in communities that participate in the program and pass floodplain management regulations to reduce the impact of future weather events. To find out if you're in an NFIP community, contact your insurance agent or your local floodplain manager.

For more information about NFIP, call 800-427-4661 or your insurance agent.



Texans can go to www.facebook.com/FEMAHarvey/, <https://twitter.com/femaregion6>, and www.fema.gov/disaster/4332 this week and throughout May to learn how NFIP can protect them from disaster. Texas NFIP 2018 is a whole month dedicated to sharing tips with Texans about how they can prepare themselves and their homes for hurricane season. Use #TXNFIP18 to find information online and share with your friends and family.

For additional information on Hurricane Harvey and Texas recovery, visit the Texas Division of Emergency Management website at <https://www.dps.texas.gov/dem/>.



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