

Does it Pay to Buy Flood Insurance?

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NASHVILLE, Tenn. – As Tennesseans continue the often costly process of repairing and rebuilding after the storms and flooding that took place from March 25 to April 3, now is a good time for everyone to consider investing in flood insurance. It's important to know that homeowners insurance does not cover flood damage from a natural disaster. Usually, the only way for homeowners, renters and businesses to be protected from the costs of floods is with a policy from the National Flood Insurance Program.

“Experience teaches, but only if we pay attention,” said Myra M. Shird, FEMA's federal coordinating officer for the affected areas in Tennessee. “Almost no one likes investing in insurance until they need it; then, people are very relieved they have coverage.”

Paying insurance premiums is almost always a less costly alternative than taking out a loan to repair flood damage. Low-interest disaster loans from the U.S. Small Business Administration are the primary form of federal help following a federal disaster declaration. As of mid-June, 75 homeowners in the federally declared counties of Davidson, Williamson and Wilson, have taken out disaster loans from the SBA averaging \$36,000 each. A flood insurance policy provides peace of mind and freedom from having to take on future debt.

The average annual cost of a flood insurance policy in Tennessee is \$860 per year or about \$70 a month. Policy rates vary based on what flood zone the home is in, age of the home, amount of coverage needed, and other factors. Even if your home is not in a designated high-risk area, it can still be flooded. Keep in mind, as many as one-fourth of all NFIP claims come from areas not designated as high risk.

The maximum coverage available for a residential building is \$250,000 and \$100,000 for contents. Non-residential (commercial) structures are eligible for maximum coverage of \$500,000 on the building and \$500,000 on contents.



For additional information and to purchase an NFIP policy, contact your insurance agent today. You may also obtain comprehensive information on flood insurance on the [floodsmart.gov](https://www.floodsmart.gov) website.

Homeowners and business owners are eligible to purchase flood insurance if their community is among the more than 20,000 communities participating in the NFIP. Participating communities agree to adopt and enforce floodplain management ordinances to reduce future flood damage.

For more information on Tennessee's disaster recovery, visit www.tn.gov/tema.html and www.fema.gov/disaster/4601. You may also follow FEMA on www.facebook.com/fema and Twitter [@FEMARegion4](https://twitter.com/FEMARegion4).

