

# Meeting FEMA's Federal Flood Insurance Requirement

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Recovering from a presidentially declared disaster like Tropical Storm Helene can be emotionally overwhelming and financially difficult.

The most common financial support option available to you is a federal disaster grant from FEMA's Individuals and Households Program.

If you received funds from this program, you may be required by law to purchase flood insurance.

FEMA requires you to have flood insurance for buildings and personal property that were damaged by a flood disaster in a high-risk flood area, also known as a Special Flood Hazard Area. This is to protect you and the life you've built against future financial devastation in the aftermath of a flood, whether or not there is a presidential disaster declaration for that event.

In Tennessee, President Biden approved a major disaster declaration on **Oct. 2**, designating **Carter, Cocke, Greene, Hamblen, Hawkins, Johnson, Unicoi and Washington** counties as eligible to apply for federal assistance.

There are three ways to meet the flood insurance requirement:

1. FEMA may purchase a Group Flood Insurance policy on your behalf to start your coverage;
2. You may purchase a Standard Flood Insurance Policy; or
3. You may purchase a private flood insurance policy.

The first two options are available through FEMA's National Flood Insurance Program. Congress created the program to provide financial protection from flood damage. It offers property owners, renters and businesses access to government-backed flood insurance policies in participating communities. Visit [fema.gov/cis/TN.html](https://fema.gov/cis/TN.html) to see if your community is one of 402 communities in



**FEMA**

Tennessee that participate in the program.

## **FEMA's Group Flood Insurance Policy**

A Group Flood Insurance Policy from FEMA is issued only after a presidentially declared disaster and is only for people who receive federal assistance through FEMA's Individuals and Households Program. There is no out-of-pocket expense to get a group policy. FEMA will pay the cost of the policy (currently about \$2,400 for a three-year term) to the National Flood Insurance Program from your Individuals and Households Program grant. The policy takes effect 60 days after the major disaster was declared, or on **Oct. 2**. If the cost of the group policy is greater than what you were awarded, you will not be eligible for the policy and you will have to purchase flood insurance on your own.

A FEMA group policy covers both buildings and contents (each with a \$200 deductible), or just contents if you are a renter. The coverage amount varies from year to year but is currently about \$85,000. The deductible is subtracted from your FEMA award before you are paid.

## **Standard Flood Insurance Policy**

A standard flood insurance policy is available through the National Flood Insurance Program, with coverage up to \$250,000 for a building and up to \$100,000 for its contents. It is available through NFIP Direct or companies participating in the NFIP's Write Your Own Program.

## **Private Flood Insurance Policy**

Private insurance companies write and service their own flood insurance policies, separate from the federal government. They are responsible for processing claims and paying losses themselves. Premiums vary from carrier to carrier as do coverage amounts. Contact your insurance agent to learn more.

The requirement to maintain flood insurance coverage as a recipient of federal assistance is tied to the property. If you are the homeowner and sell your property, you must inform the new owner of the requirement to maintain flood insurance. In



most cases, an existing insurance policy should transfer to a new owner, with no lapse in coverage. If you are a renter and move to another property, the policy does not transfer to the new tenant and that tenant must purchase their own flood insurance.

Failure to comply with the mandatory federal flood insurance requirement can make you ineligible for future federal disaster assistance.

To learn more about the National Flood Insurance Program, participating communities and policy types, or to purchase a policy, visit [floodsmart.gov](https://floodsmart.gov) or call the **NFIP Direct Helpline** at **800-638-6620**.

