

# Flood Insurance and FEMA Assistance

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## If I received FEMA Assistance, do I have to maintain flood insurance?

- FEMA regulations require applicants who receive FEMA assistance to purchase flood insurance for future flood damage to any insurable property.
  - This requirement applies only to the building and personal property that is, or will be, in a designated Special Flood Hazard Area (SFHA) that can be insured under the National Flood Insurance Program (NFIP).
- For purposes of Individuals and Housing Program (IHP) assistance this includes Home Repair, Replacement, Permanent Housing Construction, or Personal Property.
  - Applicants who live in a designated SFHA and receive IHP Assistance for Home Repair, Replacement, Permanent Home Construction, or Personal Property must purchase and maintain flood insurance coverage for at least the amount of disaster assistance they receive from FEMA, if it is available.
  - Flood insurance coverage must be maintained at the address for as long as the address exists and for at least the assistance amount awarded for flood-damaged, NFIP-insurable losses. If the home is sold or otherwise becomes owned by someone else, the requirement to purchase and maintain flood insurance carries over to any future owner.
  - Applicants who do not purchase and maintain flood insurance will be ineligible for IHP Assistance for flood-damaged real or personal property in future disasters with flood-related damage.

## Why is flood insurance important?

- The NFIP was created to reduce the impact of flooding on private and public structures by providing affordable insurance to property owners and by encouraging communities to adopt and enforce floodplain management regulations.
  - FEMA assistance is not meant to replace insurance.

## Group Flood Insurance may be an option for homeowners and renters



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- Following a flood disaster, to reduce future expenses from floods, FEMA may directly purchase Group Flood Insurance Policy (GFIP) certificates for 36 months on behalf of applicants who are required to obtain and maintain flood insurance.
  - Through FEMA's Other Needs Assistance provision of the IHP, \$2400 is used to pay for three years of flood insurance coverage.
- The 36-month GFIP policy term begins 60 days after the date of the Presidential disaster declaration. However, individual coverage becomes effective 30 days following the National Flood Insurance Programs receipt of the applicant's name and premium payment from either the local, state, territorial, tribal government or FEMA.
  - Currently, the amount of coverage for the individual GFIP policy is \$75,800.
- Affected homeowners receive a notification from FEMA stating they have been included on a GFIP plan and will receive a "Certificate of Flood Insurance;" however, applicants do not receive a copy of the actual policy or certificate from FEMA. The delivery of GFIP flood insurance certificates done by the NFIP and insurance under-writers.
- Affected renters receive a notification from FEMA informing them of their eligibility to receive a GFIP certificate for their contents; however, they will be required to contact FEMA within six months of receiving the notification and confirm they have moved back, or intend to move back, to their pre-disaster residence.
- When the GFIP expires, the applicant is responsible for purchasing and maintaining flood insurance on their own. Failure to maintain flood insurance will affect eligibility for future FEMA disaster assistance.

### **I didn't maintain my flood insurance, does this mean I can't receive help from FEMA?**

- Survivors who failed to purchase and maintain flood insurance may still be eligible for the following forms of assistance through FEMA:
  - Referrals to local community partners and volunteer organizations active in disasters.
  - Medical, Dental, Funeral, Assistance for Miscellaneous Items, Child Care, Moving and Storage costs over \$1,000.
  - Transportation Assistance, and Critical Needs Assistance;
  - Rental Assistance or Direct Temporary Housing Assistance in the form of Multi-Family Lease and Repair, Direct Housing Units, or Direct Lease; and



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- Uninsurable damaged items, such as wells and septic systems.

## Need to buy flood insurance?

- In Kentucky, a flood insurance policy with NFIP costs on average \$1,174 a year, that's roughly \$98 per month. This amount varies based upon the amount of coverage purchased, the amount of the deductible chosen and the flood risk of the insured property.
  - Floods can happen anywhere — just one inch of floodwater can cause up to \$25,000 in damage while the typical Individual Assistance grant awarded by FEMA is between \$3,000-\$6,000. Most homeowner's insurance does not cover flood damage. Flood insurance is a separate policy that can cover buildings, the contents in a building, or both, so it is important to protect your most important financial assets — your home, your business, your possessions.
  - Flood insurance policies can be purchased to cover up to \$250,000 for structure damage and \$100,000 for contents damage. This is why it pays to be insured.
- To purchase flood insurance, call your insurance company or insurance agent, the same person who sells your home or auto insurance. If you need help finding a provider, go to [FloodSmart.gov/flood-insurance-provider](https://www.floodsmart.gov/flood-insurance-provider) or call the NFIP at **877-336-2627**.
  - Plan ahead, there is typically a 30-day waiting period for an NFIP policy to go into effect.



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