



Ohio Department of Natural Resources
Division of Soil and Water Resources
Fact Sheet

Fact Sheet 92-13

Facts about Flood Insurance

Flooding is one of the perils not covered by a standard homeowners insurance policy. It is simply impossible for private insurance companies to spread the potentially huge flood loss payments over large enough numbers of policyholders to make such insurance coverage economically viable. To overcome this problem, Congress created the National Flood Insurance Program (NFIP) in 1968 to provide affordable flood insurance through a federal subsidy. However, Congress specified that such insurance can only be sold in communities that regulate floodplain development and apply for participation in the NFIP. In Ohio, over 600 municipalities and 86 counties participate in the NFIP. Although the federal government states that over 200,000 structures are within Ohio's mapped floodplains, only about 12 percent of these structures are covered by flood insurance. A major reason why there are so few insured structures is that not enough is known about flood insurance. What little information is known is often incorrect. Listed below are some of the more frequently encountered misconceptions followed by the facts.

Fiction Flood damages are covered by my homeowners insurance.

Fact Flood damages are normally not covered under a homeowners policy. The owner must obtain coverage under a separate flood insurance policy.

Fiction Flood insurance is unavailable.

Fact Flood insurance is available in most Ohio communities. Over 700 Ohio communities participate in the National Flood Insurance Program.

Fiction You have to live in a floodplain to buy flood insurance.

Fact Any building in a community that participates in the NFIP is eligible whether or not the building is in a floodplain.

Fiction Flood insurance is expensive.

Fact The average cost of a flood insurance policy in Ohio is \$776.00 per year.

Fiction My insurance agent can't sell flood insurance.

Fact Any licensed property indemnity agent or broker can sell the Standard Flood Insurance Policy.

What types of losses can be insured?

The **Standard Flood Insurance Policy** covers direct loss caused by a flood (less the deductible). A flood is defined as a *general and temporary condition of partial or complete inundation of normally dry land areas from overflow of inland or tidal waters or from the unusual and rapid accumulation or runoff of surface waters from any source*. Flood insurance will not cover damages caused by high ground water, sewer backup, or subsurface flows unless the property has been, at the same time, damaged by surface floodwaters.

What types of property can be insured?

Any walled and roofed building in a NFIP-approved community can be insured. A manufactured (mobile) home affixed to a permanent site and anchored can also be insured.

Two types of coverage are available for insurable buildings:

1. Structural coverage on walls, floors, insulation, furnace, and items permanently attached to structure.
2. Contents coverage that must be purchased separately from structural coverage.

What cannot be insured?

Flood insurance does not cover property outside an insurable building, vehicles, trailers on wheels, boats, animals, crops in the field, money, valuable papers, fences, outdoor swimming pools, bridges, driveways,

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bulkheads, docks, land values, plants, landscaping and finished portions of a basement (as described below).

Is the basement covered?

The policy insures against damages caused by surface flooding only. It will not cover damages from seepage or sewer backup unless there is a general and temporary condition of flooding in the area and the flooding is the proximate cause of the seepage or sewer backup. For additional information consult the flood insurance policy. The policy offers limited coverage of basements. A basement is defined as any area of a building that is below grade on all sides, including the lower level of split or bi-level homes. The policy does not cover finished portions of a basement such as carpeting, paneling, or furnishings. Unimproved structural parts such as the foundation, walls, stairway, and utility connections are covered. It also covers unimproved (not taped or painted) drywall and insulation, sump pumps, water tanks, oil tanks, furnaces, water heaters, heat pumps, electric junction, and circuit breaker boxes, washers and dryers, food freezers, air conditioners, and cleanup.

Some private insurance carriers sell coverage for basement sewer backup or sump pump failure. Details will vary from company to company.

Is there a waiting period?

Yes, there is a 30-day waiting period after a policy is purchased before coverage goes into effect. It does not cover damage in progress. When a policy is required by a lender as a condition for obtaining a mortgage, coverage takes effect at closing.

How are the rates set?

Rates are subsidized for older buildings built before the community joined the **Regular Program Phase of the NFIP**. These buildings are also known as *Pre-FIRM* buildings because they were built before the date of the Flood Insurance Rate Map (FIRM) issued to the community. For most Ohio communities, this date is between 1977 and 1987. Rates for "Post-FIRM" buildings (buildings constructed after the Flood Insurance Rate Map took effect) vary depending on how high the buildings are above or below the base flood level.

Rates are lower for buildings that have been properly protected from potential flooding.

How do I file flood insurance claims?

Contact your insurance agent immediately after a flood. The agent will file a written notice of loss with the NFIP and contact a claims adjuster. An adjuster will inspect the property as soon as possible. A few things may be undertaken before the claims adjuster arrives including:

- *List and discard food and related items that could cause a health problem. If possible, photograph these items before discarding.
- *Assess structural damage to the house and make a room-by-room inspection of the contents. Record damage found.
- *If emergency repairs are needed to protect the house and contents from further damage and theft, don't wait for the insurance adjuster. Record and keep receipts of any work that is done.

After the above is done, wait for the claims adjuster's instructions on what can be discarded and what should be repaired. Don't discard items (except food and health-related items) until the adjuster makes the inspection. The adjuster may be able to make a partial payment to assist with immediate expenses.

For more information about flood insurance, please contact your insurance agent or the NFIP in Lanham, Maryland at: 1-800-638-6620.

Other materials may be obtained at:

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Production of this Fact Sheet was supported by a grant from the Federal Emergency Management Agency. The contents do not necessarily reflect the views and policy of the grantor agency.

