



Common Questions and Answers about Flood Insurance in New York State



First in a series of two brochures about the National Flood Insurance Program. The second is entitled Floodplain Construction Requirements in New York State.

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Introduction

Floods occur when runoff from rain or snowmelt exceeds the capacity of rivers, stream channels or lakes and overflows onto adjacent land. Floods can also be caused by storm surges and waves that inundate areas along tidal or Great Lakes coastlines. Throughout history, floods have claimed uncounted human lives and devastated property, even destroying cities. Yet people continue to settle and build in floodplains, increasing the risk of property damage and loss of life.

What is a floodplain?

Floodplains are low-lying lands next to rivers and streams. When left in a natural state, floodplain systems store and dissipate floods without adverse impacts on humans, buildings, roads and other infrastructure. Natural floodplains add to our quality of life by providing open space, habitat for wildlife, fertile land for agriculture, and opportunities for fishing, hiking and biking.

Floodplains can be viewed as a type of natural infrastructure that can provide a safety zone between people and the damaging waters of a flood. But more and more buildings, roads, and parking lots are being built where forests and meadows used to be, which decreases the land's natural ability to store and absorb water. Coupled with changing weather patterns, this construction can make floods more severe and increase everyone's chance of being flooded.

What is the National Flood Insurance Program?

The National Flood Insurance Program is a federal program created in 1968 to provide flood insurance to people who live in areas with the greatest risk of flooding, called Special Flood Hazard Areas. The program provides an alternative to disaster assistance and reduces the escalating costs of repairing damage to buildings and their contents caused by floods. The program provides flood insurance, while at the same time encouraging the sensible management and use of floodplains to reduce flood damage.

The National Flood Insurance Program offers flood insurance to homeowners, renters and business owners, provided their communities use the program's strategies for reducing flood risk, including adopting and enforcing floodplain management ordinances to reduce future flood damage. Community participation in the National Flood Insurance Program is voluntary. However, flood insurance and many kinds of federal disaster assistance are not available in

communities that do not participate in the program. Fortunately, in New York, 1,466 communities participate in the National Flood Insurance Program.

Each participating community has a local law for flood damage prevention that contains specific standards for any development in federally mapped Special Flood Hazard Areas. These areas have a one percent or greater chance of experiencing a flood in any year and are shown on Flood Insurance Rate Maps provided by the Federal Emergency Management Agency (FEMA).

Insurance Questions

Q: Can you buy flood insurance if you are located in a high-flood-risk area?

A: YES! You can buy National Flood Insurance no matter where you live if your community participates in the National Flood Insurance Program. In fact, under the National Flood Insurance Act, mortgage lenders *must* require borrowers whose property is located within a Special Flood Hazard Area to purchase flood insurance as a condition of receiving a federally regulated mortgage loan. National Flood Insurance is *not* available in designated Coastal Barrier Resources System areas, which are shown on a community's Flood Insurance Rate Maps.

Q. Can you buy flood insurance immediately before or during a flood?

A. You can purchase flood coverage at any time. There is a 30-day waiting period after you've applied and paid the premium before the policy is effective, with the following exceptions:

- 1) If the initial purchase of flood insurance is in connection with a loan, there is no waiting period. The coverage becomes effective at the time of the loan, provided application and payment of the premium have been made.
- 2) If the initial purchase of flood insurance is made during the 13-month period following the effective date of a revised flood map for a community, there is a one-day waiting period for any structure within an area that is shown as being in an Special Flood Hazard Area for the first time.

The policy does not cover a "loss in progress," defined by the National Flood Insurance Program as a loss occurring as of 12:01 a.m. on the first day of the policy term. In addition, *during* a flooding event, you cannot increase the amount of insurance coverage you have.

Q. Don't homeowners' insurance policies cover flooding?

A. **NO!** Unfortunately, many homeowners do not find out until it is too late that their homeowners' policies do not cover flooding.

Q. Is flood insurance only available for homeowners?

A. Flood insurance is available to protect owners and renters of homes, condominiums, apartments and nonresidential buildings, including commercial structures. A limit of \$250,000 of building coverage is available for single-family residential buildings or for residential condominium units. Contents coverage on residential buildings is limited to \$100,000, which is also available to renters. Commercial structures can be insured to a limit of \$500,000 each for the building and contents. These limits are subject to change.

Q. Can you buy flood insurance if your property has been flooded before?

A. YES! You remain eligible to purchase flood insurance if your home, apartment or business has been

flooded before, as long as your community participates in the National Flood Insurance Program. Flood insurance premiums do not go up as a result of your claims history.

Q. Can you buy flood insurance if you are *not* located in a high risk flood area?

A. YES! Even if you live in an area that is not flood-prone, it's advisable to have flood insurance. About a quarter of the National Flood Insurance Program's claims come from outside high flood risk areas. The Program's Preferred Risk Policy, available for just over \$260 per year for \$100,000 of coverage, is designed for residential properties located in low-to-moderate flood risk zones.

Q. Why would properties outside of mapped flood hazard areas be subject to floods?

A. Flood Insurance Rate Maps show areas which are subject to predictable flooding from streams, lakes or tidal waters. Areas within one square mile of a stream's headwaters are usually not mapped. Due to the unpredictable nature of some kinds of floods, maps also don't show many areas subject to flooding from localized drainage problems, ice jams, or sheet flooding down a slope. Maps are based on the "100-year" flood, better thought of as the flood that has a one percent or greater chance of occurring in any given year. Larger floods can and do happen.

Q. Can National Flood Insurance Program flood insurance be purchased through private insurance agents?

A. YES! This flood insurance is sold through private insurance companies and agents, and it is backed by the federal government.

Q. Does the National Flood Insurance Program offer any basement coverage?

A. Yes, it does. The program defines a basement as any area of a building with a floor that is below ground level on all sides. Flood insurance does not cover basement improvements, such as finished walls, floors or ceilings, or personal belongings such as furniture and other contents. It does cover structural elements, essential equipment and other basic items normally located in a basement, as well as cleanup costs. Many of these items are covered under building coverage, and some are covered under contents coverage.

The following are covered under building coverage, as long as they are connected to a power source and installed in their functioning location:

- Sump pumps
- Well water tanks and pumps, cisterns and the water in them
- Oil tanks and the oil in them, natural gas tanks and the gas in them
- Pumps and/or tanks used in conjunction with solar energy
- Furnaces, hot water heaters, air conditioners, and heat pumps
- Electrical junction and circuit breaker boxes and required utility connections
- Foundation elements
- Stairways, staircases and elevators
- Unpainted drywall and Sheetrock walls and ceilings, including fiberglass insulation
- Clothes washers and dryers, food freezers and the food in them

Q. Won't federal disaster assistance pay for flood damage?

A. NOT REALLY! Before a community is eligible for disaster assistance, it must be declared a federal disaster area. Federal disaster assistance declarations are issued in less than 50 percent of flooding incidents. Most federal disaster assistance is in the form of *loans*. The premium for an National Flood

Insurance Program policy, averaging a little more than \$350 a year, is typically less expensive than a single monthly payment on a federal disaster loan. Furthermore, if you are uninsured and receive federal disaster assistance after a flood, you must purchase flood insurance to remain eligible for future disaster relief.

Q. Does the National Flood Insurance Program encourage risky development?

A. One of the program's primary objectives is to guide development away from high-flood-risk areas. Program regulations minimize the impact of structures that are built in Special Flood Hazard Areas by requiring them to not cause obstructions to the natural flow of flood waters. Also, as a condition of community participation in the National Flood Insurance Program, those structures built within Special Flood Hazard Areas must adhere to strict floodplain management regulations.

Q. What type of flooding does National Flood Insurance cover?

A. The program defines covered flooding as a general and temporary condition during which the surface of normally dry land is partially or completely inundated. Two properties in the area or two or more acres must be affected. Flooding can be caused by:

- The overflow of inland or tidal waters;
- The unusual and rapid accumulation or runoff of surface waters from any source;
- Mudslides, i.e., mudflows, caused by flooding, that could be described as a river of liquid and flowing mud; or
- The collapse or destabilization of land along the shore of a lake or other body of water, resulting from erosion, the effect of waves, or water currents exceeding normal, cyclical levels.

Q. Is wind-driven rain considered flooding?

A. NO! Rain entering through wind-damaged windows, doors or a hole in a wall or the roof, resulting in standing water or puddles, is considered windstorm, rather than flood damage. National Flood Insurance covers only damage caused by the general condition of flooding (defined above), typically caused by storm surges, wave washes, tidal waves, or the overflow of any body of water over normally dry land areas.

For more information, ask your insurance agent or company, or call the National Flood Insurance Program's toll-free number at 1-888-379-9531, TDD# 1-800-427-5593. Or email FloodSmart@dhs.gov. More information is at www.floodsmart.gov.