

Text Version of Flood Insurance Video

Presented by Scott Van Hoff

Hello, my name is Scott Van Hoff. I am the Regional Flood Insurance Liaison with FEMA Region 10. Today, I just wanted to talk to you briefly about flood insurance and the basics you need to know about flood insurance.

To begin with, it is important to understand the difference between flood insurance and federal disaster assistance. The most common form of federal disaster assistance is a loan from the Small Business Administration. This is a loan that has to be repaid. FEMA does have some small grants available during presidentially declared disasters for those who qualify. These small grants are not intended to completely repair your flood-damaged home; they are assistance to help you begin the process of cleaning and repairing your home. The grants are quite small. If you have flood insurance, your losses are covered according to the coverage and deductibles that you choose.

Another question I'm often asked is, "Am I required to have flood insurance?" There are two basic circumstances where you might be required to carry flood insurance. First, your lender will require flood insurance coverage for the life of your mortgage if your building is located in a special flood hazard area, also known as the high-hazard zone, when you are looking at a FEMA Flood Insurance Rate Map. And if that mortgage is federally backed, which means insured by the taxpayers. Now, FEMA does not regulate the mortgage industry and does not administer those lender-related, mandatory-purchase flood insurance rules. The second circumstance where you might be required to have flood insurance is if your home is in a high-risk flood zone, and you or a previous owner of your home accepted federal disaster assistance in a previous flood. That disaster assistance check came with an agreement that the owner would obtain and maintain flood insurance for the life of that structure. Failure to maintain flood insurance may limit the federal disaster assistance that building is eligible for in a future flood.

How much does flood insurance cost? FEMA began a new methodology of determining flood risk and assigning a cost to that insurance to cover that risk in the year 2022. This is a fairly new program that now looks at more than 22 different variables concerning your home to determine exactly what the flood risk is at your precise location. These variables determine the cost of insurance. And to get a customized quote for your home, you need to contact your flood insurance agent. Also, you might want to discuss your options on coverage, such as your coverage amount and deductibles, which will affect the cost of insurance.

If you would like to get more information about the National Flood Insurance Program and flood insurance coverage that is available to you, please go to www.floodsmart.gov or, once again, please contact your local flood insurance agent.

Thank you!