

NATIONAL FLOOD INSURANCE PROGRAM

## **FEDERAL DISASTER ASSISTANCE**

# **MEETING THE FLOOD INSURANCE REQUIREMENT**

**RECOVERING FROM A PRESIDENTIALLY DECLARED DISASTER CAN BE EMOTIONALLY OVERWHELMING AND FINANCIALLY STRENUOUS.**

**Two ways to seek financial support are through a federal disaster assistance grant from the Federal Emergency Management Agency (FEMA) or a low-interest disaster loan from the U.S. Small Business Administration (SBA).**

If you receive such federal disaster assistance, you may be required by law to purchase flood insurance. This will protect you and the life you've built against future financial devastation in the wake of a flood event, independent of a disaster declaration.

The flood insurance requirement applies to buildings and personal property that have been damaged by a flood disaster event in a Special Flood Hazard Area (SFHA). In order for buildings and personal property to be considered insurable by the National Flood Insurance Program (NFIP), they must be located within a participating community.



**FEMA**



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There are two ways to meet the requirement: FEMA may purchase a **Group Flood Insurance Policy (GFIP)** on your behalf or you may purchase a **Standard Flood Insurance Policy (SFIP)**.

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## **GROUP FLOOD INSURANCE POLICY (GFIP)**

This policy is issued following a presidential disaster declaration. It is only available to individuals who received federal disaster assistance through FEMA's Individuals and Households Program (IHP). You cannot purchase a GFIP independently.

There is no out-of-pocket cost to obtain a GFIP. FEMA may pay the cost of the policy (currently \$2,400 for the three-year policy term) directly to the NFIP from your IHP disaster assistance grant. If the cost of a GFIP exceeds your remaining IHP Assistance available, you will not be eligible for a this flood insurance policy. Instead, you will need to purchase an individual flood insurance policy on your own (see next page).

To be considered for a GFIP certificate which serves as your individual proof of insurance under the master GFIP policy, **you must meet the following conditions:**

- Your property and the damaged items have been verified by FEMA as damaged by flooding and insurable under the NFIP;
- You did not have flood insurance coverage at the time of the disaster;
- Your damaged residence is located in an SFHA;
- Your damaged residence is not located in a sanctioned community, Coastal Barrier Resources System area, or Otherwise Protected Area;
- You do not have a previous requirement to maintain flood insurance as a condition of receiving federal disaster assistance for flood damaged property;
- You received IHP assistance for the repair or replacement of the property damaged by flooding, triggering a requirement for you to obtain and maintain flood insurance on the property; and
- You applied for a U.S. SBA low-interest disaster loan and did not qualify.

The master GFIP policy term is for 36 months and begins 60 days after the date of the presidential disaster declaration. However, individual coverage becomes effective 30 days following NFIP’s receipt of your name and premium payment from either the state, local, territorial or tribal government or FEMA.

A GFIP certificate covers both building and contents, or just contents if you are a renter. Presently, the amount of coverage for the individual GFIP policy is \$75,800. There are two separate deductibles: \$200 for the building and \$200 for contents. You may choose to upgrade coverage by switching to an SFIP at any point during the term. To do so, you must cancel your GFIP—you can’t have both.

TYPES OF COVERAGE	GROUP FLOOD INSURANCE POLICY	STANDARD FLOOD INSURANCE POLICY
<b>Building Coverage</b>	\$75,800	up to \$250,000
<b>Personal Property Content Coverage</b>	\$75,800	up to \$100,000

Keep your contact information updated as the NFIP will send you communications. You will receive a letter 45-days prior to the expiration of your policy reminding you to purchase an SFIP. You must do so within 30 days of the policy expiration to avoid a lapse in coverage and avoid disqualifying yourself from future disaster assistance. The NFIP will send a final reminder at your policy expiration date.

For more information regarding a Group Flood Insurance Policy, call the NFIP Direct at **800-638-6620**.

## STANDARD FLOOD INSURANCE POLICY (SFIP)

If you purchase an SFIP, you may do so through an NFIP Write Your Own (WYO) company or a private insurance company. An SFIP provides coverage up to \$250,000 for a building and up to \$100,000 for contents.

**The WYO Program** allows participating property and casualty insurance companies to write and service federal flood insurance policies in their own names. Companies write policies and process claims while the federal government pays all losses. To purchase flood insurance through a WYO, visit [FloodSmart.gov/flood-insurance-provider](https://www.floodsmart.gov/flood-insurance-provider) or call **800-621-3362**.

**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. To purchase flood insurance through a private insurance company, contact your insurance agent.

## MAINTAINING DISASTER ASSISTANCE ELIGIBILITY

If you are a homeowner or a renter who must maintain flood insurance coverage as a recipient of federal disaster assistance, the requirement remains with the property. Future homeowners and renters must comply with the requirement for as long as the property exists, or until it is mitigated to meet or exceed community standards.

If you are a homeowner and sell the property, you must inform the new owner of the requirement to maintain flood insurance coverage. In most cases, an existing flood insurance policy transfers to the new owner with no lapse in coverage. If you are a renter and move from the property, the policy does not transfer to the new tenant and they must purchase their own flood insurance coverage.

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

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Disaster assistance provided by FEMA can help you rebuild, but flood insurance can help protect against future flood damage. Safeguard yourself and your family from future financial loss by purchasing flood insurance coverage. For more information on the NFIP, visit [FloodSmart.gov](https://www.floodsmart.gov) or call **800-621-3362**.



FEMA



Congress created the National Flood Insurance Program (NFIP) in 1968 to reduce future flood damage through floodplain management, and to provide people with flood insurance through individual agents and insurance companies. The Federal Emergency Management Agency (FEMA) manages the NFIP. If you are deaf, hard of hearing, or have a speech disability and use relay services, call 711 from your TTY.