



Get FloodSmart

FloodSmart.gov

Flood Risk and Insurance

Know the Facts



Flood Risk and Insurance Facts

Many property owners do not know the basics about flooding or flood insurance. To make informed decisions, residents and business owners need a solid understanding of their flood risk and how flood insurance can help.

The following are important facts and figures to share with property owners so that they better understand the risk of flooding, its impact, and how flood insurance can help reduce the financial impact of flooding:

- Federal disaster assistance is usually provided in the form of a loan that must be paid back with interest along with any existing mortgage.
- Flood losses in the United States averaged \$2.9 billion per year for the last decade.
- Nearly 75 percent of all federally declared disasters over the past five years involved flooding.

Understanding the Risk

- Floods are the number one natural disaster in the United States.
- Everyone is at risk—even those that do not live close to rivers and lakes. Floods happen as a result of heavy rains, snow melt, overloaded drainage systems, land development runoff, and for many more reasons. Just an inch of water can cause tens of thousands of dollars in damage to your home and its contents.
- Most homeowners insurance does not cover flood damage.
- Over the life of a 30-year loan, your home, if located in a high-risk flood area, is more likely to be damaged by flood than by fire.
- More than five million Americans are protected with flood insurance, but millions more are unaware of their personal risk for property damage—or options for reducing that risk.
- Property owners, renters, and business owners can purchase flood insurance on their building and contents if their community is among the more than 21,800 communities that participate in the National Flood Insurance Program (NFIP).
- It typically takes 30 days after the purchase of flood insurance for the policy to take effect.
- The average premium is about \$650 a year; the average claim in the past five years was nearly \$42,000.
- Nearly 25 percent of all flood claims come from areas mapped outside high-risk flood zones.
- Qualifying properties in moderate- to low-risk areas are eligible for the low-cost Preferred Risk Policy with premiums as low as \$129 a year for \$20,000 in building and \$8,000 in contents coverage.

For flood insurance and flood risk information, visit FloodSmart.gov/facts. To learn more about obtaining a flood insurance policy, call your insurance agent or call **1-800-427-2419** to find an agent near you.



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