

# Help Burst those Flood Insurance Myths

An important component of promoting flood insurance is dispelling the myths that persist about it. Below are a few of the most salient misunderstandings about flood insurance and some straightforward explanations of what is really true. Your community may find it helpful to use the linked materials to address mistaken beliefs among your residents. Also, there are several “myths” articles in the linked materials that could be reprinted to highlight some of the ideas below.

## **MYTH My homeowner’s insurance covers flooding.**

This may be the most prevalent misinformation of all. In fact, almost no homeowner’s insurance policies cover flood damage. That is why the federal government created the National Flood Insurance Program (NFIP). Flood insurance is sold as a separate policy, so even if a person’s regular agent doesn’t handle flood insurance, it can be obtained from another agent who serves that area. To find one, people can contact the NFIP call center at 800-427-4661 or [www.FloodSmart.gov](http://www.FloodSmart.gov). Communities can distribute FEMA’s palm card, “**Your Homeowners Insurance Does Not Cover Flooding.**” One flood survivor who had that separate policy- and was glad he did - tells about it in a one-minute video from FEMA.

## **MYTH I don’t need flood insurance, because I’m not in a high-risk zone.**

The reality is that it can flood almost anywhere, and it doesn’t take much water to cause expensive damage. In fact, about 1/3 of all flood disaster assistance and 1/3 of all flood insurance claims payments go to people who have been flooded even though they were outside of the mapped high-risk zone (Special Flood Hazard Area). With a changing climate, scientists say that extreme weather events—like the tremendous rain that accompanied hurricanes last summer and caused localized flooding—will be more likely in the future. So living in a location that so far has been thought to be at low risk does not mean that is safe now. *Why Do I Need Flood Insurance?* helps people understand the need for flood coverage. *Know Your Risk* focuses on the potential for flooding in low-lying coastal areas. A one-minute video from FEMA tells the story of a family who were relieved that they had bought flood insurance even though they had already been through hurricanes without sustaining damage.

## **MYTH I can’t get flood insurance, because I’m not in a high-risk zone.**

Virtually anyone who lives in or owns property in an NFIP-participating community can buy flood insurance for a residential building, business, condo, or apartment, and the contents can be insured as well (or instead). Flood insurance through the NFIP has never been restricted to people located in the high-risk zone (Special Flood Hazard Area). In fact, for people outside the high-risk zone, flood insurance is an even better deal, because the premiums are lower. An overview of the availability, coverage, and costs of flood insurance- in clear language and with sources of more information - can be found on the FloodSmart website. Communities can also use the brochure about the preferred risk policy for low-hazard areas.

### **MYTH Even if my house did flood, it wouldn't be by much.**

There may not be very much water, but that doesn't mean there won't be much damage. Only one inch of water in an average home can cause more than \$25,000 in damage. A handy visual representation of this is the Cost of Flooding tool developed by FEMA. It is a simple interactive device to help people see how the depth of flooding translates to damage costs. This link is a good addition to a community's flood awareness website.

### **MYTH I don't need flood insurance because FEMA gives disaster assistance.**

The truth is that FEMA can only provide disaster assistance when the president issues a disaster declaration—this happens for less than half of all floods. Even if there is a disaster declaration, FEMA can only provide small grants, not enough to cover all losses and certainly not enough to rebuild. For example, in Hurricane Harvey the average individual grant FEMA distributed was only \$7,000. Most other federal disaster assistance comes in the form of loans, which much be repaid. By contrast, in Hurricane Harvey, the average NFIP claim payment was over \$100,000—that's a payment from the insurance policy and of course never has to be repaid. And, a flood insurance policy pays for any covered damage, even if it results from a small (not disastrous) flood. Use the two-page handout, "The Benefits of Flood Insurance vs. Disaster Assistance," to compare the two.

## **Plan, Adjust, Recover—Flood Response Preparations**

While parts of the country are bracing for frigid temperatures and icy conditions, the next flood might not be at the top of the "worry" list.

### **Before**

Proactive communities send messages to the public well in advance of the next flood, so citizens don't become complacent. People tend to think outreach should ramp up before hurricane season and, although that may be true on the coast, most communities are vulnerable year-round, and everyone needs to be ready for the next flood. Messages before a flood can range from flood safety (Turn Around Don't Drown) to property protection techniques to how to gather information for insurance purposes. People who've never been flooded before usually believe they never will, and reminding them of past local disasters drives home the point that you never know when it could happen.

### **During**

The National Weather Service keeps residents apprised of current conditions and forecasts while local television stations compete to produce the best coverage and latest information. Municipalities can take this a step further and send messages that are community-specific, for example, explaining why a particular neighborhood should expect more accumulation of water because of insufficient drainage, narrow channels, and/or "choke points." Social media like Facebook and Twitter can be invaluable for outreach during the flood. Even when the power is out, people will get in their cars to recharge their phone batteries just so they can stay connected.

## **After**

Recovery after the storm can be a little easier if both the citizens and the community were prepared beforehand. Still, people can be overwhelmed by where to start. Communities can turn their websites into a one-stop shop for disaster information—from the locations where utility repair crews are working on a given day, to places where ice is being distributed, to tips on handling mold and mildew. Recovery won't be the same for everyone, so it'll be important to get the right messages to the right people.

When it's safe, city inspectors and others will make damage assessments. This is an opportune time to also place door hangers at flooded properties to advise owners of the next steps in their recovery process—everything from what their insurance adjuster will need to how to get a permit for repairs. But recovery is more than permits and repairs. It goes hand in hand with a community's mitigation efforts to reduce the impacts of the next flood. And that leads back to preparation. A community that engages in outreach through all three stages of a flood will fare better in the long run. A prepared community is a resilient community and can come back stronger after a flood