For more information about the NFIP
and flood insurance, call
1-800-427-4661
or contact your
insurance company or agent.

For an agent referral, call
1-888-435-6637
TDD 1-800-427-5593

http://www.fema.gov/business/nfip
http://www.floodsmart.gov

National Flood Insurance Program

Flood Insurance Requirements for Recipients of Federal Disaster Assistance

FEMA

Flood Insurance Requirements for Recipients of Federal Disaster Assistance

When property owners receive financial assistance from the Federal Government following a Presidentially declared disaster, they may be required to purchase flood insurance coverage. This requirement is mandated under the National Flood Insurance Reform Act (NFIRA) of 1994. It is imposed when a building has been damaged and is located in an area that is at high risk of flooding. These high-risk areas are called Special Flood Hazard Areas (SFHAs).

The NFIRA requirement applies to insurable buildings and personal property, located in SFHAs, that have been damaged by the disaster event. Financial assistance can come in the form of Federal disaster assistance grants or loans.

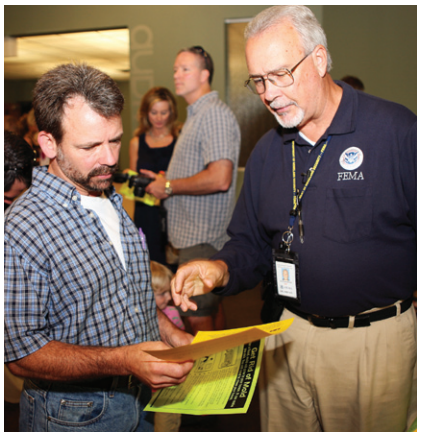
▶ **If you are a homeowner** and receive Federal financial assistance, flood insurance coverage must be maintained at the address of your home even if the damaged building is replaced by a new one. If you sell your home, you are required to inform the new owners that they must maintain flood insurance coverage on the building. Often, an existing flood insurance policy can be transferred to a new owner with no lapse in coverage.

▶ **If you are a renter** and receive Federal financial assistance, flood insurance coverage must be maintained on the contents for as long as you live at the flood-damaged rental property. The requirement for flood insurance is lifted once you move from the building.

▶ **If you receive a Certificate of Flood Insurance from FEMA**, flood insurance has been provided under a Group Flood Insurance Policy following a Presidential disaster declaration. This policy provides minimum building and/or contents coverage in exchange for a small premium.

- Group Policies have a term of 3 years, after which you will be required to purchase and maintain a Standard Flood Insurance Policy through the National Flood Insurance Program (NFIP) until you are no longer the homeowner or renter at that location. In order to avoid any lapse in coverage, it is important to apply for your new coverage at least 30 days before the expiration of the Group Policy.
- You may cancel your participation in the Group Policy at any time during its policy term, provided that you have purchased your own NFIP flood insurance coverage.

Even without the NFIRA requirement, it is a wise decision to purchase flood insurance. But, because Federal law mandates the purchase of flood insurance as a condition of disaster funding, an applicant who does not comply with the NFIRA flood insurance obligation may become ineligible for future disaster assistance. *It's that important.*



With all that you are going through, don't let this vital coverage slip through the cracks. Protect yourself and your family from future financial loss by purchasing and maintaining flood insurance coverage.