

Protecting our homes and businesses against flooding is critical.

August 25, 2008



An open letter to all Americans:

Again this year, thousands of people have experienced the terrible consequences of flooding. Those in the Midwest and the South have been hit particularly hard recently. Some have suffered the total loss of their homes to floodwaters. Others are still dealing with the difficult and costly work of making their homes livable again.

Time and time again, we see too many Americans shoulder these burdens without the cushion of flood insurance. And when the next flood strikes, many others could find themselves in the same position. **It does not have to be this way.**

As Federal Insurance Administrator, I want you to know that you have options for protecting your home and business against flooding. **The best way to decrease financial burdens from flood losses is with flood insurance.** Flood insurance is available for most homeowners, renters and businesses, covering buildings and their contents. Please, take a moment now to consider the facts about flood risks and insurance.

1. Homeowners insurance does not cover flooding. A separate flood insurance policy is typically the only way to protect against flood losses.

2. In high-risk areas,* there's a reason why flood insurance is required. By law, most mortgage lenders require flood insurance in these areas because there is a significant risk that you will be flooded. Even if your mortgage is paid off and flood insurance is no longer required by your lender, you can still purchase flood insurance.

**For insurance purposes, a high-risk area is defined as an area with at least a one-in-100, or 1 percent, chance of being flooded in any given year. If your community participates in the National Flood Insurance Program (most do), the entire community is eligible to purchase flood insurance, inside and outside of high-risk areas. Underwriting restrictions apply in certain limited circumstances.*

3. Flood insurance is also available if you live outside a high-risk area, and at lower cost. Floods occur in lower-risk areas, too. A quarter of all flood insurance claims come from lower-risk areas where flood insurance is not required. "Not required" doesn't mean "not needed." Flood insurance is a good idea whether or not a lender requests it.

4. If you live near a levee, you can, and should, purchase flood insurance. Many levees and flood control structures were resilient during recent floods. But levees can fail or overtop, and, as we've seen, with disastrous consequences.

5. Flood insurance can be purchased through most leading insurance companies. Rates are federally set and will not differ from company to company. For more information or help in finding an agent near you, please visit the National Flood Insurance Program (NFIP) website, www.FloodSmart.gov.

The fact is, floods do not have to be a financial disaster. We don't know when the next flood will occur. But they have happened recently—and they will happen again. Taking steps now to cover your building and contents with flood insurance can make a world of difference for your property, your savings and your future.

Please consider the risk. Consider the consequences. Talk with your insurance agent. Make the choice to protect your greatest investment.

A handwritten signature in black ink that reads "David I. Maurstad".

David I. Maurstad
Federal Insurance Administrator
National Flood Insurance Program
Mitigation Directorate, Federal Emergency Management Agency
Department of Homeland Security
Washington, D.C.



FEMA

For more information about flood insurance, call 888-724-6973.