Some Residents in High-Risk Areas Must Maintain Flood Coverage or Risk Missing Out on Future Aid

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LITTLE ROCK, Ark. – If disaster strikes once, it can strike again. Make sure you're prepared — and remain eligible for assistance from the federal government — by buying and maintaining flood insurance.

If your community participates in the National Flood Insurance Program and your property is in a high-risk zone known as a special flood hazard area (SFHA), you are required by law to purchase and maintain flood insurance if you have received federal disaster assistance for flood damage. Otherwise, when disaster strikes again, you will be ineligible for federal assistance for insurable flood damage to your home or its contents.

Homeowners in SFHAs who receive disaster assistance must maintain flood insurance for as long as the property address exists. If the home is sold, the insurance requirement is passed to the new owner; buyers should thoroughly research the history of property before closing.

Renters in SFHAs who receive federal disaster assistance for flood-damaged personal property also must maintain flood insurance on the contents of their home for as long as they live at that location. The insurance requirement, however, ends once the aid recipient moves away.

FEMA

People in an SFHA who receive flood assistance through FEMA's Individuals and Households Program (IHP) may qualify for a Group Flood Insurance Policy (GFIP). The group policy is paid with IHP grant funds for survivors who receive disaster assistance and lack flood insurance. To receive a group policy, you must have applied for a U.S. Small Business Administration disaster loan and been found ineligible, among other requirements. A group policy expires at the end of 36 months, but the requirement to maintain flood insurance continues.

To learn more about flood insurance and the National Flood Insurance Program, call 800-427-4661, visit www.fema.gov/business/nfip or contact your insurance agent.

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