

# Fact Sheet: Flood Plain Management, Insurance and Rebuilding

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Severe storms and flooding have the potential to cause hundreds of millions (or even billions) of dollars in damage each year. A policy with the National Flood Insurance Program (NFIP) is one of the best tools available to protect a home, business and insurable property.

## Flood Insurance:

- Where it rains, it can flood. Living in a low-to-moderate-risk flood zone (Zone X shaded/unshaded) doesn't mean no risk. In fact, more than 20 percent of all NFIP claims come from outside the areas of highest risk.
- Most homeowner and renter insurance policies do not cover flood damage. Call an insurance agent to get a quote for structure and contents coverage. For an agent referral, call 800-427-4661 or visit [www.floodsmart.gov](http://www.floodsmart.gov). Don't delay; policies take 30 days to go into effect.
- Disaster survivors who are told they cannot purchase flood insurance or don't need flood insurance should call the NFIP Referral Call Center at 800-427-4661 to find out if their community participates in the NFIP and to request an agent referral.
- Federally backed loans require flood insurance on mortgaged properties located in areas at high risk of flooding. Even if a property is not in a high-risk flood area, mortgage lenders may still require owners to have flood insurance. If a property owner doesn't have a mortgage or their lender informs them that they no longer have a requirement to maintain flood insurance, this does not mean they are not at risk.
- Purchasing or keeping flood insurance is one of the most important steps residents can take to protect the financial lives they've built. Just one inch of water in a home can cause more than \$25,000 in damage.
  - If a community participates in the NFIP, residents can get flood insurance no matter what zone their home or business is located in. They can also purchase the amount of flood insurance that they can afford. An insurance



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agent can quote different levels of coverage.

- Renters can also get flood insurance to cover their belongings.

### **Permitting:**

- Before making repairs, rebuilding or demolishing, disaster survivors need to check with the local floodplain administrator/building official for permitting requirements. Each locality has different requirements. The reason behind permitting is to ensure that safe, informed and economically sustainable decisions are made when rebuilding.

### **Substantial Damage:**

- Communities that participate in the NFIP have a flood damage prevention ordinance that requires determinations which are made by local government officials that specify which structures need to be rebuilt more resiliently after recent flooding. The primary goal of making substantial damage determinations is to reduce the risk of future physical and economic loss due to natural disasters.
- Substantially damaged or substantially improved structures have the following characteristics:
  - Located in the special flood hazard area (SFHA).
  - Do not meet current local requirements.
  - Damage or improvement exceeds 50% of the building's value. Note that a community may have higher standards and a different threshold. The local floodplain administrator can verify required standards.
- Structures that are substantially damaged or substantially improved must be brought into compliance with local flood damage prevention requirements.
- If homeowners disagree with the Substantial Damage declaration, they can counter it with an estimate made by a certified contractor, submitted to the local floodplain administrator.
- For more information about substantial damage, view Questions to Answers About Substantially Improved/Substantially Damaged Buildings:  
[www.fema.gov/media-library/assets/documents/169099](http://www.fema.gov/media-library/assets/documents/169099).

### **Flood Insurance Claims Process:**



- Flood insurance policyholders should call their agent to make a claim. As soon as it's safe to return home, they should document their damage and an insurance adjuster will contact them within a few days to schedule an inspection. More information is available at: Starting Your Recovery: FEMA's Flood Insurance Claims Process: [www.fema.gov/media-library/assets/documents/136023](http://www.fema.gov/media-library/assets/documents/136023).
- The completed Proof of Loss statement — signed and sworn to by the policyholder, along with documentation to support the amount requested initially and any requests for additional payment — must be sent to their NFIP servicing agent or NFIP insurer company within 60 days after the date of loss or within any extension of that deadline made in writing by the Associate Administrator for Federal Insurance and Mitigation. For more information visit Proof of Loss: [www.fema.gov/media-library/assets/documents/9343](http://www.fema.gov/media-library/assets/documents/9343).
- A supplemental claim can be filed with the adjuster. However, the insured needs to submit a new signed Proof of Loss within 60 days of the date of the supplemental claim.
- For NFIP policyholders taking pre-flood measures, up to \$1,000 in reasonable expenses may be covered to protect their insured property. They should keep all receipts and record the time spent performing the work to submit to the insurance adjuster when they file their claim. More information is available at: Understanding Flood Loss Avoidance: [www.fema.gov/media-library/assets/documents/137860](http://www.fema.gov/media-library/assets/documents/137860).

### **Flood Insurance Requirement for IHP Recipients:**

- Recipients of FEMA Individuals and Households Program (IHP) real and/or personal property assistance, with pre-disaster homes located in a Special Flood Hazard Area (SFHA), must obtain and maintain flood insurance. For more information, visit Flood Insurance Requirements for Recipients of Federal Disaster Assistance: [www.fema.gov/media-library/assets/documents/13655](http://www.fema.gov/media-library/assets/documents/13655).

### **Cleaning Up:**

Tips for Oklahoma flood survivors:

- Permits may be needed for repairing, rebuilding or even demolition. Before making repairs, contact the local floodplain administrator and building office for rebuilding requirements.



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- Before entering a damaged home or building, make sure it's safe and wear protective gear.
- Take photos and videos of the outside and inside of the property. Write down detailed descriptions of the damages.
- Remove all flood-damaged items. Keep samples of items like flooring and curtains for the insurance adjuster's inspection.
- Photograph and then immediately throw away flood-damaged contents that pose a health risk (like perishable food and pillows).
- The National Flood Insurance Program (NFIP) will not cover mold damage if a policyholder fails to act to prevent the growth and spread of mold. For more information, visit After the Flood: Clean Up: <https://www.fema.gov/media-library/assets/documents/135937>.
- Don't delay in safely cleaning up all mold. Most communities do not require a permit. Follow the EPA's guidelines and visit Mold Clean Up in Your Home: <https://www.epa.gov/mold/mold-cleanup-your-home>.
- Give a house or business plenty of time to dry. Rushing to rebuild before everything dries can cause many problems.
- When rebuilding, use mitigation techniques like water-resistant building materials and elevating utilities. For more information, visit Safer Stronger, Protected Homes and Communities: <https://www.fema.gov/safer-stronger-protected-homes-communities>.

Find out more about the current disaster in Oklahoma at <https://www.fema.gov/okmit> and <https://www.fema.gov/disaster/4438>. Follow us on Twitter at [www.twitter.com/femaregion6](http://www.twitter.com/femaregion6) and the FEMA Blog at <http://blog.fema.gov>.

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*FEMA's mission is to help before, during and after disasters.*

*Disaster recovery assistance is available without regard to race, color, religion, nationality, sex, age, disability, English proficiency or economic status. If you or someone you know has been discriminated against, call FEMA toll-free at 800-621-FEMA (3362). For TTY call 800-462-7585.*

*The U.S. Small Business Administration (SBA) is the federal government's primary source of money for the long-term rebuilding of disaster-damaged private property. SBA helps businesses of all sizes, private non-profit organizations,*



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*homeowners and renters fund repairs or rebuilding efforts and cover the cost of replacing lost or disaster-damaged personal property. These disaster loans cover losses not fully compensated by insurance or other recoveries and do not duplicate benefits of other agencies or organizations. For more information, applicants may contact SBA's Disaster Assistance Customer Service Center by calling 800-659-2955, emailing [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov), or visiting SBA's website at [SBA.gov/disaster](https://www.sba.gov/disaster). Deaf and hard-of-hearing individuals may call 800-877-8339*



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