NATIONAL FLOOD INSURANCE PROGRAM
SUMMARY OF COVERAGE

U.S. DEPARTMENT OF HOMELAND SECURITY

FEMA

NATIONAL FLOOD INSURANCE PROGRAM®

Congratulations!

Your purchase of flood insurance is a sound investment to protect the life you've built. The National Flood Insurance Program (NFIP) prepared this document to help you understand your Standard Flood Insurance Policy's Dwelling Form. Your Dwelling Form insures your home or condo and protects you from potential financial devastation as a result of flooding.

What you will find in this Summary of Coverage

- What's included on my declarations page?
- What does my flood insurance cover?
- What doesn't my flood insurance cover?
- How do I start a claim and navigate the claims process?

What Is Included on My Declarations Page?

The insurance company that issued your flood insurance policy will provide you with a declarations page. The declarations page includes:

1. Your policy number

2. Billing details
    a. Who pays the premium
    b. The cost of premiums, surcharges, fees, assessments
    c. Any discounts for which you qualify

3. Insurance company contact information
    a. Address
    b. Phone number

4. Property information
    a. Participating community name and number
    b. Building occupancy type and description
    c. Whether it is the policyholder's primary residence
    d. Flood zone

5. Policyholder information
    a. Name of policyholder
    b. Loss payees
      • NOTE: Your mortgage company and any other loss payees MUST be mentioned on any claim check.

6. Coverage information
    a. Policy coverage start and stop dates
      • In many, but not all cases, the policy term begins 30 days after the insurer accepts the application.
    b. Amount of coverage
      • Flood insurance provides separate coverage for building (up to $250,000) and contents (up to $100,000).
    c. Deductible amounts

How Does the NFIP Define a Flood?

Your NFIP flood insurance policy covers direct physical losses caused by a flood. In simple terms, a flood is an excess of water on land that is normally dry, affecting two or more acres of land or two or more properties. For example, damage caused by a sewer backup is covered if the backup is a direct result of flooding. If the sewer backup is not caused directly by flooding, the damage is not covered.

Examples of flooding

1. **Overflow:** For example, during a tropical storm or hurricane, storm surge can cause an overflow of inland or tidal waters.

2. **Runoff:** When an area without sufficient drainage receives heavy rainfall in a short period of time.

3. **Mudflow:** For example, following a wildfire, heavy or sustained rainfall accumulates on the ground and forms a river of mud down a hillside.

4. **Erosion:** Along lakes, severe storms can produce waves and cause shoreline erosion.

What Does My Flood Insurance Cover?

The following table provides general guidance on items covered by flood insurance, as well as the limited coverage available for areas below the lowest elevated floor or basements.

Building Coverage		Contents Coverage Must be purchased separately	
What is Covered	**Areas Below Lowest Elevated Floor**	**What is Covered**	**Areas Below Lowest Elevated Floor**
· The insured building and its foundation · The electrical and plumbing systems · Central air-conditioning equipment, furnaces, and water heaters · Refrigerators, cooking stoves, and built-in appliances such as dishwashers · Permanently installed carpeting over an unfinished floor · Permanently installed paneling, wallboard, bookcases, and cabinets · Window blinds · Debris removal	· Foundation walls, anchorage systems, and staircases attached to the building · Central air conditioner · Cisterns and the water in them · Electrical outlets, switches, and circuit-breaker boxes · Fuel tanks and the fuel in them, solar energy equipment, and well water tanks and pumps · Furnaces, water heaters, heat pumps, and sump pumps The following items are covered in basements only: · Drywall for walls and ceilings · Non-flammable insulation	· Personal belongings such as clothing, furniture, and electronic equipment · Curtains · Portable and window air conditioners · Portable microwave ovens and portable dishwashers · Carpets not included in building coverage · Clothes washers and dryers · Food freezers and the food in them · Certain valuable items such as original artwork and furs (up to $2,500)	· Washers and dryers · Food freezers and the food in them (but not refrigerators) · Portable and window air conditioners

What is the area below lowest elevated floor?

These areas include basements, crawlspaces under an elevated building, enclosed areas beneath buildings elevated on full-story foundation walls (sometimes referred to as "walkout basements"), and enclosed areas under other types of elevated buildings.

Coverage tip: If you keep a couch, computer, and television in your basement and the basement floods, your flood policy does not provide any coverage for those items. Those same items would be covered if above the lowest elevated floor.

What Is Not Covered By My Flood Insurance?

Sections IV and V of your policy list out specific items not covered by the policy.

Examples of uncovered or excluded property

- Damage caused by moisture, mildew, or mold that could have been avoided by the property owner.

- Living expenses such as temporary housing.

- Most self-propelled vehicles such as cars, including their parts.

- Currency, precious metals, and valuable papers such as stock certificates.

- Property and belongings outside of a building such as trees, plants, shrubs, wells, septic systems, walks, decks, patios, fences, seawalls, hot tubs, and swimming pools.

- Financial losses caused by business interruption or loss of use of insured property.

- Any damage caused by seepage, or any sub-surface water flow, a condition of flow of water beneath the earth's surface.

Before and After a Flood

Anywhere it can rain, it can flood. That's why it's important to take steps before, during, and after a flood to mitigate losses.

Take Steps to Reduce Your Losses

Your flood insurance policy will pay up to $1,000 for loss avoidance measures, like sandbags, supplies, and labor to assist in protecting your property from the threat of flood. Visit **FloodSmart.gov** to learn more about protecting your home and belongings before a flood event.

Preparing to Start a Claim

To start a claim, report your loss immediately to your insurance agent or insurance company and ask them about advance payments. Then prepare for your flood adjuster by doing the following:

1. Keep receipts in a safe, dry location to verify losses.
2. Separate damaged and undamaged property.
3. Take pictures of damaged property before disposing.

Understand Replacement Cost Value and Actual Cash Value

Your Standard Flood Insurance Policy will pay for physical damage to your insured property, either up to the replacement cost value (RCV) or the actual cash value (ACV), whichever is less. The difference between these two values is outlined below:

- **Replacement cost value:** RCV is the cost to replace that part of the building that is damaged. Eligibility relies upon three required conditions:

    1. The building must be a single-family dwelling;
    2. The building must be your principal residence at the time of loss, meaning you live there at least 80% of the year; and
    3. Your building coverage is at least 80% of the full replacement cost of the building, or is the maximum amount of insurance coverage available under the NFIP.

- **Actual cash value:** ACV is RCV at the time of the loss, accounting for any degradation in quality due to age or damage. Contents are always valued at ACV. Some building items such as appliances and carpeting are always adjusted on an ACV basis. For example, wall-to-wall carpeting could lose 10% to 14% of its value each year, depending on the quality of the carpeting and regular wear and tear. This depreciation would be factored into the adjustment.

It's important to note that your NFIP flood insurance policy differs from other insurance products you may have or have heard about. **It is NOT a valued policy**, meaning it does NOT pay the limit of liability in the event of a total loss. For example, your home is destroyed by a fire and it costs $150,000 to rebuild it. If your homeowners insurance policy is a valued policy with a $200,000 limit on the building, you would receive $200,000. In contrast, flood insurance pays the RCV or ACV of actual damage, up to the policy limit.

Mitigate Future Losses

Most NFIP policies include Increased Cost of Compliance (ICC) coverage, which applies when flood damage is severe. ICC coverage provides up to $30,000 of the cost to elevate, demolish, or relocate your home. If your community declares your home "substantially damaged" or "repetitively damaged" by a flood, you will be required to bring your home up to current community standards.

Are you a condo owner?

If you are a condominium unit owner, your flood insurance may be written under the General Property Form or the Residential Condominium Building Association Policy Form, rather than the Dwelling form.

The **General Property Form** is used to insure five or more family residential buildings and non residential buildings.

The **Residential Condominium Building Association Policy Form** is used to insure residential condominium association buildings.

If your unit fits either of the descriptions above, please review the Flood Insurance Manual or consult with your insurance agent to learn more about key differences in your flood insurance coverage.

This document, the Summary of Coverage, is available online, at
fema.gov/media-library/assets/documents/12179.
Learn about the flood insurance claims process at
fema.gov/nfip-file-your-claim.
or by reading the Flood Insurance Claims Handbook,
fema.gov/media-library/assets/documents/6659.