

# Flood Facts

- ◆ The National Flood Insurance Program (NFIP) was established by the National Flood Insurance Act of 1968. The purpose of this Act was to enable flood coverage to be made available on a nationwide basis through the joint effort of the federal government and the private insurance industry. New Jersey Re-Insurance Company participates in the Write Your Own (WYO) Program which operates within the context of the NFIP and is subject to its rules and regulations.
- ◆ The NFIP defines covered flooding as a general and temporary condition during which the surface of normally dry land is partially or completely inundated. Two adjacent properties (at least one of which is your property), or two or more acres must be affected. ***Flooding can be caused by any one of the following:***
  - The overflow of inland or tidal waters.*
  - The unusual and rapid accumulation or runoff of surface waters from any source, such as heavy rainfall.*
  - Mudslides or mudflows, caused by flooding, which are comparable to a river of liquid and flowing mud.*
  - The collapse or destabilization of land along the shore of a lake or other body of water, resulting from erosion or the effect of waves or water currents exceeding normal, cyclical levels.*
- ◆ You do not need to live near water to be flooded. Floods result from storms, melting snow and hurricanes. As long as your community participates in the National Flood Insurance Program, except for areas protected by the Coastal Barrier Resources Act, you can purchase a Flood Policy. Whether you live in an area likely to flood or in one that is at low risk, Flood insurance is available to you.
- ◆ Homeowners/Renters/Dwelling insurance policies do not cover flooding.
- ◆ There is no waiting period for Flood insurance to go into effect when it is purchased in connection with the making, increasing, renewing or extending of a loan. In most other instances, there is a 30-day waiting period.
- ◆ Coverage is available separately for residential buildings and contents:
  - Building coverage limits** - Up to \$250,000 for single family and 2-4 family dwellings
  - Contents coverage limits** - Up to \$100,000
- ◆ A Flood Insurance Policy also reimburses you for actions you take to prevent flood damage. For example, costs for moving insured contents to a safe location are reimbursed up to \$1000 with no deductible. Other costs, such as for sandbags, plastic sheeting and lumber, pumps, fill for temporary levees, and wood to save the building can be reimbursed up to a limit of \$1000 with no deductible. There is a policy stipulation that the property needs to be in eminent danger of being flooded.
- ◆ **THERE IS LIMITED COVERAGE IN A BASEMENT AREA.** The NFIP defines a basement as any area of a building with a floor that is below ground level on all sides. Under Building coverage, basements are insured for cleanup and items used to service the building, such as furnaces, hot water heaters, air conditioners, utility connections, circuit breaker boxes, pumps and tanks used in solar energy systems, as well as the repair of structural damage to basement walls. Items in basements insured under Contents coverage are limited to clothes washers and dryers, and food freezers and their contents. **Improvements to a basement, such as finished walls, floors or ceilings, as well as personal belongings located in a basement are not covered under either NFIP Building or Contents coverage.**

**These “FLOOD FACTS” are provided to acquaint you with the National Flood Insurance Program. This document neither provides nor interprets Flood coverage.**