



# Connecticut Insurance Department

## Flood Insurance Fact Sheet

### What is a flood?

A flood is an excess of water (or mud) on land that is normally dry. The National Flood Insurance Program (NFIP) defines flood to be a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area, or of two or more properties (at least one of which is the policyholder's property) from:

- Overflow of inland or tidal waters;
- Unusual and rapid accumulation or runoff of surface waters from any source;
- Mudflow; or
- Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining, caused by waves or currents of water exceeding anticipated cyclical levels.

### Plan Ahead:

#### There is a Waiting Period

It is very important to plan ahead. A flood insurance policy normally will not go into effect until 30 days after purchase.

### What is Flood Insurance?

Flood insurance is a special policy that is federally backed by the NFIP and available for homeowners, renters, and businesses, since flood damage is not covered under a basic homeowners' insurance policy.

Flood damage is not only the result of excessive rain or overflowing rivers, "storm surge" as a direct result of a hurricane is considered flooding as well. Damage sustained from "storm surge" is not covered by a homeowners' wind damage provision, however flood damage caused by excessive water would be covered under a flood insurance policy.

The standard flood insurance policy pays for direct physical damage to insured property up to the replacement cost or actual cash value (ACV) of actual damages or the policy limit of liability, whichever is less.

- **Homeowners:** Flood insurance policies cover up to \$250,000 of flood damage to a home's structure. A standard flood policy will cover structural damage, including damage to the furnace, water heater, air conditioner, floor surfaces (carpeting and tile) and debris clean up.
  - Home contents such as washer, dryer, or freezer, are not covered under a standard flood policy. However, coverage for up to \$100,000 of flood damage to personal property is available, for an additional premium.
  - Coverage for basements, crawlspaces and ground-level enclosures on elevated homes is limited. Be sure to ask an insurance agent about any restrictions in coverage.
- **Renters:** Since flood is not covered under a basic renters insurance policy, renters should talk with an insurance agent about flooding risks to decide if flood coverage for belongings is needed.
- **Business owners:** A basic flood insurance policy will cover up to \$500,000 on a non-residential building.

## How Much Does Flood Insurance Cost?

According to FEMA, the average homeowners flood insurance premium is approximately \$500 a year.

Premiums for flood insurance will vary depending on risk level for a flood loss, the amount of coverage chosen, the type of coverage needed, and the preferred deductible.

Different deductibles for building property and personal property coverage may be available. The deductibles will apply separately to building property and personal property claims. Additionally, mortgage companies can require that a flood insurance deductible is no more than a certain amount.

## Purchasing Flood Insurance

Flood insurance can be purchased for a home or business regardless of whether the property is in a floodplain. Contact an insurance agent or company to find out if the local community participates in the NFIP. Also visit [www.floodsmart.gov](http://www.floodsmart.gov) to get more information about flood risk by location.

## Plan Ahead: Flood Insurance has a Waiting Period

It is very important to plan ahead. A flood insurance policy normally will not go into effect until 30 days after purchase.



## Additional Tips

**Make a home inventory:** a home inventory i.e., a record of personal property, such as clothes, jewelry, furniture, computers and audio/video equipment. Photos and video of the home, as well as sales receipts and the model and serial numbers of items, will make filing a claim simpler. In addition, add insurance information to the inventory information; i.e., the name of the insurance company and agent, policy numbers and contact information.

**Prepare an evacuation plan:** For personal safety, identify what storm shelter is available, and prepare an evacuation plan.

If evacuation is required, turn off all utilities and disconnect appliances to reduce the chance of additional damage and electrical shock when utilities are restored.

Move all important documents to a safe location. Take them along during an evacuation or store them in a safe deposit box outside the area.

**Have an emergency kit:** Make sure the kit has bottled water, a first aid kit, flashlights, a battery-powered radio, non-perishable food items, blankets, clothing, prescription drugs, eyeglasses, personal hygiene supplies and a small amount of cash.

**Protect property from loss:** Take proactive steps to protect property from loss. Be sure there is no loose siding, no damaged or diseased trees growing over or near the home.

## More Information

Connecticut consumers with questions about any insurance issue are encouraged to call the Connecticut Insurance Department at (800) 203-3447 or (860) 297-3900 for assistance.

For more information about flood insurance, visit the NFIP Web site at [www.floodsmart.gov](http://www.floodsmart.gov).

Consumer Services offers a FREE speakers bureau! Request a speaker TODAY!

Call: 800-297-3850 or online at [www.ct.gov/cid/speaker](http://www.ct.gov/cid/speaker)