

## Flood Insurance: Protect Your Future



*Santa Margarita River at Sandia Creek Rd, December 2010*

### False Sense of Security

Many people think they don't need flood insurance. They may believe their homeowner's insurance will cover flood damages, or that Federal disaster assistance will provide for their recovery. However, homeowner's insurance policies do not cover flood damages. Further, Federal disaster assistance is available only if the President of the United States declares that the flooding occurrence is a Federal disaster, and many are not.

### Flood Insurance: There when you need it

Floods are the most common and costly natural disaster in the United States. When your property is protected by flood insurance, the National Flood Insurance Program (NFIP) pays for your covered losses. In comparison, Federal aid to uninsured homeowners is usually made in the form of loans that must be paid back with interest.

Because San Diego County participates in the NFIP, Federal flood insurance is available to all residents.

***As of December 2019, the NFIP insures more than five million policies in over 22,000 communities across the United States.***

### Flood Insurance Is Required by Law

To obtain financing to buy, build, or improve a structure located in a Special Flood Hazard Area (SFHA), you will be required to purchase flood insurance. Lending institutions that are federally regulated or insured must determine if the building is in a SFHA and require flood insurance on:

- Conventional home mortgage loans
- FHA loans
- VA loans
- Second mortgages
- Home equity loans
- Home improvement loans
- Construction loans
- Commercial loans

The Federal flood insurance requirement protects you from having to rely on a costly federal disaster loan after a flood. The average annual premium for flood insurance is \$800 per year, compared to disaster loan payments that could total hundreds of dollars per month.

### Next Steps

Even if you're not required to purchase flood insurance by law, purchasing a policy simply makes good sense when it comes to protecting an investment as important as your home. A new flood insurance policy, unless required by your lender, becomes effective 30 days from the time of application.

For more information on the NFIP and flood insurance, please contact your insurance agent or call the NFIP Help Center at 1-877-336-2627 or visit:

<https://www.floodsmart.gov>.

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