

Flood Insurance Made Simple

A GUIDE FOR BUYERS



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THE WHALEN AGENCY

Your guide to home insurance as a homebuyer

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The National Flood Insurance Program is the primary source of flood insurance in the United States.

This program can be purchased direct, but more commonly is purchased through private insurance companies which act as brokers to provide this coverage.

Flood is a peril not covered by homeowner insurance policies, so flood insurance is an important product for homeowners at risk of flooding from water coming in from outside the home.

This guide will walk you through coverage and what it protects.

What's Covered?

The maximum coverage offered through the NFIP is \$250,000 in building coverage and \$100,000 for contents coverage.

Building Coverage Protects:

- The insured building and its foundation
- The electrical 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

What's Covered?

The maximum coverage offered through the NFIP is \$250,000 in building coverage and \$100,000 for contents coverage.

Contents Coverage Protects:

- Personal belongings such as clothing, furniture, and electronic equipment
- Curtains
- Portable and window air conditioners
- Portable microwave ovens and portable dishwashers
- Carpeting not included in building coverage
- Clothes washers and dryers
- Food freezers and the food in them
- Certain valuable items such as artwork, furs, and jewelry (up to \$2,500)

Things to Consider...

Flood insurance premium is always paid annually.

If financing a home in Flood Zone A, AE or VE, Flood Insurance will be required by the lender to close the transaction.

Deductible options range from \$1,250 to \$10,000. The higher the deductible the lower the premium. The maximum deductible most lenders will allow is \$5,000.

Contents coverage is optional and typically does not cover items in the basement.

When purchasing flood insurance for a new home purchase, coverage begins on the date of the closing. When purchasing after you already own the home, there is a 30-day waiting period for coverage to take effect.

Flood Insurance Policies through NFIP can be assigned from the home seller to the purchaser if beneficial.

The NFIP uses prior claims as a factor for future premiums. It is important to know this information prior to purchasing a home.

Buyers purchasing a home in Zone X (low risk flood zones) are still able to purchase flood insurance.

Private insurance companies are starting to offer flood insurance outside the NFIP, which can be used to meet the mandatory purchase requirement if it meets the mortgage lender requirements.

If you want to learn more about flood insurance...

Our goal to make sure our clients are the best protected in the industry. We are there for you not only at point of sale, but for all service and especially claims. It doesn't cost any more to have someone in your corner.

Put my agency to work for you.

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