

Floods, Floodplains and the National Flood Insurance Program in New York State: Common Questions and Answers about Insurance Coverage and Construction Requirements

Introduction:

Floods occur when runoff from rain or snowmelt exceeds the capacity of rivers, stream channels or lakes and overflows onto adjacent land. Floods can also be caused by storm surges and waves that inundate areas along tidal or Great lakes coastlines. Throughout history, floods have claimed uncounted human lives and devastated property, even destroying cities.

What is a Floodplain?

Floodplains are low-lying lands next to rivers and streams. When left in a natural state, floodplain systems store and dissipate floods without adverse impacts on humans, buildings, roads and other infrastructure. Natural floodplains add to our quality of life by providing open space, habitat for wildlife, fertile land for agriculture, and opportunities for fishing, hiking, and biking.

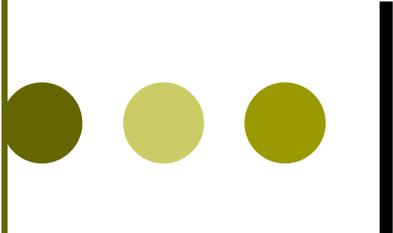
Floodplains can be viewed as a type of natural infrastructure that can provide a safety zone between people and the damaging waters of a flood. But more and more buildings, roads, and parking lots are being built where forests and meadows used to be, which decreases the land's natural ability to store and absorb water. Coupled with changing weather patterns, this construction can make floods more severe and increases everyone's chance of being flooded.

What is the National Flood Insurance Program?

The National Flood Insurance Program is a federal program created in 1968 to provide flood insurance to people who live in areas with the greatest risk of flooding, Special Flood Hazard Areas (SFHAs). The program provides an alternative to disaster assistance and reduces the escalating costs of repairing damage to buildings and their contents caused by floods. The program provides flood insurance, while at the same time encouraging the sensible management and use of floodplains to reduce flood damage.

NFIP offers flood insurance to homeowners, renters and business owners, provided their communities use NFIP's strategies to reduce flood risk, including adopting and enforcing floodplain management ordinances to reduce future flood damage. Community participation in the NFIP is voluntary. However, flood insurance and many kinds of federal disaster assistance are not available in communities that do not participate in the NFIP. Fortunately, in New York, 1,466 communities participate in the NFIP.

Each community that participates in the National Flood Insurance Program has a local law for flood damage prevention that contains specific standards for any development in federally mapped Special Flood Hazard Areas (SFHA). These areas have a one percent or greater chance of experiencing a flood in any year and are shown on Flood Insurance Rate Maps (FIRMs) provided by the Federal Emergency Management Agency (FEMA)



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Insurance Questions:

Q: Can You buy flood insurance if you are located in a high-flood-risk area?

A: Yes! You can buy National Flood Insurance no matter where you live if your community participates in the NFIP. In fact, under the National Flood Insurance Act, mortgage lenders must require borrowers whose property is located within the SFHA to purchase flood insurance as a condition of receiving a federally regulated mortgage loan. National Flood Insurance is not available in designated Coastal Barrier Resources System (CBRS) areas, which are shown on a community's Flood Insurance Rate Maps.

Q: Can you buy flood insurance immediately, before or during a flood?

A: You can purchase flood coverage at any time. There is a 30-day waiting period after you've applied and paid the premium before the policy is effective, with the following exceptions:

- 1.) If the initial purchase of flood insurance is in connection with a loan, there is no waiting period. The coverage becomes effective at the time of the loan, provided application and payment of the premium have been made.
- 2.) If the initial purchase of flood is made during the 13-month period following the effective date of the revised flood map for a community, there is a one-day waiting period for any structure within an area that is shown as being in an SFHA for the first time.

The policy does not cover a "loss in progress," defined by the NFIP as a loss occurring as of 12:01 a.m. on the first day of the policy term. In addition, during a flooding event, you cannot increase the amount of insurance coverage you have.

Q: Don't homeowners' insurance policies cover flooding?

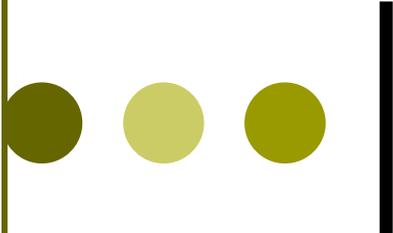
A: NO! Unfortunately, many homeowners do not find out until it is too late that their homeowners' policies do not cover flooding.

Q: Is flood insurance only available for homeowners?

A: Flood insurance is available to protect owners and renters of homes, condominiums, apartments and nonresidential buildings including commercial structures. A limit of \$250,000 of building coverage is available for single-family residential buildings or for residential condominium units. Contents coverage on residential buildings is limited to \$100,000, which is available to renters. Commercial structures can be insured to a limit of \$500,000 each for the building and contents.

Q: Can you buy flood insurance if your property has been flooded before?

A: YES! You can remain eligible to purchase flood insurance if your home, apartment, or business has been flooded before, as long as your community participates in the NFIP. Flood insurance premiums do not go up as a result of your claim history.



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Insurance Questions:

Q: Can You buy flood insurance if you are not located in a high risk flood area?

A: YES! Even if you live in an area that is not flood-prone, it's advisable to have flood insurance. About a quarter of the NFIP's claims come from outside high flood risk areas. The NFIP's Preferred Risk Policy for just over \$260 per year for \$100,000 of coverage, is designed for residential properties located in low-to-moderate flood risk zones.

Q: Why would properties outside of mapped flood hazard areas be subject to floods?

A: Flood Insurance Rate Maps show areas which are subject to predictable flooding from streams, lakes or tidal waters. Areas within one square mile of a stream's headwaters are usually not mapped. Due to the unpredictable nature of some kinds of floods, maps also don't show many areas subject to flooding from localized drainage problems, ice jams, or sheet flooding down a slope. Maps are based on the "100-year" flood, better thought of as the flood that has a one percent or greater chance of occurring in any given year. Larger floods can and do happen.

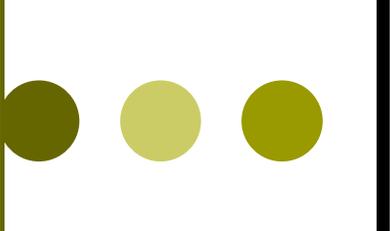
Q: Does the NFIP offer any basement coverage?

A: Yes, it does. The NFIP defines a basement as any area of a building with a floor that is below ground level on all sides. Flood insurance does not cover basement improvements, such as finished walls, floors or ceilings, or personal belongings such as furniture and other contents. It does cover structural elements, essential equipment, and other basic items normally located in a basement, as well as cleanup costs. Many of these items are covered under building coverage, and some are covered under contents coverage.

The following are covered under building coverage, as long as they are connected to a power source and installed in their functioning location:

- Sump pumps
- Well water tanks and pump, cisterns and the water in them
- Oil tanks and the oil in them, natural gas tanks and the gas in them
- Pumps and/or tanks used in conjunction with solar energy
- Furnaces, hot water heaters, air conditioners, and heat pumps
- Electrical junction and circuit breaker boxes and required utility connections
- Foundation elements
- Stairways, staircases and elevators
- Unpainted drywall and sheetrock walls and ceiling, including fiberglass insulation

Clothes washers and dryers, food freezers and the food in them are covered if there is contents coverage.



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Insurance Questions:

Q: Won't federal disaster assistance pay for flood damage?

A: NOT REALLY? Before a community is eligible for disaster assistance, it must be declared a federal disaster area. Federal disaster assistance declarations are issued in less than 50 percent of flooding incidents. Most federal disaster assistance is in the form of loans. The premium of an NFIP policy, averaging a little more than \$350 a year, is typically less expensive than a single monthly payment on a federal disaster assistance after a flood and you must purchase flood insurance to remain eligible for future disaster relief.

Q: Does the NFIP encourage risky development?

A: One of the NFIP's primary objectives is to guide development away from high flood-risk areas. NFIP regulations minimize the impact of structures that are built in SFHAs by condition of community participation in the NFIP, those structures built within the SFHAs must adhere to strict floodplain management regulations.

Q: What type of flooding does the NFIP cover?

A: 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 properties in the area or two or more acres of land must be affected. Flooding can be caused by:

The overflow of inland or tidal waters;

The unusual and rapid accumulation or runoff of surface waters from any source;

Mudslides, i.e., mudflows, caused by flooding, that could be described as river of liquid and flowing mud; or

The collapse or destabilization of land along the shore of a lake or other body of water, resulting from erosion, the effect of waves, or water currents exceeding normal, cyclical levels.

Q: Is wind-driven rain considered flooding?

A: NO! Rain entering through wind-damaged windows, doors or a hole in a wall or the roof, resulting in standing water or puddles, is considered a windstorm, rather than flood damage. National Flood Insurance covers only damage caused by the general condition of flooding (defined above), typically caused by storm surges, wave washes, tidal waves, or the overflow of any body of water over normally dry land areas.

For NFIP insurance related information ask your insurance agent or company, or call the NFIP's toll-free number at 1-888-379-9531, TDD #1-800-427-5593. Or email FloodSmart@dhs.gov. More information is at www.floodsmart.gov.



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Construction Questions:

All communities that participate in the NFIP have local law or ordinance that regulates development within mapped floodplains. The basic standards are contained below. However, anybody who wishes to develop any area within a floodplain should consult with their local floodplain manager, often a building inspector or zoning officer, for specific requirements.

Q: What are the areas subject to construction regulations?

A: All development within the Special Flood Hazard Areas (SFHAs) is subject to floodplain development regulations. The SFHA is the area that would be inundated by the 100-year flood, better thought of as an area that has a one percent or greater chance of experiencing a flood in any single year. SFHAs are shown on federal flood maps known as Flood Insurance Rate Maps, as shaded areas labeled with the letter “A” or “V” sometimes followed by a number or letter.

“V” zones are coastal flood hazard zones subject to wave run-up in addition to storm surge.

“A” zones include all other special flood hazard areas.

“VE” zones, “AE” zones, “V” zones. Or “A” zones followed by a number are areas with specific flood elevations, known as Base Flood Elevations.

A zone with the letter “A” or “V” by itself is an approximately studied flood hazard area without a specific flood elevation.

Within an “AE” zone or numbered “A” zone, there may be an area known as the “regulatory floodway,” which is the channel of a river and adjacent land areas which must be reserved to discharge the 100-year flood without causing a rise in flood elevations.

The floodway is shown either on the community’s FIRM or on a separate “Flood Boundary and Floodway” map, for maps published before about 1988. Within the regulatory floodways, more stringent development controls exist than elsewhere in the Special Flood Hazard Area.



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Construction Questions:

Q: What is the “base flood elevation?”

A: It is the elevation that the one hundred-year flood, better thought of as the flood that has a one percent or greater chance of occurring in any given year, rises to. It is the basic standard for floodplain development, used to determine the required elevation of the lowest floor of any new or substantially improved structure.

Q: What type of development is subject to construction regulations?

A: All development, including buildings and other structures, mining, dredging, filling, paving, excavation, drilling, or storage of equipment or materials is subject to construction regulations if it occurs within a Special Flood Hazard Area.

Q: Who regulates development in a Special Flood Hazard Area?

A: In New York State, local communities that participate in the NFIP regulate development in Special Flood Hazard Areas. An exception is development funded and undertaken by the state or federal government, which is regulated by the responsible agency, subject to technical assistance by the New York State