



Flood Insurance FAQs

Flood insurance can be a complex topic. With the following frequently asked questions, you can have a head start to better understand flood insurance and its importance, providing you with greater confidence and knowledge in representing your client.

What is flood insurance?

- Flood insurance protects your property in the event of a flood or flood related disaster. Flood insurance is not included in homeowners insurance, it is a separate insurance policy that must be purchased separately through a qualified insurance agent.

What kind of flood insurance is out there?

- Homeowners have a choice to purchase from government insurance (National Flood Insurance Program - NFIP) and the emerging private insurance market. The CartoFront platform offers public NFIP insurance estimated quotes.
- The CartoFront platform offers Beyond Floods private flood insurance estimated quotes, offered by National General Insurance.

What is NFIP?

- NFIP stands for National Flood Insurance Program, and it is the federal flood insurance option homeowners may have. NFIP is administered through FEMA, which is overseen by The Department of Homeland Security.

What is flood risk?

- Flood risk is determined by the probability of your property experiencing a flood event. Flood risk also changes over time. For example, population growth and development may change the landscape. Climate and weather pattern changes have also influenced the probabilities of flood events occurring, especially in the Miami / South Florida area.

What is considered a flood?

- The technical definition is: *"A flood is an excess of water on land that is normally dry, affecting two or more acres of land or two or more properties. For example, damage caused by a sewer backup is covered if the backup is a direct result of flooding. If the sewer backup is not caused directly by flooding, the damage is not covered."*
- A flood is also not considered to be covered if it's a result of a hole in a roof or broken windows. Floods can be caused by storms, melting snow, hurricanes, and water backup from inadequate drainage systems/dams/levee.

What is a floodplain?

- A floodplain is an area of land adjacent to a body of water, which makes it exposed to flooding. However, floodplains are susceptible to change due to population growth, and this can change the flood risk an area can experience. Therefore, flood zones have been determined by FEMA to determine the flood risk a property may experience based on its location.



What is a flood zone?

- Flood zones are geographic areas that the FEMA has defined according to varying levels of flood risk.
- These zones are depicted on a community's Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map. Each zone reflects the severity or type of flooding in the area.
 - **Moderate to Low Risk Areas:** Flood insurance is available to all property owners and renters in these zones, and it is encouraged to research if needed for a property
 - X Zone
 - **High Risk Areas:** Mandatory flood insurance purchase requirements apply to all of these zones:
 - AE Zone
 - AH Zone
 - AO Zone
 - **High Risk Coastal Areas:** Mandatory flood insurance purchase requirements apply to all of these zones.
 - V Zone
 - VE Zone
- **For more detailed information:** [Definitions of FEMA Flood Zone Designations](#)

What is the difference between government insurance and private insurance?

- One of the biggest differences is how much you can insure. Federal flood insurance can only typically insure up to \$250,000 for the building and \$100,000 in contents. Federal insurance programs may also be limited to the funds they receive from the government; private insurance wouldn't be affected in this way. Private insurance companies are affected by uncertainty and possibly dealing with a market with surplus insurers and no federal guarantee for funds.
- The CartoFront platform offers private insurance through Beyond Floods, an admitted flood insurance program offered by National General Insurance. For the Miami program, private insurance has an upper limit of \$1,500,000 for single family homes. More information on Beyond Floods and National General Insurance can be found here: <https://www.beyondfloods.com>



What does flood insurance cover, (e.g. property damage, contents)?

- Flood insurance can typically cover the following (depending on how much coverage you choose to have in your policy)
- **Building coverage**
 - The physical structure and its foundation
 - Electrical and plumbing systems
 - Central air conditioning equipment, furnaces, water heaters
 - Refrigerators, stoves, built-in appliances
 - Permanently installed carpeting over unfinished flooring
 - – Permanently installed paneling, wallboard, bookcases, and cabinets
 - – Window blinds
 - – Detached garages and/or buildings (separate Building Property Policy coverage required).
 - Debris removal
- **Contents -- (Dependant on which level content is located)**
 - Personal belongings (clothing, furniture, electronics)
 - Curtains
 - Portable air conditioners, portable microwaves, portable dishwashers
 - Washers and dryers
 - Food freezers and food in them
 - Valuable items (such as artwork, up to a determined amount)

What does flood insurance *not* cover?

- **Flood insurance does not cover the following:**
 - Damage caused by moisture, mildew, or mold that could have been avoided by the property owner
 - Currency, precious metals, and valuable papers such as stock certificates
 - Property and belongings outside of an insured building such as trees, plants, wells, septic systems, walks, decks, patios, fences, seawalls, hot tubs, and swimming pools
 - Living expenses such as temporary housing
 - Financial losses caused by business interruption or loss of use of insured property
 - Landscape or exterior features

In the event of a flood insurance claim, how are replacement costs calculated?

- What is actual cash value (ACV)?
 - The actual cash value is the replacement cost value minus depreciation for wear and tear of an item.
- What is replacement cost value (RCV)?
 - The replacement cost value is the cost to repair or replace an insured item in an insured property. This value is also used when the property is the primary residence.

For more specific insurance questions, please contact Anabella Laurretta, Acadian Managers, at floodinfo@acadianins.com

**How likely is it that I would need flood insurance?**

- The likelihood of needing flood insurance is impacted by the location, or floodplain in which your property is located, as well as the individual risk tolerance of the property owner / renter.

How are flood insurance rates calculated?

- Factors that help determine rates are whether federal or private insurance is chosen, the year the property was built, the flood zone it is located, replacement cost value of the property, and several other factors.

I have home insurance, do I need flood insurance?

- Yes. Homeowners insurance does not cover flood damage/events.

Is flood insurance available for any type of structure/property?

- Yes. For example, you can get flood insurance if you live in an apartment to cover your property. Flood insurance is also available for both residential and commercial properties.

When do I need to get flood insurance, i.e. can I get it after I purchase a property?

- It is highly recommended that you get flood insurance once you purchase a property. Flood insurance is also possible to be included as part of your mortgage loan on your home. It is possible to purchase flood insurance at any point after purchase, however there is typically a 30-day waiting period for your insurance to go into effect. The 30-day rule does not apply if a property is located in a rezoned flood area (at which point you would now need flood insurance). If you purchase private flood insurance from Beyond Floods the waiting period is 5-days.

Does the government cover any damages due to flooding from a disaster?

- In the case of a natural disaster, the government (President) must declare the location a "disaster area." If this should happen, the government provides loans, which in turn must be paid back with interest. The benefit of having flood insurance is that it can cover damages even if a disaster isn't declared.

Resources:**FEMA and NFIP:**

<https://www.fema.gov>

FEMA Flood Zone Definitions:

<https://snmapmod.snco.us/fmm/document/fema-flood-zone-definitions.pdf>

Florida Office of Insurance Regulation:

<https://www.flor.com/sections/pandc/floodinsurance/floodinsurance.aspx>

The Truth About Insurance (Independent Insurance Website):

<https://www.thetruthaboutinsurance.com/flood-insurance-faq/>