National Flood Insurance Program

The Benefits of Flood Insurance Versus Disaster Assistance
# Here’s What To Tell Your Clients About The Benefits Of Flood Insurance Versus Disaster Assistance

**Flood Insurance**

- You are in control. Flood insurance claims are paid even if a disaster is not declared by the President.

- Between 20 and 25 percent of all claims paid by the NFIP are outside of Special Flood Hazard Areas.

- There is no payback requirement.

- Flood insurance policies are continuous, and are not non-renewed or cancelled for repeat losses.

- Flood insurance reimburses you for all covered building losses up to $250,000 and $500,000 for businesses. Contents coverage is also available up to $100,000 for homeowners and $500,000 for businesses.

- The average cost of a flood insurance policy is a little more than $500 annually. The cost of a preferred risk policy is less than $200 annually, depending on where you live.

**Disaster Assistance**

- Most forms of federal disaster assistance require a Presidential declaration.

- Federal disaster assistance declarations are not awarded in all flooding incidents.

- The most typical form of disaster assistance is a loan that must be repaid with interest.

- The duration of a Small Business Administration (SBA) disaster home loan could extend to 30 years.

- The average Individuals and Households Program award for Presidential disaster declarations related to flooding in 2008 was less than $4,000.

- Repayment on a $50,000 SBA disaster home loan is $240 a month or $2,880 annually at 4% interest.

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**To order** The Benefits of Flood Insurance Versus Disaster Assistance as a stuffer for client mailings, call 1-800-480-2520 and ask for form F-216.

For more information about the NFIP and flood insurance, call 1-800-427-4661, or contact your insurance company or agent.