

NATIONAL FLOOD INSURANCE PROGRAM

SUMMARY OF COVERAGE

COMMERCIAL PROPERTY



FEMA



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Introduction

This document is designed to help you understand your flood insurance policy. It provides general information about deductibles, what is and is not covered by flood insurance, and how items are valued at the time of loss.

WHAT IS A FLOOD?

Flood insurance covers direct physical loss caused by flood. In simple terms, a flood is an excess of water on land that normally is dry. The official definition used by the NFIP is “A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is your property) from:

- Overflow of inland or tidal waters;
- Unusual and rapid accumulation or runoff of surface waters from any source;
- Mudflow*; or
- Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above.”

**Mudflow is defined as “A river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water. Other earth movements such as landslide, slope failure, or a saturated soil mass moving by liquidity down a slope, are not mudflows.”*

The specifics described below all pertain to the National Flood Insurance Program’s (NFIP) General Property (GP) Form of the Standard Flood Insurance Policy (SFIP), commercial property only. This policy type is used to insure non-residential buildings, five or more family residential buildings, condominiums with more than 25% non-residential occupants, and/or the contents within those structures.

About Your Policy

There are three important facts you should know about your coverage under a Standard Flood Insurance Policy General Property Form.

1

It is a single-peril policy. It only pays for direct physical loss by or from flood damage as defined by the policy.

2

Subject to the coverage exclusions and policy limitations, the GP covers direct physical damage to the insured structure up to the Actual Cash Value of the actual damages or the policy limit of liability, whichever is less (see How Flood Damages Are Paid, **page 9**). **Note:** The SFIP applies a separate deductible to both building and contents losses. Your deductible is always taken from the loss and not from the limit of liability.

3

Personal Property coverage, also known as contents coverage, is not included with building property coverage and needs to be purchased separately.

Please note that your policy only covers one building or structure. To obtain coverage for multiple structures, you may need to purchase separate policies.



TYPES OF COVERAGE FOR ELIGIBLE PROPERTY

The NFIP's **General Property Form** offers commercial policyholders coverage for:

- Building Property up to \$500,000
- Personal Property up to \$500,000

For businesses, Personal Property refers to the contents of the business (see **page 7**) and will include stock as defined in the policy. The NFIP encourages everyone to purchase both types of coverage. Your lender might require that you purchase a certain amount of flood insurance coverage.

Complete terms can be found in the SFIP form, available at [FloodSmart.gov/SFIP](https://www.floodsmart.gov/SFIP). For more information about your specific limits of coverage and deductibles, please refer to the Declarations Page of your flood insurance policy. You also should review your policy with your insurance agent or company representative.

CHOOSING DEDUCTIBLES

Choosing the amount of your deductible is an important decision. There are separate deductibles for Building Property and Personal Property coverage as well as separate Building Property and Personal Property claims. Review the Declarations Page in your flood insurance policy for amounts of coverage and deductibles you currently have.

As with car or homeowners insurance, choosing a higher deductible may lower the premium you pay, but it also will reduce your claim payment. Your lender may require coverage or limit how high of a deductible your insurance provider can set. Talk with your insurance agent, company representative, and lender about raising or lowering deductibles.



Reminder: Keep Your Receipts

In case of a future loss, it is strongly suggested that you safely **store all financial records related to your building and/or business**. Should you have a loss, these documents should be made available for the adjuster's review. **Keeping receipts will be vital to you in support of any losses you might incur and wish to claim under your policy.**

What Is Covered By Flood Insurance – And What Is Not

Direct physical damage to your building or its contents, by or from a flood, is covered by your flood insurance policy. For example, damage caused by a sewer backup are covered if the backup is a direct result of flooding. If the backup is not a direct result of flooding, the damage is not covered by your flood policy.

The following pages provide general guidance on items covered and not covered by flood insurance. Refer to your policy for the complete list.

WHAT IS INSURED UNDER BUILDING PROPERTY COVERAGE

- Insured building and its foundation
- Electrical and plumbing systems
- Water heaters
- Central air conditioning equipment, furnaces, and ventilating equipment
- Permanently installed carpeting over an unfinished floor
- Permanently installed paneling, wallboard, bookcases, and cabinets
- Pumps and machinery for operating pumps
- Awnings and canopies
- Walk-in freezers
- Outdoor antennas and aerials attached to buildings
- Fire extinguishing apparatus and fire sprinkler systems



WHAT IS INSURED UNDER PERSONAL PROPERTY COVERAGE

- Furniture and fixtures, machinery and equipment, and other personal property owned by you and used in your business (See Section IV of your policy for exclusions)
- Stock as defined in Section II of your policy (merchandise held in storage or for sale, raw materials, and in-process or finished goods)
- Portable and window air conditioners
- Portable microwave ovens and portable dishwashers
- Carpets or rugs not included in building coverage (see Building Coverage)
- Clothes washers and dryers
- Food freezers (other than walk-ins) and the food in them
- Certain valuable items such as original artwork and furs (limited to \$2,500 in total)
- Non-licensed self-propelled vehicles if stored inside the insured building and used to service the described location (e.g., tractor) or designed to assist a person with a disability
- Up to 10% of contents coverage to improvements made to a building the insured occupies as a tenant
- Outdoor antennas and aerials attached to buildings
- Fire extinguishing apparatus and fire sprinkler systems



WHAT IS NOT INSURED UNDER EITHER BUILDING PROPERTY OR PERSONAL PROPERTY COVERAGE



Damage caused by moisture, mildew, or mold that could have been avoided by the property owner



Damage caused by sewer or drain backup unless there is a flood in the area that caused the backup



Currency, precious metals, and valuable papers such as stock certificates, scrip, and recorded data



Property and belongings outside of a building or in another structure, such as trees, plants, wells, septic systems, walkways, decks, patios, fences, seawalls, hot tubs, and swimming pools



Financial losses caused by business interruption or loss of use of insured property



Most self-propelled vehicles such as cars, including their parts



After A Flood

After a flood, flood insurance can help you recover quickly. If you experience a flood while covered under an active flood insurance policy, here are the important things to know.

Start A Claim

Report your loss immediately to your insurance agent or insurance company and ask them about an advance payment. Then, prepare for your flood adjuster's visit.

STEP
1

Provide receipts to verify that repairs were made following the prior flood loss.

STEP
2

Separate damaged and undamaged property.

STEP
3

Take pictures of damaged property before disposing.

How Flood Damage Is Paid

The flood damage in the General Property Form is paid based on Actual Cash Value (ACV) for losses to the insured building and its insured personal property (contents) including stock and inventory. ACV is the cost to replace an insured item of property at the time of loss, less the value of its physical depreciation.

WHAT IS INCREASED COST OF COMPLIANCE COVERAGE?

Most NFIP policies include Increased Cost of Compliance (ICC) coverage, which may apply to an insured building when flood damage is substantial. You must have building coverage to qualify for ICC coverage.

ICC Coverage provides up to \$30,000 of the cost to elevate, demolish, or relocate the insured building or to floodproof structures with qualified basements. If your community declares your building “substantially damaged” or a “repetitive loss structure” by a flood(s), it will require you to bring your structure up to current community floodplain management building standards. You may use ICC coverage to help cover those costs.

Payment of an ICC claim is in addition to the amount of your building claim. However, the total amount of your building claim and ICC claim cannot exceed the maximum limit available for Building Property coverage (\$500,000). Having an ICC claim does not affect a personal property claim (up to \$500,000), which is paid separately.

Details about eligibility are in Part III, Section D of your policy.

A Final Note



This document provides general information about flood insurance coverage. However, please be aware that your Standard Flood Insurance Policy, your application, and any endorsements, including the Declarations Page, make up your official contract of insurance. Any differences between this information and your policy will be resolved in favor of your policy.

If you have questions, call your insurance agent or company representative.



Additional Guidance and Contact Information

Get a quote to see how you can protect the life you've built. To find a flood insurance provider, use our online tool at floodsmart.gov/flood-insurance/providers.

Visit our Flood Insurance Advocate page at fema.gov/flood-insurance/advocate to learn more about fair treatment of policyholders and property owners.

At floodmaps.fema.gov/fhm/fmx_main.html, we have Customer Care Center specialists to help you with questions about flood mapping and insurance. You can contact FEMA Mapping and Insurance eXchange (FMIX) directly at FEMA-FMIX@fema.dhs.gov or by calling **(877) 336-2627**.



UNDERSTANDING FLOOD LOSS AVOIDANCE

Preparing for a flood can save you and your family time, money and stress. FEMA's National Flood Insurance Program (NFIP) offers policyholders coverage to protect themselves against the financial burden of flood loss, including coverage for flood loss avoidance measures.

DEFINING FLOOD LOSS AVOIDANCE

Flood loss avoidance is a term used to describe the preventative actions you can take to minimize or prevent flood damage to insured property when flooding is expected. Proactive measures can be taken in and around the property to protect both your building and personal belongings.

POLICY DETAILS

The Standard Flood Insurance Policy (SFIP) offered by the NFIP covers up to \$1,000 for reasonable expenses incurred to protect insured property, and up to \$1,000 to relocate insured property away from a flood or imminent danger of a flood. No deductible is applied to this coverage. For you to be eligible, you must be in a community where:

- A general and temporary condition of flooding exists near your location; or
- An official issued an evacuation order or other civil order for your community requiring measures to preserve life and property from flooding.

PAYMENTS & PROTECTIONS

As long as the previously stated eligibility requirements are met, you can start a claim with your insurer for repayment of any expenses for performing flood loss avoidance measures. This is true regardless of whether these measures were successful in preventing flood damage.

For the best result, you should use a combination of flood loss avoidance measures to effectively reduce or prevent flood damage. For example, employing a combination of pumps and sandbags, or securing plastic sheeting over a sandbag barrier can help slow floodwaters from reaching your home. When combined, sandbags, levees and pumps provide more protection for your property and belongings.

COVERAGES

The following items are covered flood loss avoidance expenses. To ensure eligibility, keep copies of all receipts for your insurance agent, flood insurer or claims adjuster.



WATER PUMPS

Purpose: Pumps are instrumental in removing water and other liquids from the building, limiting damage.

Coverage details: Your reasonable expense to buy a water pump is covered.



SANDBAGS

Purpose: Sandbags reduce flood damage by creating heavy barriers that divert floodwaters away from the building and are not easily washed away.

Coverage details: Both the bags and the sand to fill them are covered.



FILL TO CREATE TEMPORARY LEVEES

Purpose: Temporary levees act as walls to effectively divert the flow of water from your property and belongings.

Coverage details: Organic fill materials used to create a barrier (such as soil, sand and rocks) are covered, as are water-filled bladders.



PLASTIC SHEETING AND LUMBER

Purpose: These materials can be used to elevate and shield insured property and belongings.

Coverage details: They're covered when used in connection with any of the previously mentioned flood loss avoidance measures.



MOVING AND STORAGE EXPENSES

Purpose: In the event of a flood disaster, moving insured property away can limit your flood damage.

Coverage details: Your flood policy covers expenses to move your property for 45 consecutive days. Coverage begins when the personal property is removed from the building. A deductible is not applied to the costs of moving your property to safety. Refer to your policy or agent for specifics on where property should be moved and storage options.



LABOR

Purpose: Time spent moving and protecting your property can help minimize or prevent flood damage. Examples include, but are not limited to, filling sandbags, digging levees and removing property from harm's way.

Coverage details: Work performed by you, a family member or a professional is covered. Request repayment (at the federal minimum wage) for hours you or your family members spent working, or submit invoices from hired professionals for their time.

NEXT STEPS

Are you fully covered? Find a flood insurance provider and get a quote for an NFIP policy at [floodsmart.gov/find](https://www.floodsmart.gov/find). You can also visit [floodsmart.gov/SET](https://www.floodsmart.gov/SET) to learn more about protecting your home and minimizing flood loss.

After a flood, talk to your agent or insurer for more information on how to start a claim for reimbursement. For larger mitigation projects, review the Flood Insurance Manual, NFIP Claims Manual and NFIP Claims Handbook at [fema.gov/flood-insurance/work-with-nfip/manuals](https://www.fema.gov/flood-insurance/work-with-nfip/manuals), and consult with your local floodplain administrator.



NATIONAL FLOOD INSURANCE PROGRAM

CLIMATE CHANGE'S IMPACT ON FLOOD RISK

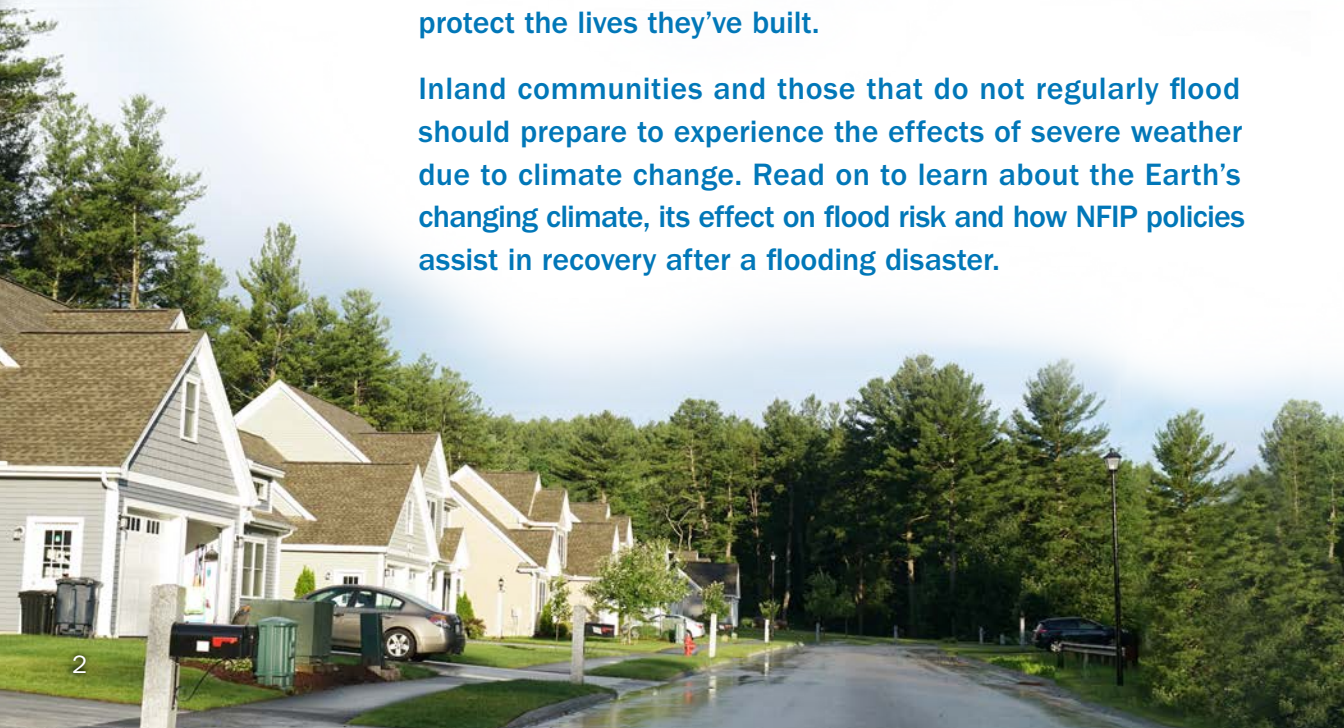


FEMA



The Earth's changing climate has made flooding disasters more common, and uninsured households are at greater risk than ever. FEMA and its National Flood Insurance Program (NFIP) provide policyholders with flood insurance to help protect the lives they've built.

Inland communities and those that do not regularly flood should prepare to experience the effects of severe weather due to climate change. Read on to learn about the Earth's changing climate, its effect on flood risk and how NFIP policies assist in recovery after a flooding disaster.



Climate Change vs. Global Warming

While climate change and global warming are separate issues, their causes and effects are linked. Here's what you need to know:

CLIMATE CHANGE

Climate change is the gradual **shift of global weather conditions** over time. The effects of climate change are seen in changing weather patterns, such as ecosystems gradually becoming hotter, drier or wetter. Climate change increases the frequency, duration and severity of extreme weather and climate-related disasters—the rate of which is accelerated by human activity.

GLOBAL WARMING

Global warming describes an **increase in the average temperature of the Earth**. This is a side effect of climate change, due in part to human actions pushing greenhouse gases into the atmosphere. Rising global temperatures are associated with increases in extreme weather events, such as heat waves or large storms.



Knowledge Check

On average, global temperatures have **increased by 0.14 degrees Fahrenheit each decade** since 1880—and in the last 50 years, that pace has more than doubled.

Billion-Dollar Disasters

Climate change is increasing the frequency and severity of storms, causing greater damage to the communities in their path. The following are examples of billion-dollar disasters in the U.S. over the last decade.

HURRICANE HARVEY

Texas, September 2017

- The costliest flood event in Texas history. As of July 2021, **\$9 billion in claims** were paid by the NFIP.
- Houston received the **most rainfall recorded** in the continental United States from a single storm (51.88 inches).
- Nearly **80,000 homes** had 18 or more inches of floodwater, and 23,000 of those homes accumulated over 5 feet.

HURRICANE IDA

Louisiana, August 2021

- Floodwaters due to storm surge reached up to **14 feet above ground level** near the Mississippi River.
- The U.S. Small Business Administration (SBA) approved over **26,000 low-interest disaster loan applications** totaling over \$1.3 billion.
- The NFIP paid **14,540 flood claims** totaling over \$655 million.





MULTI-STATE FLASH FLOODING

Kentucky & Missouri, July 2022

- Both disasters were brought on by once-in-a-millennium storms causing **\$1.3 billion in damage**.
- Affected areas saw up to nearly **11 inches of rain** within 3 days.
- The NFIP paid over **\$13.1 million in claims** to Kentucky residents and over **\$34.7 million in claims** to Missouri residents.

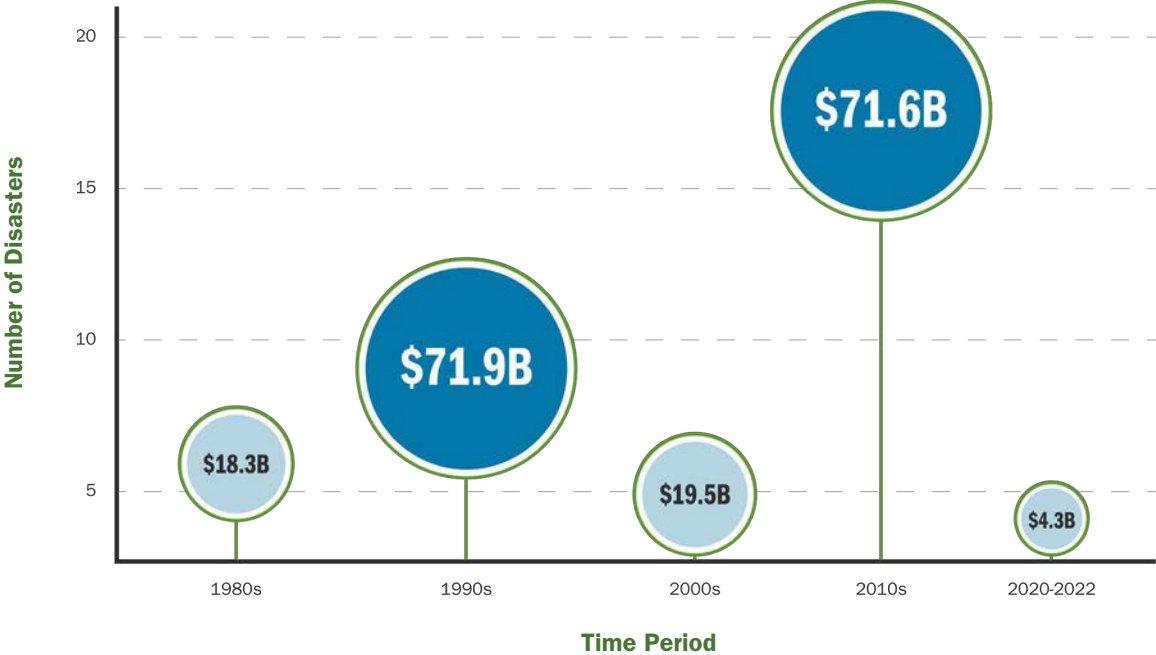


HURRICANE IAN

Florida, September 2022

- Ian hit Florida as a **Category 4 hurricane** and crossed into South Carolina as a Category 1 hurricane.
- The storm generated historic levels of rainfall in Florida, reaching **17 inches of rain** within a single day.
- The NFIP paid over **\$2.3 billion** to policyholders.

BILLION-DOLLAR DISASTER COUNT & FINANCIAL IMPACT



Climate Change & Flooding

While all weather patterns are affected by the transforming global climate, flooding disasters are becoming more common and severe.



Did You Know?

Floods are the most frequently occurring natural disaster in the United States, and they are projected to become even more frequent and intense as a result of changing climate conditions. In fact, **2020 was the most active tropical storm season in U.S. history.**

Rising sea levels, changing precipitation patterns and wildfires that lead to increased flooding are becoming more common as the global climate changes. Just 1 inch of floodwater can cause roughly \$25,000 of damage to your home—and flood damage is often not covered by homeowners or renters insurance. Flood insurance is the best way to protect the life you've built if disaster strikes; be sure to cover your home, building or condominium association and the contents inside of it with an NFIP policy.

The NFIP is prepared to assist you and your community before, during and after a flooding disaster. Take the necessary steps now to prepare yourself for flooding by visiting [floodsmart.gov/find](https://www.floodsmart.gov/find) to locate a flood insurance provider near you.



ADDITIONAL RESOURCES & CONTACT INFORMATION

Learn more about how flood insurance can protect your investments with the NFIP Protect the Life You've Built Brochure, available online at agents.floodsmart.gov/protect-the-life-youve-built. For more information on cleanup, renovation and mitigation after a flood disaster, review the NFIP Rebuilding Safer & Stronger After a Flood Guide at agents.floodsmart.gov/rebuilding-after-flood.

Contact FEMA Mapping and Insurance eXchange (FMIX) Customer Care Center for questions about flood mapping and insurance. Go to floodmaps.fema.gov/fhm/fmx_main.html to chat live with a specialist from 9 a.m. to 5 p.m. ET Monday-Friday, email FEMA-FMIX@fema.dhs.gov or call **877-336-2627**.

This publication was created with information from the White House, National Oceanic and Atmospheric Association, National Weather Service and National Environmental Satellite Data and Information Service.



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NATIONAL FLOOD
INSURANCE PROGRAM®

Congress created the National Flood Insurance Program (NFIP) in 1968 to reduce future flood damage through floodplain management, and to provide people with flood insurance through individual agents and insurance companies. FEMA manages the NFIP.

If you use a relay service, such as video relay service (VRS), captioned telephone service or others, give FEMA the number for that service.

NATIONAL FLOOD INSURANCE PROGRAM

REBUILDING SAFER & STRONGER AFTER A FLOOD



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Introduction to the National Flood Insurance Program

The National Flood Insurance Program (NFIP), overseen by FEMA, aims to reduce future flood damage and lessen the impact of flooding by providing people with flood insurance and resources on how to rebuild stronger after a flood.

If your home or business is damaged or destroyed by a flood, you will face major decisions about your property. The following information from the NFIP is intended to assist both policyholders and non-policyholders with the recovery process so you can rebuild safer and stronger.

Begin Cleanup & Remediation

Immediately after the flood event, ensure you take proper precautions to protect yourself prior to handling any hazardous materials you may find in your home or business. Safely remove water, sewage and other debris from your property as soon as possible and sanitize (which may require professional remediation) to avoid damage worsening and potential mold growth. Removing potentially dangerous substances and debris can also help you evaluate the next steps on your path to recovery.

For more information on immediate actions you should take, review FEMA's Starting Your Recovery Fact Sheet at agents.floodsmart.gov/starting-your-recovery. If your home or business is covered by flood insurance, refer to the NFIP Claims Handbook for information on filing your flood insurance claim at agents.floodsmart.gov/claims-handbook.

Contact Your Community's Officials

Construction and repairs may only begin after you obtain the required local permits from your community's floodplain management and building code offices. Consult your local building code and floodplain official for information and permits when considering repairs to your flooded property or starting new construction.

Requirements may vary if you reside in an NFIP-participating community, which adopts and enforces the NFIP's minimum floodplain management requirements to help reduce future flood risk. Special floodplain management requirements and building codes may also apply if you're in a Special Flood Hazard Area (SFHA), both in participating and non-participating NFIP communities. Contact your community's building code office to ensure you are informed of all required building codes and requirements.



UNDERSTAND DAMAGE DETERMINATIONS

If your community participates in and is in good standing with the NFIP, the local community official who oversees floodplain management regulations is responsible for making substantial improvement or substantially damaged determinations. These determinations may be cumulative calculations based on past damages or improvements and may affect your repair or rebuilding plans.

Substantial improvement is any rehabilitation, addition or other improvement to a building where the cost equals or exceeds 50% (or a lower threshold if adopted and enforced by the community) of the building's market value before the start of construction of the improvement. **Some communities may have a lower percentage in their ordinances.**

If a local government official decides that your building or manufactured home is substantially improved, it must be brought into compliance with floodplain management (and building code) regulations for new construction based on the property's flood zone. Every aspect of the building must be made compliant.

Did You Know?

Just one inch of water can cause roughly **\$25,000 of damage.**



Substantial damage determinations are made when the cost of restoring the building to its pre-damaged condition would equal or exceed 50% (or a lower threshold if adopted and enforced by the community) of the building's market value before the damage occurred. **Some communities may have a lower percentage in their ordinances.**

For more information regarding substantial improvement or substantial damage determinations, view FEMA's Answers to Questions About Substantially Improved/ Substantially Damaged Buildings at agents.floodsmart.gov/SI-SD-answers-to-questions.

If a local official determines that your damaged building or manufactured home is in an SFHA and has received substantial damage, then it must be brought into compliance with floodplain management and code regulations for new construction.

Prepare to Rebuild

SELECT A CONTRACTOR

Once you're ready to start repairs, research contractors. Know that you may need to hire more than one contractor depending on the scope of your repairs. Ensure they have valid credentials and confirm they are local to your area (i.e., county or city). Local contractors will know the building practices, permitting processes and building code requirements of your area. If there are no qualified local contractors available, research contractors throughout your broader region. Consider asking if they are licensed, bonded or insured. Request detailed estimates, as well as project descriptions and timelines, in writing.

If using a non-local contractor, work with them and your community's building office to ensure they are informed on all building code and permitting requirements.

If you're located in an NFIP-participating community that's in good standing with the NFIP and your building has been determined to need substantial improvement or it has been declared substantially damaged, make sure you understand any mandatory building requirements prior to starting construction, especially in SFHAs.

REVIEW THE CONTRACTOR'S EVALUATION

Once your contractor completes their assessment, they will provide you with the results and their recommendations. Review their proposal and determine what steps are best for your property and budget. Additionally, coordinate with your insurance adjuster and insurance agent to ensure everyone knows and accounts for the estimated cost of repairs.

To help comply with mandatory rebuilding requirements, the NFIP offers eligible policyholders up to \$30,000 in Increased Cost of Compliance (ICC) coverage. ICC coverage can be used to pay for the elevation, relocation and demolition of substantially damaged buildings insured under the Standard Flood Insurance Policy (SFIP). For more information, visit [fema.gov/floodplain-management/financial-help/increased-cost-compliance](https://www.fema.gov/floodplain-management/financial-help/increased-cost-compliance).



EXPLORE MITIGATION OPTIONS

While planning your repairs or rebuilding process, discuss mitigation options with your contractor(s). The following flood mitigation measures may be used to meet the minimum rebuilding requirements of the NFIP, help protect your building from future flood damage and possibly lower your flood insurance premium.

Elevation

The goal of elevating your home or business is to raise the lowest floor to at or above the Base Flood Elevation (BFE), the level at which floodwater is estimated to reach during a flood. Generally, you can elevate your entire building including the lowest floor or leave your home or business in its existing position and build a new raised floor above the lowest floor.

During the elevation process, most buildings (including manufactured homes) are separated from their foundations, raised on hydraulic jacks, and held by temporary supports while a new or extended foundation is built below. This method may work well for homes and businesses originally built on basements, crawlspaces and open foundations.

For homes or businesses with slab-on-grade foundations, elevation can be done in one of two ways. One approach is to leave the building attached to the slab foundation and lift both together. After it's lifted, a new foundation is constructed below the slab. The other approach is to detach the home or business from the slab and elevate it, leaving the slab foundation in place. After the building is lifted, a new, elevated floor is constructed.

For this to be considered a mitigation measure, the elevation must be verified by a mitigation expert. Any changes must comply with floodplain management regulations and meet the definition of an elevated building. Be sure to check with your state and community, as some regulations require you build a specific number of feet above the BFE, called freeboard.

Although elevating a home or business can help protect it from floodwater, consider other hazards before choosing this mitigation method. Take into consideration all pros and cons of elevation before proceeding.

Wet Floodproofing

Wet floodproofing your building means modifying portions of the property so that floodwaters will enter but not cause significant damage. Because of this, wet floodproofing is only practical for non-residential buildings or portions of a residential building that are not used as a living space—this can include a basement as defined by the NFIP, an enclosure such as a walkout-on-grade basement, a crawlspace or an attached garage.

You can use various techniques to implement wet floodproofing. These techniques include, but are not limited to:

- Raising utilities, equipment and important contents to or above the flood protection level;
- Installing and configuring electrical and mechanical systems to minimize disruptions and facilitate repairs;
- Installing flood openings or other methods to equalize hydrostatic pressure exerted by floodwaters; and
- Installing sump pumps to gradually remove floodwater from basement areas after a flood.

Wet floodproofing may be used when other mitigation options are either too costly or not feasible. If you intend to wet floodproof your building, a licensed engineer or design professional should meet with your contractor to determine the structural integrity of the walls.

If your building has been declared substantially damaged or is being substantially improved, your community's floodplain management ordinance may restrict the use of wet floodproofing to attached garages and enclosed areas below the BFE that are used solely for parking, storage and access. For more information, consult your local officials.



Explore Assistance Options

Federal hazard mitigation assistance grants to repair or rebuild your building may be available. Check with your local Emergency Manager or building official to see if there may be any grant opportunities in your community.

To learn more about the hazard mitigation assistance grant process, visit [fema.gov/grants/mitigation](https://www.fema.gov/grants/mitigation) and select which option best describes your project.

Dry Floodproofing

Dry floodproofing is the process of making your non-residential building or business watertight below the BFE so that floodwaters cannot enter. It requires sealing the entire building below the risk elevation to be made substantially impermeable to water. Doors, windows and other openings below the BFE must be reinforced with permanent or removable shields. Backflow valves could be installed in sewer lines and drains, depending on community regulations and guidelines. Consult with a licensed plumber to install the backflow valves and a licensed contractor if major excavation is needed.

Only non-residential properties or businesses that are in good condition should consider dry floodproofing their structure due to exterior walls being exposed to the force of water. Properly constructed walls in good condition should be able to withstand three feet of water, whereas poorly constructed buildings may not.

Additionally, depending on the duration of flooding and the ease of which water flows through the soil, there may be a higher probability of buoyant (or upward) force. This can cause foundation damage or, in extreme cases, floatation.

Dry floodproofing requires full participation by the property owner before future flood events. You must be willing and able to install all flood shields and carry out all other activities required for successful operation of the dry floodproofing system, including being on-site to set it up before floodwaters arrive. A dry floodproofing system also requires



maintenance to ensure all elements are functional. These obligations can leave room for human error and cause failure in the dry floodproofing system in the event of a flood.

Dry floodproofing may not be used to bring substantially improved or substantially damaged buildings into compliance with your community's floodplain management ordinance or law unless the building is granted with a floodproofing exception.

Dry floodproofing residential buildings will not reduce flood insurance premiums.

Did You Know?



The NFIP requires a floodproofing certificate, issued by a floodproofing expert, for floodproofing to be considered a sufficient mitigation measure. **Implementing certified floodproofing may result in a lower flood insurance premium.**

Potential Benefits of Mitigation

- **Increase the resiliency** of your home or business and reduce future flood losses from natural disasters in the future.
- **Lower the cost** of your homeowners and flood insurance premiums.
- **Increase the value** of your property.

Consider Alternatives to Repairing & Rebuilding

If your building has been repeatedly flooded, consider these options before and after your next flooding event instead of repairing or rebuilding on the same property.

RELOCATE YOUR BUILDING

This mitigation technique offers the greatest security from future flooding. It involves moving an entire building to another location, usually outside of the flood hazard area. Relocation is particularly appropriate in areas where the flood hazard is severe, such as where flood conditions are characterized by one or more of the following:

- Deep water;
- Rapid rates of rise and fall;
- Short warning time;
- Wave action;
- High-velocity flow;
- High debris potential;
- Long duration; and/or
- Erosion.

Relocating your home or business not only lessens anxiety about future flooding, but also offers the opportunity to reduce future flood insurance premiums. However, this is typically the most expensive mitigation method and requires careful planning and evaluation. Relocating a building involves lifting it off its foundation, placing it on a flatbed trailer, hauling to a new site outside of the flood hazard area and lowering it onto a new foundation. Consult with your insurance agent, community officials and licensed contractors to see if relocation is a feasible mitigation technique.

After flooding causes damage to your home or business, relocation may not be practical based on the damage sustained. Consider other mitigation actions in this instance.

DEMOLISH YOUR BUILDING

Demolition is tearing down a severely damaged structure. A new, compliant building can be built onsite, rebuilt on another property or you can move into another building elsewhere. If your property has received extensive damage due to flood, this may be the most practical mitigation method.

Whether you intend to rebuild or move, you must demolish your damaged home or business and restore the site. This can involve filling in a basement, grading and landscaping. You will need the help of a demolition contractor, who will also be able to help if you decide to rebuild on the old site or somewhere else on the same property.

All demolition, construction and restoration work must be done according to the regulations of your community. If you decide to rebuild on the site of your old home or business, this is considered new construction and you must rebuild in compliance with your community's floodplain management ordinance. Policyholders may be eligible for ICC coverage to help with these expenses for eligible flood-damaged structures.

Funding Opportunity



There may be federal or state grant funding available for a buyout to demolish your building. However, receiving a government buyout is not a simple process. **Refer to “Request a Government Buyout” on page 13 for more information.**

SELL YOUR PROPERTY

If you repaired or rebuilt aspects of your property that were damaged in a flood but wish to sell (now or in the future), be transparent with your real estate agent and any potential buyers about the flood damage the property experienced. Be sure to share any property-specific documentation, like an Elevation Certificate (EC), with the buyer. An EC is used to compare the building's lowest

floor with the BFE. Learn more about elevation certificates at agents.floodsmart.gov/write-policy/elevation-certificates.

Point out any mitigation measures your contractor may have implemented and work with an appraiser and your real estate agent to list your property at a reasonable price based on its flood history. **Some states have disclaimer and/or non-disclosure laws.**

If the purchaser must repair the building to meet any community floodplain management ordinances, the cost of such obligations should be reflected in the purchase price to the new owner.

When you sell a property that is flood insured, the policy can be transferred to the new owner(s), but not the claim. If the existing flood insurance policy is lower than the full-risk premium, the new owners may be able to keep the lower cost at the time of transfer. However, the sale of a building from one individual to another is a contract between those individuals and should not involve the NFIP.

REQUEST A GOVERNMENT BUYOUT

After a presidentially declared disaster, local officials may request money from the state to purchase properties that have been flooded or determined substantially damaged. These purchases, called buyouts or acquisitions, aim to mitigate against future flood losses.

The decision to offer buyouts is made by the state and often includes funding provided through FEMA's Hazard Mitigation Assistance (HMA) programs which include the Hazard Mitigation Grant Program (HMGP), Flood Mitigation Assistance (FMA) program and the Building Resilient Infrastructure and Communities (BRIC) program. Other federal funding sources may include the Community Development Block Grant Disaster Recovery (CDBG-DR) program and certain U.S. Army Corps of Engineers funding programs. For more information on FEMA's HMA programs, visit fema.gov/grants/mitigation.

Of the buyout cost, 75% may be paid by FEMA and the rest would be paid by the state and/or local government. Learn more about disaster buyouts, including the CDBG-DR, through the Department of Housing and Urban Development (HUD) at hud.gov/program_offices/comm_planning/cdbg-dr.

Offering buyouts is not a simple process and requires agreements with local government officials, the state and FEMA. Buyouts are but one flood mitigation measure, and state and local officials may determine that other flood mitigation measures are more appropriate for a given situation.



Properties most commonly eligible for buyouts are those located in SFHAs and listed as primary residences. If you are interested in a buyout, you can express interest to your local emergency manager or floodplain administrator. **You cannot condemn your home or business on your own.** A state and local government could condemn your property with just compensation if there are no other viable recovery options.

Communities interested in buyouts will submit applications to the state and the state will review the proposals. The state will then determine the communities that will be considered for buyouts and forward to FEMA for review and approval. FEMA reviews all mitigation proposals to ensure they are eligible, technically feasible, cost effective and follow relevant federal, state and local regulations including Environmental and Historic Preservation regulations and executive orders of the federal government. Buyouts are typically administered by local government entities. As part of the buyout process, a fair-market value for the property as determined by a certified appraiser is typically conducted. Before you can receive funds from the sale, funds received from FEMA's Individual Assistance (IA) or a flood insurance claim payment that were not used to repair the property will be deducted.

If you still owe a mortgage on your property, the balance due will be deducted and paid to the lienholder. After the required payment(s) have been made, the building is then demolished, and the land is deeded to the local government with its use restricted to open space.

Funding for buyouts is limited and requests for funding may exceed available resources. Learn more by contacting your local government officials or your state floodplain manager. Find a list of state floodplain managers at floods.org/membership-communities/connect/state-floodplain-managers-scs. For more detailed information on FEMA's acquisition program, see Part A of the Addendum to the Hazard Mitigation Assistance Guidance at agents.floodsmart.gov/hma-guidance-addendum.

Prepare for Future Floods

Once you have rebuilt and implemented mitigation measures, continue to take preventative actions. **Even if you're not located in an SFHA, your property is still potentially susceptible to flood damage.**

On average, about 40% of NFIP flood insurance claims come from outside SFHAs. By elevating your building and/or employing other mitigation options, your risk is decreased but not removed.

Proactive measures can be taken in and around your property to protect both buildings and personal belongings. The practice of implementing those measures is called flood loss avoidance.

The NFIP offers policyholders who purchase a Standard Flood Insurance Policy (SFIP) coverage to protect themselves against flood loss.

Items that are considered covered flood loss avoidance expenses include but are not limited to:



Water pumps



Labor



Sandbags



Fill to create
temporary levees



Plastic sheeting
& lumber



Moving & storage
expenses

To ensure reimbursement eligibility, keep copies of all receipts for submission to your insurance agent, flood insurer or adjuster. For more information on flood loss avoidance, read the Understanding Flood Loss Avoidance flyer at agents.floodsmart.gov/flood-loss-avoidance, visit floodsmart.gov or contact your insurer or agent.



ADDITIONAL GUIDANCE AND CONTACT INFORMATION

To learn more about the NFIP, visit [floodsmart.gov](https://www.floodsmart.gov).

For more details on mitigation techniques, see the Homeowners Guide to Retrofitting at agents.floodsmart.gov/homeowners-guide-retrofitting.

To understand your property's flood risk and learn more about flood maps, access FEMA's Map Service Center at msc.fema.gov/portal/home or call **877-336-2627**.

Explore the NFIP's Technical Bulletins that provide guidance for complying with the NFIP's building performance requirements at [fema.gov/flood-insurance-technical-bulletins](https://www.fema.gov/flood-insurance-technical-bulletins).



FEMA



Congress created the National Flood Insurance Program (NFIP) in 1968 to reduce future flood damage through floodplain management, and to provide people with flood insurance through individual agents and insurance companies. FEMA manages the NFIP.

If you use a relay service, such as video relay service (VRS), captioned telephone service or others, give FEMA the number for that service.

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