



National Flood Insurance Program

How the NFIP Works



FEMA

Emergency Program of the NFIP

- 1. Community applies for participation** in the National Flood Insurance Program (NFIP) either (a) as a result of interest in eligibility for flood insurance, or (b) as a result of receiving notification from the Federal Emergency Management Agency (FEMA) that it contains one or more Special Flood Hazard Areas (SFHAs). Application includes adopted resolutions or ordinances to minimally regulate new construction in SFHAs.
- 2. FEMA authorizes the sale of flood insurance in the community** up to the Emergency Program limits. FEMA assesses the community's degree of flood risk and development potential.
- 3. If appropriate, FEMA arranges for a study of the community** to determine base

flood elevations and flood risk zones. Consultation with the community occurs at the start of and during the study. Communities with minimal flood risk are converted to the Regular Program without a study.

- 4. FEMA provides the studied community with a Flood Insurance Rate Map** delineating base flood elevations and flood risk zones. The community is given six months to adopt base flood elevations in its local zoning and building code ordinances, and to meet other requirements.

- 5. Community adopts more-stringent ordinances,** and FEMA converts the community to the NFIP Regular Program.

Note: Conversions generally occur within six months.

Emergency Program Flood Insurance Coverages

Building Coverage

Single Family	\$ 35,000*
Two-to-Four Family	\$ 35,000*
Other Residential	\$100,000**
Non-Residential/Small Business	\$100,000**

Contents Coverage

Residential	\$ 10,000
Non-Residential/Small Business	\$100,000

*In Alaska, Guam, Hawaii, and the U.S. Virgin Islands, the amount is \$50,000.

**In Alaska, Guam, Hawaii, and the U.S. Virgin Islands, the amount is \$150,000.

Regular Program of the NFIP

1. FEMA authorizes the sale of additional flood insurance in the community up to the Regular Program limits.

2. Community implements adopted floodplain management measures.

3. FEMA arranges for periodic community assistance visits to provide technical assistance in

complying with NFIP floodplain management requirements.

4. Local officials may request flood map updates as needed. FEMA evaluates requests, encourages cost-sharing, and issues revised maps as priorities dictate.

Regular Program Flood Insurance Coverages

	Basic Insurance Limits	Additional Insurance Limits	Total Insurance Available
Building Coverage			
Single Family	\$ 60,000 /	\$190,000	\$250,000
Two-to-Four Family	\$ 60,000 /	\$190,000	\$250,000
Other Residential	\$175,000 /	\$ 75,000	\$250,000
Non-Residential/Small Business	\$175,000 /	\$325,000	\$500,000
Contents Coverage			
Residential	\$ 25,000 /	\$ 75,000	\$100,000
Non-Residential/Small Business	\$150,000 /	\$350,000	\$500,000

Notes: The purchase of flood insurance is a mandatory condition of receipt of federal or federally related financial assistance for acquisition and/or construction of buildings in SFHAs of any participating community. Those communities notified as floodprone which do not apply for participation in the NFIP within one year of notification are ineligible for federal or federally related financial assistance for acquisition, construction, or reconstruction of insurable buildings in the SFHA. Conventional loans for these purposes are available in the SFHA of nonparticipating communities at the lender's discretion.

NFIP: National Flood Insurance Program

SFHA: Special Flood Hazard Area

FEMA: Federal Emergency Management Agency

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

For an agent referral, call
1-888-435-6637
TDD 1-800-427-5593
<http://www.fema.gov/business/nfip>
<http://www.floodsmart.gov>