



COUNTY of CUMBERLAND

Public Information Office

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July 25, 2003

FOR IMMEDIATE RELEASE

All Cumberland County Residents May Purchase Flood Insurance

With the recent flooding and heavy rains that have befallen Cumberland County, some residents don't realize they can obtain flood insurance. Cumberland County, the City of Fayetteville, and all seven municipalities participate in the National Flood Insurance Program.

In 1968, Congress created the National Flood Insurance Program (NFIP) in response to the rising cost of taxpayer funded disaster relief for flood victims and the increasing amount of damage cause by floods.

Flood insurance is available to any property owner located in a community participating in the NFIP. All areas are susceptible to flooding, although to varying degrees, in fact, 25% of all flood claims occur in the low-to-moderate risk areas. Flooding can be caused by heavy rains, by inadequate drainage systems, failed protective devices such as levees and dams, as well as by tropical storms and hurricanes.

Flood damage coverage must be purchased separately and there is a 30-day waiting period before a new flood insurance policy becomes effective. Residents should take steps to protect themselves well before the water starts to rise.

The NFIP, administered by FEMA's Mitigation Division, makes federally backed flood insurance available to homeowners, renters and business owners in communities that adopt and enforce floodplain management ordinances to reduce future flood losses. Currently, more than 4.4 million policies are in force in nearly 20,000 participating communities, representing more than \$634 billion worth of coverage. The NFIP is self-supporting; claims and operating expenses are paid from policyholder premiums, not tax dollars.

According to NFIP Administrator Anthony Lowe, flood insurance can be purchased through most insurance companies and licensed property and casualty insurance agents.

FEMA sets the rates, so the premium will be the same for a particular property regardless which agent or company writes the policy. The average annual premium is \$396, and the average coverage amount is \$143,927.

Lowe also said the maximum coverage amounts available for a single-family home are \$250,000 for the structure and \$100,000 for its contents. Maximum coverages for businesses are \$500,000 for the building and \$500,000 for contents. Renters can also purchase up to \$100,000 of contents coverage for their belongings.

Flood insurance provides more complete protection for flood victims than does federal disaster assistance, which is quite limited and is available only if the President issues a major disaster declaration. In addition, federal disaster assistance is often in the form of a loan that must be repaid, with interest.

Lowe stated, "Flood insurance is a much better deal, both for the flood victims and for the taxpayers at large,"

You can access more information at <http://www.fema.gov/nfip/>.