

National Flood Insurance Program Frequently Asked Questions

1. What is the National Flood Insurance Program?

The NFIP is a Federal program enabling property owners in participating communities to purchase insurance protection against Flood related property damage. Participation in the NFIP is an agreement between cities and the Federal Government that makes flood insurance available to communities that adopt and enforce floodplain management standards for new construction in Special Flood Hazard Areas. Lake Oswego has been a participating community since 1977.

2. How was the NFIP established and who administers it?

The U.S. Congress established the NFIP on August 1, 1968, with the passage of the National Flood Insurance Act of 1968. The NFIP was broadened and modified with the passage of the Flood Disaster Protection Act of 1973. It was further modified by the National Flood Insurance Reform Act of 1994 and signed into law on September 23, 1994. The NFIP is administered by the Federal Insurance and Mitigation Administration (FIMA) and the Mitigation Directorate (MD), components of the Federal Emergency Management Agency (FEMA).

3. What is a Special Flood Hazard Area (SFHA)?

In support of the NFIP, FEMA is undertaking a massive effort of flood hazard identification and mapping to produce updated Flood Hazard Maps. Areas of flood hazards are commonly identified on these maps. One of these areas is the Special Flood Hazard Area (SFHA), which is defined as an area of land that would be inundated by a flood having a 1-percent chance of occurring in any given year (also referred to as the base flood or 100-year flood). The 1-percent-annual-chance standard was chosen after considering various alternatives. The standard constitutes a reasonable compromise between the need for building restrictions to minimize potential loss of life and property and the economic benefits to be derived from floodplain development. Development may take place within the SFHA, provided that it complies with local floodplain management standards. Flood insurance is required for insurable structures within the SFHA for communities participating in the NFIP.

4. Why is the City a Participating Community in the NFIP?

Individual citizens cannot regulate building or establish construction priorities for communities. Without community oversight of building activities in the floodplain, the best efforts of some to reduce future flood losses could be undermined or nullified by the careless building of others. Unless the community as a whole is practicing adequate flood hazard mitigation, the potential for loss will not be reduced sufficiently to affect disaster relief costs. Insurance rates also would reflect the probable higher losses that would result without local floodplain management enforcement activities.

Community participation in the NFIP is required by the State of Oregon as part of Statewide Planning Goal 7.

5. Can I buy flood insurance if I am located in a high-flood-risk area?

You can buy flood insurance no matter where you live if your community participates in the NFIP. In fact, under the Flood Insurance Act, lenders require borrowers whose property is located within an SFHA to purchase flood insurance as a condition of receiving a federally regulated mortgage loan.

6. Does my Homeowner's insurance policy cover flooding?

Unfortunately, many homeowners do not find out until it is too late that their homeowner's policies do not cover flooding. National Flood Insurance protects your most valuable assets--your home and belongings.

7. Can I buy flood insurance if my property has been flooded?

You are still eligible to purchase flood insurance after your home, apartment or business has been flooded, provided that your community is participating in the NFIP.

8. Is it true that only residents of high-flood-risk zones need to insure their property?

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Even if you live in an area that is not flood-prone, it's advisable to have flood insurance. Between 20 percent and 25 percent of the NFIP's claims come from outside high-flood-risk areas. The NFIP's Preferred Risk Policy is designed for residential properties located in low-to-moderate-flood risk zones, areas above the 100-year flood plain.

9. **Where can I purchase National Flood Insurance?**

NFIP flood insurance is sold through private insurance companies and agents, and is backed by the Federal government.

10. **Does the coverage include my basement?**

Yes, it does. The NFIP defines a basement as any area of a building with a floor that is below ground level on all sides. While flood insurance does not cover basement improvements, such as finished walls, floors or ceilings, or personal belongings that may be kept in a basement, such as furniture and other contents, it does cover structural elements, and essential equipment. Some items are covered under building coverage, and some are covered under contents coverage. The NFIP encourages people to purchase both building and contents coverage for the broadest protection.

11. **Will Federal disaster assistance pay for flood damage?**

Before a community is eligible for disaster assistance, it must be declared a Federal disaster area. Federal disaster assistance declarations are issued in less than 50 percent of flooding incidents. For buildings within a 100-year flood plain, the premium for a NFIP policy is often less expensive than the interest on a Federal disaster loan. Furthermore, if you are uninsured and receive Federal disaster assistance after a flood, you must purchase flood insurance to remain eligible for future disaster relief.

If you have more questions, there is a wealth of information located on the [FEMA web site](#). For general questions about the NFIP and the community, you may contact the City of Lake Oswego at 503-635-0270.

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