



# FEMA

# How The NFIP Works

## 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 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, and if appropriate...

**3. 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 or no flood risk are converted to the Regular Program without a study (below).

**4. FEMA provides the studied community with Flood Insurance Rate Map** delineating

base flood elevations and flood risk zones. Community is given 6 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's Regular Program (below).

### Emergency Program Flood Insurance Coverages

#### Buildings

Single Family .....	\$ 35,000
Other Residential .....	100,000
Non-Residential .....	100,000

#### Contents

Residential .....	\$ 10,000
Non-Residential .....	100,000

## 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** with local officials to provide technical assistance regarding 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.

**Notes:** The purchase of flood insurance is mandatory as a 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 flood-prone which do not apply for participation in the NFIP within 1 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 are available in the SFHA of nonparticipating communities for these purposes at the lender's risk.

**NFIP:** National Flood Insurance Program  
**SFHA:** Special Flood Hazard Area  
**FEMA:** Federal Emergency Management Agency

### Regular Program Flood Insurance Coverages

	Basic Insurance Limits	Additional Insurance Limits	Total Insurance Available
<b>Building Coverage</b>			
Single Family Dwelling	\$ 50,000 /	\$ 200,000	\$ 250,000
2-4 Family Dwelling	\$ 50,000 /	\$ 200,000	\$ 250,000
Other Residential	\$150,000 /	\$ 100,000	\$ 250,000
Non-Residential or Small Business	\$150,000 /	\$ 350,000	\$ 500,000
<b>Contents Coverage (per unit)</b>			
Residential	\$ 20,000 /	\$ 80,000	\$ 100,000
Non-Residential or Small Business	\$130,000 /	\$ 370,000	\$ 500,000