

NATIONAL FLOOD INSURANCE PROGRAM

WHY DO I NEED FLOOD INSURANCE?

Source of flood insurance information and photographs:
NATIONAL FLOOD
INSURANCE PROGRAM®

https://agents.floodsmart.gov/sites/default/files/fema_why-do-i-need-flood-insurance_brochure_07-2021_0.pdf

WHAT YOU NEED TO KNOW ABOUT

FLOOD INSURANCE

MOST PROPERTIES ARE VULNERABLE TO FLOODING

Flooding can happen just about anywhere it rains or snows. On average, 40% of the National Flood Insurance Program (NFIP) flood insurance claims occur outside the high-risk flood areas. That's why it's important to protect the life you've built with flood insurance, even if you live in an area with low-to-moderate flooding risk.

MOST HOMEOWNERS INSURANCE DOES NOT COVER FLOOD DAMAGE

Unfortunately, many property owners do not find out until it's too late that their homeowners insurance policies do not cover flooding. The NFIP offers a separate policy that protects your single most important financial asset—your home or business.

If you are a tenant and made improvements at your own expense, those are covered up to 10% of the limit of liability.

For a full list of coverages, see your policy or contact your insurance agent

THE NATIONAL FLOOD INSURANCE PROGRAM (NFIP) OFFERS BUILDING COVERAGE

A sample of covered items includes the following:

- The building and its foundation
- Installed carpeting, window, blinds
- Central air-conditioners and furnaces
- Electrical systems, kitchen appliances, etc.

THE NFIP OFFERS COVERAGE FOR YOUR CONTENTS

Whether you rent or own, you may purchase coverage to protect your personal property. Contents coverage usually covers items like:

- Personal belongings such as clothing, furniture, and electronic equipment
- Washers, dryers, freezers and food in them

You can purchase flood insurance up to the maximum amount of insurance available for the following property types:

Property Type	Building Coverage	Contents Coverage
Single-Family Home	\$250,000	\$100,000
Residential Mobile/ Manufactured Home	\$250,000	\$100,000
Residential Condominium Unit in a Residential Building	\$250,000	\$100,000
Rented Residence (e.g. apartment unit, rented single-family, etc.)	N/A	\$100,000
Non-Residential Building (e.g. office, retail space, hotel, condominium, etc.)	\$500,000	\$500,000
Other Non-Residential Building (e.g. office, house of worship, garage, school, clubhouse)	\$500,000	\$500,000

YOU CAN GET ADDITIONAL COVERAGE TO RAISE A SUBSTANTIALLY DAMAGE BUILDING

Increased Cost of Compliance (ICC) coverage is an available resource for flood insurance policyholders who need additional help rebuilding after a flood. It provides up to \$30,000 to help cover the cost of mitigation measures that will reduce flood risk.

YOU CAN BUY FLOOD INSURANCE AT ANY TIME

There is usually a 30-day waiting period before the policy goes into effect, with some exceptions: If you initially purchased flood insurance while securing, adjusting, or renewing a loan for your property, there is no waiting period. Coverage goes into effect when the loan is closed.

YOUR NFIP POLICY WILL NOT BE DROPPED

Unlike some private insurers, the NFIP will not drop your flood insurance policy – even if you have repetitive flood damage claims.

ADDITIONAL GUIDANCE AND CONTACT INFORMATION*

The NFIP has valuable resources that can help you understand flood insurance coverage and get you connected to the information you need. To find a flood insurance provider, use the online tool at floodsmart.gov/flood-insurance-provider.

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

To obtain more information, visit FEMA's Map page at: <https://www.fema.gov/flood-maps>. This page provides more information and provides links that will allow a user to look up the current FEMA effective flood zone for their property. Also, within that page you can access customer care specialists (floodmaps.fema.gov/fhm/fmx_main.html) that can help you with questions about flood mapping and insurance, and can be reach by emailing FEMA-FMIX@fema.dhs.gov or by calling (877) 336-2627

DID YOU KNOW?*

More Federal disaster assistance may become available after major flooding events if the President declares your community a disaster area.

Federal disaster assistance comes in various forms: a U.S. Small Business Administration loan, which must be paid back with low interest, or a FEMA disaster grant, which averages about \$5,000 per household. Moreover, larger grants (to repair, restore, elevate or buyout your home) may become available through federally funded state programs, if you are eligible.

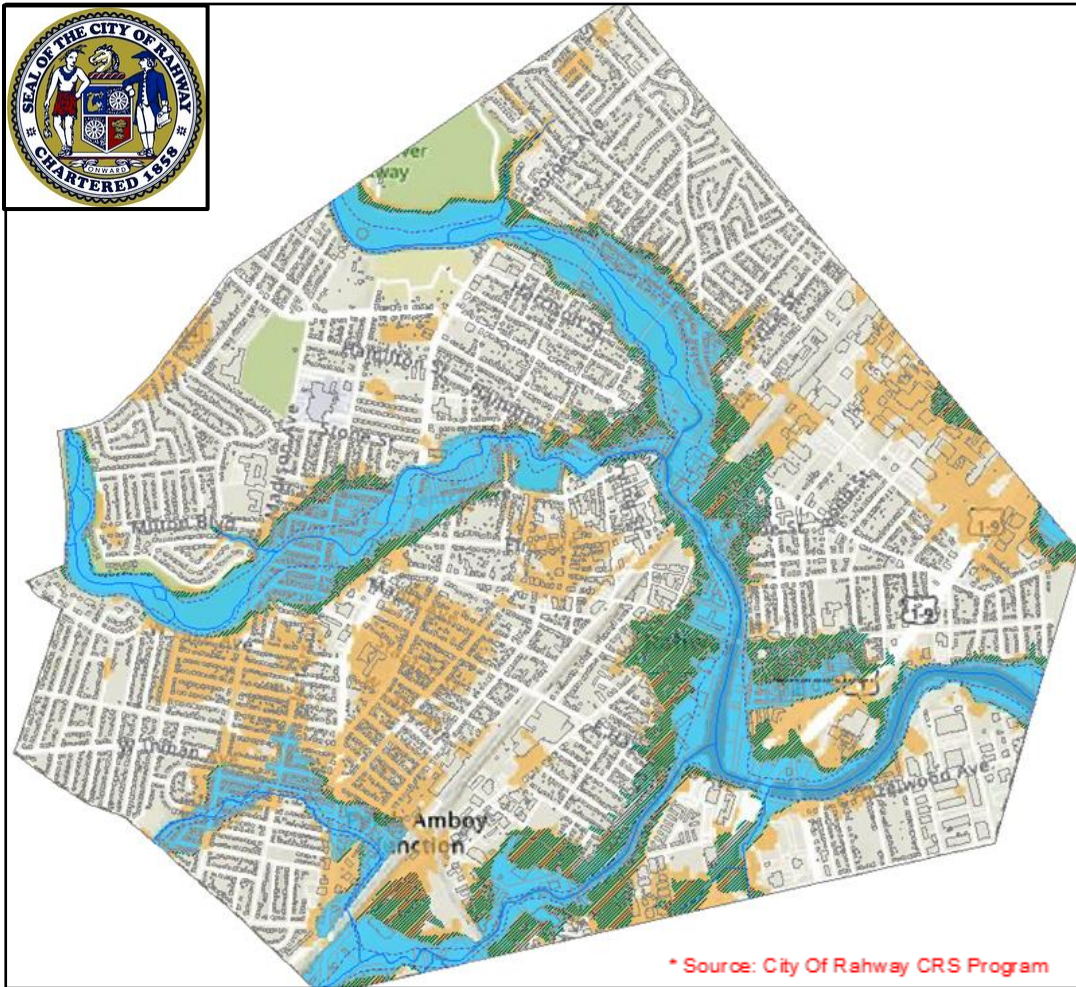
However, much of this aid is only available to property owners that have active NFIP flood insurance policies. Thus, you should always maintain your policy. Note that your property damage *is* still covered by flood insurance even if a federal disaster is not declared.

Many additional homes, which are located in proximity to mapped FEMA flood zones, are now regulated by NJDEP for flood hazards.

To account for anticipated climate change impacts, the NJDEP revised the NJDEP Flood Hazard Area Control Act (FHACA) Rules (N.J.A.C. 7:13). The updated Rules use the FEMA Base Flood Elevation, plus 3 additional feet, to "set" an area where the State anticipates future flooding will occur. Within this expanded "Flood Hazard Area," the Rules regulate development, including improvements to properties and structures. The map on the next page roughly approximates the expanded regulated area (in orange), which now extends well beyond the FEMA Special Flood Hazard Area (SFHA). **As a result, hundreds of additional homes in Rahway are now regulated under these updated NJDEP Rules.**

Buildings located in NJDEP's regulated area that are substantially damaged or improved, must be brought up to current building and flood protection codes. This may require raising the building, basement, utilities, and certain appliances above the Local Design Flood Elevation. **Therefore, if you live in or near the orange-shaded area on the map, or near unmapped waters, it is very important that you consider purchasing NFIP flood insurance.** For the present, your policy's ICC coverage can defray potential costs of raising your home should it be substantially damaged by flooding, and required by the Rules to be raised. In the future, flood insurance can protect your property, when higher flood elevations are anticipated. For more information about the Rules, or for a jurisdictional determination of whether your property is located within this expanded regulated area, you may contact the NJDEP at dep.nj.gov/wlm/lrp/flood-hazard-areas/. Alternatively, you may contact the Land Resource Protection, Flood Hazard Bureau by phone at 609-984-6216, or by e-mail via the contact page at <https://dep.nj.gov/wlm/contact-us/>.

* Source: City Of Rahway CRS Program



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The mapped* blue area represents the current FEMA 100-year flood zone (SFHA), the green area is the FEMA 500-year flood zone, and the orange area is preliminary mapping of the revised NJDEP Flood Hazard area, using FEMA+3 feet mapped by Rutgers University. This *roughly* approximates the expanded NJDEP regulated flood hazard area. Hundreds of additional buildings were potentially included into the newly expanded Flood Hazard Area (orange), including many located far beyond the existing 500-year flood zones (green areas). Note that this map is preliminary. Detailed local topography, and effective regulatory flood elevations, must be used to determine the actual extent of the FHA at any property.

HOW DID WE GET HERE?*

FEMA AND NFIP REGULATIONS

Congress created the National Flood Insurance Program (NFIP) in 1968 to reduce future flood damage through floodplain management, and to provide people with subsidized flood insurance through individual agents and insurance companies. To maintain these benefits, a community must meet certain minimum requirements set forth by the NFIP in 44 CFR Parts 59, 60, 65, and 70. The Federal Emergency Management Agency (FEMA) manages the NFIP and sets the regulatory Special Flood Hazard Area (SFHA) for the 1% (100-year) rainfall event.

Since that time, changes have been made to the FEMA mapping and to regulatory requirements. After the devastation of Hurricanes Sandy and Irene in New Jersey, and elsewhere in the country, the NFIP instituted some changes, including requiring designation of a Floodplain Administrator for each community setting forth the administrator's responsibilities, including inspection and enforcement powers. FEMA also periodically updates its Flood Insurance Rate Maps (FIRMs), which it has done recently in New Jersey's coastal areas.

NJDEP FLOOD HAZARD AREA REGULATIONS

- For many years, the New Jersey Department of Environmental Protection (NJDEP) has regulated development in flood zones according to the Flood Hazard Area Control Act (FHA) Rules at N.J.A.C. 7:13.
- Historically, NJDEP required the use of conservative stream flows that are 125% of the 100-year rainfall event to set the Flood Hazard Area (FHA) Design Flood Elevation (DFE).
- Generally, the NJDEP-regulated FHA is *larger* than the FEMA SFHA.
- NJDEP also regulates FHAs on unstudied streams with drainage areas exceeding 50 acres.

NJDEP RULE UPDATES

- In response to the flooding caused by Sandy, Irene, Ida, and other flooding events, and to anticipated effects of climate change, NJDEP revised its FHA effective **July, 2023**.
- The Rules increase NJDEP-regulated design flood elevations by adding 3 feet to the FEMA base flood elevation; 2 feet to the NJDEP studied elevation.
- Rainfall rates used for modeling were also increased.
- The net result was to greatly **expand the regulated flood hazard area** and, thus, the number of properties impacted by such Rules.
- The FHA Rules also were updated to conform with the FEMA Rules.
- To that end, NJDEP has adopted stricter construction codes, requiring buildings to be designed in conformance with the Uniform Construction Code (UCC) and ASCE-24 standards.
- These require additional freeboard requirements (elevation above the DFE) for certain buildings and more stringent flood-resistant design.
- NJDEP is in the process of requiring every community to update the flood protection sections of its ordinance to adopt the provisions of the model Code-coordinated Ordinance.
- The City recently updated its Flood Protection Ordinance towards meeting this requirement.

More information on NJDEP's regulation of Flood Hazard Areas can be found at:
<https://dep.nj.gov/wlm/lrp/flood-hazard-areas/> .

* Source: City Of Rahway CRS Program

