

Flood Insurance – Insure Your Property for Your Flood Hazard

In 1968, Congress passed the National Flood Insurance Act to correct some of the shortcomings of the traditional flood control and flood relief programs. The act created the National Flood Insurance Program (NFIP) to:

- Transfer the costs of private property flood losses from the taxpayers to floodplain property owners through flood insurance premiums.
- Provide floodplain residents and property owners with financial aid after floods, especially smaller floods that do not warrant federal disaster aid.
- Guide development away from flood hazard areas.
- Require that new and substantially improved buildings be constructed in ways that would minimize or prevent damage during a flood.

In order for a citizen to be able to purchase flood insurance, the community in which they live must be a participating member of the NFIP. That is, the community must uphold certain FEMA standards and enforce certain building codes that mandate flood safety. Rapid City is a participating member of the NFIP.

The Community Rating System (CRS) is a voluntary incentive program for National Flood Insurance Program (NFIP) participating communities. The CRS program recognizes and encourages community floodplain management activities that exceed the minimum NFIP requirements. As a result, flood insurance premium rates are discounted to reflect the reduced flood risk resulting from the community actions meeting the three goals of the CRS:

- Reduce flood damage to insurable property,
- Strengthen and support the insurance aspects of the NFIP, and
- Encourage a comprehensive approach to floodplain management.

Rapid City has been a CRS community since October of 1992. The city's participation in the CRS program earns a 15% discount on the annual flood insurance premium for policy holders located in SFHAs and 5% discount for policy holders in non-SFHAs.

Remember:

- Most homeowners insurance policies do not cover property for flood damage.
- Any house can be covered by a flood insurance policy. It does not matter if it is in the mapped floodplain or out of it.
- Don't wait for the next flood to buy insurance protection.
There is a 30-day waiting period before National Flood Insurance coverage takes effect.
- The National Flood Insurance Program has a special "preferred risk policy" for properties outside the mapped floodplain with no previous flood insurance claims.

For more information on the National Flood Insurance Program visit

<http://www.floodsmart.gov/>