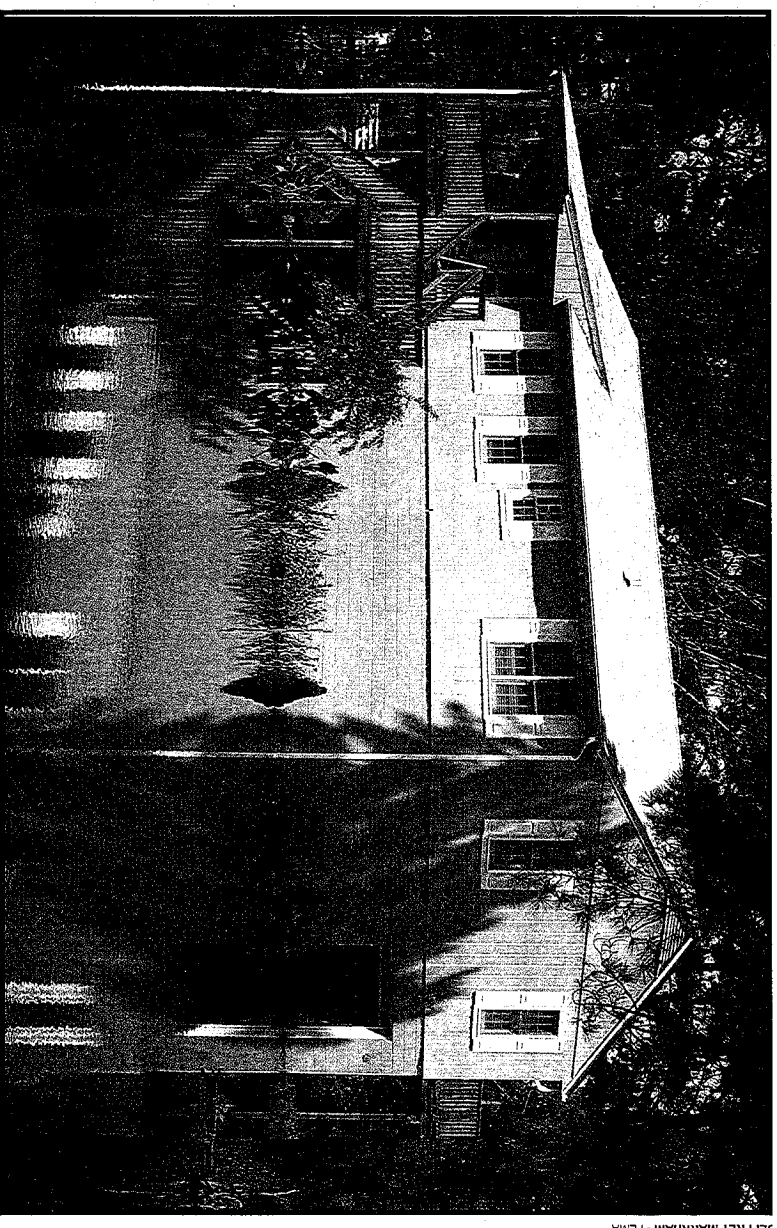


What is the National Flood Insurance Program?

The National Flood Insurance Program (NFIP) is a federal program enabling property owners to purchase flood insurance. If your community adopts and enforces floodplain management regulations that meet minimum federal requirements, the federal government makes flood insurance and flood disaster assistance available in your community.



JEFFREY MARKHAM - FEMA

Why You Need Flood Insurance

The Risk is Real

You can live miles away from water and still be the victim of flooding. Nearly 1 in 4 flood insurance claims are paid on policies in low-to-moderate-risk areas. It doesn't take a major body of water, or even a major storm, to cause a flood. Anything from a broken sewer line to a slow moving rainstorm can cause flooding. In high-risk areas, your home has a 26% chance of being damaged by a flood over the life of a 30-year mortgage.

Flood Insurance is Affordable

The problem of flooding may be widespread, but the solution is simple. There are a large number of private insurance companies nationally that offer affordable flood insurance backed by the federal government. Policies are available to homeowners, condo owners, apartment owners, renters and business owners alike.

If you live in a low to moderate-risk area, a flood policy can cost just over \$100 a year. That amounts to less than 30 cents a day to protect your property

against a natural disaster that causes more than \$2 billion dollars in damage in the U.S. every year. Fortunately, even in the most high-risk areas, a flood insurance policy can cost only \$500 a year.

Disaster Aid is Not Always Available

Many people assume they will never need flood insurance because they believe federal disaster assistance will be available. However, flooding does not always receive a federal disaster declaration. Even when it does, aid is usually offered in the form of a loan which must be paid back with interest.

Flood insurance, on the other hand, pays for all covered losses, and unlike loans, that money does not have to be paid back. A home's structure can be covered for up to \$250,000, and its contents up to \$100,000. For businesses, structural coverage is available up to \$500,000, and up to \$500,000 for contents.

Don't count on others to bail you out. Take the initiative to protect your home and business yourself.

How Do I Purchase Flood Insurance?

Flood Insurance is not available everywhere. It is available only to residents of communities participating in the National Flood Insurance Program (NFIP). For more information and to find out if your community participates in the NFIP, call **1-800-427-4661**. If your community is participating in the National Flood Insurance Program you can purchase

insurance for your property. There are no restrictions. All insurance agents can sell flood insurance policies. If your agent is not aware of the procedures for selling flood insurance policies, please call **1-800-720-1093** for a referral to an insurance agent in your area who writes NFIP policies.

First Steps in Filing Your Claim

A flood can be devastating, but it's crucial to begin the recovery process right away.

- Call your flood insurance agent or company with your policy number and contact information.
- An adjuster should be assigned to you within a few days. When they visit, you or someone you trust should be present.
- Gather any photos, receipts and itemized lists you made prior to the flood.
- Take photos of water and damaged property in

the house.

- Keep swatches of carpets or fabrics for your adjuster. Local officials may require disposal of damaged items.
- Work with the adjuster to calculate the damage in order to prepare an accurate estimate.
- Note that flood insurance only covers basement items essential to the building's structure, like a furnace and hot water heater.

Managing the Repair Process

Most claims are settled within 30 to 60 days of filing. Repairs can take some time so it's important to be attentive during the repair process.

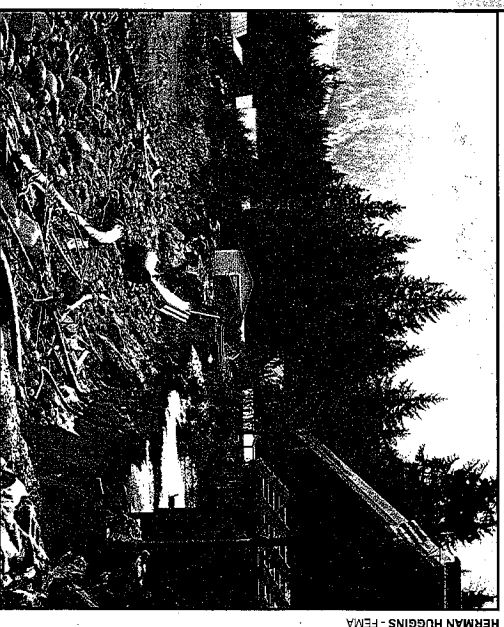
- For major repairs, get a minimum of three estimates. If there are variations in cost, question the contractors.
- Make sure all estimates provide work details, give a fixed price and are signed. Never proceed with repairs on the basis of a verbal agreement.
- Don't let anyone take advantage of you. Natural disasters attract unqualified contractors looking to work cheaply for cash.
- Ask for state licenses and references, including names and phone numbers. Take the time to call them.

Do I Still Need to Fill Out a FEMA Application?

If the flood event that damaged your home was a federally declared disaster and Individual Assistance (IA) resources are made available as part of the disaster recovery operation, you should make an application for disaster assistance. The applications are routed through the different disaster programs and homeowners are notified if they are eligible for assistance beyond their flood insurance claim.

Rebuild and Renew

It's not always easy, but the time you take to ensure proper repair will be well worth the effort. Now, more than ever you will also appreciate the decision you made to purchase flood insurance since it will help pay for the repairs. Remember, your policy will not automatically be renewed, it's your responsibility to renew your policy annually.



HERMAN HUGGINS - FEMA

Insurance Rating Example

The charts below give an example of typical rates one can expect to pay for flood insurance. The cost of insurance is proportional to the flood risk. This is determined by comparing the flood zone, as shown on a FEMA Flood Insurance Rate Map (FIRM) with the structure's elevation above the Base Flood Elevation (BFE). In other words, the higher the structure above the base flood, the lower the rate!

The chart on the left, "Post FIRM Construction," shows average rates for \$100,000 of coverage on a

single family home after the community's FIRM was adopted. For example, if your home was built in 2000, your premium will reflect your home's flood zone and its elevation above the "BFE" as depicted on the maps in effect in 2000.

Similarly, the chart on the right, "Manufactured (Mobile) Homes," shows the rates for a typical manufactured home (valued at \$60,000) in an existing manufactured home park.

Post FIRM Construction

3 ft. above BFE.....	\$196
2 ft. above BFE.....	\$261
1 ft. above BFE.....	\$411
0 ft. at BFE.....	\$741
1 ft. below BFE**.....	\$2296
2 ft. below BFE**.....	\$2535
3 ft. below BFE**.....	\$2825

For \$100,000 in coverage

Manufactured Homes

3 ft. above BFE.....	\$229
2 ft. above BFE.....	\$229
1 ft. above BFE.....	\$470
0 ft. at BFE.....	\$1061
1 ft. below BFE**.....	\$1589
2 ft. below BFE**.....	\$1693
3 ft. below BFE**.....	\$2213

For \$60,000 in coverage

Premiums as of January 2008. **Can be higher depending on how risk exposure is reviewed by FEMA. Premiums for pre-FIRM construction for manufactured homes and single family homes are a flat annual rate of \$531.00 and \$715.00 respectively for the same amount of coverage as shown in the tables above.

Myths & Facts about the (NFIP)

MYTH: You can't buy flood insurance if you are located in a high-flood-risk area.

FACT: You can buy National Flood Insurance no matter where you live if your community participates in the NFIP, except in Coastal Barrier Resources System (CBRS) areas. The Program was created in 1968 to make federally backed flood insurance available to property owners who live in eligible communities.

MYTH: You can't buy flood insurance immediately before or during a flood.

FACT: You can purchase National Flood Insurance at any time. There is usually a 30-day waiting period after premium payment before the policy is effective, with the following exceptions:

- If the initial purchase of flood insurance is in connection with the making, increasing, extending, or renewing of a loan, there is no waiting period. Coverage becomes effective at the time of the loan, provided application and payment of premium is made at or prior to loan closing.

- If the initial purchase of flood insurance is made during the 13-month period following the effective date of a revised flood map for a community, there is a 1-day waiting period. This applies only where the Flood Insurance Rate Map (FIRM) is revised to show the building to be in a Special Flood Hazard Area (SFHA) when it had not been in an SFHA. The policy does not cover a "loss in progress," defined by the NFIP as a loss occurring as of 12:01 a.m. on the first day of the policy term. In addition, you cannot increase the amount of insurance coverage you have during a loss in progress.

MYTH: Homeowners insurance policies cover flooding.

FACT: Unfortunately, many home and business owners do not find out until it is too late that their homeowners and business multiperil policies do not cover flooding. The NFIP offers a separate policy that protects

the single most important financial asset, which for most people is their home or business. Homeowners can include contents coverage in their NFIP policy. Residential and commercial renters can purchase contents coverage. Business owners can purchase flood insurance coverage for their buildings and contents/inventory and, by doing so, protect their livelihood.

MYTH: National Flood Insurance can only be purchased through the NFIP directly.

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

MYTH: Only residents of high-flood-risk areas need to insure their property.

FACT: All areas are susceptible to flooding, although to varying degrees. Between 20 and 25 percent of the NFIP's claims come from outside high-flood-risk areas. Residential and commercial property owners located in low-to-moderate risk areas should ask their agents if they are eligible for the Preferred Risk Policy, which provides very inexpensive flood insurance protection.

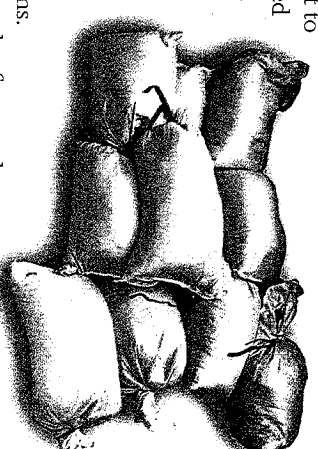
MYTH: You can't buy flood insurance if your property has been flooded.

FACT: 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.

MYTH: Federal disaster assistance will pay for flood damage.

FACT: Before a community is eligible for disaster assistance, it must be declared a federal disaster. Federal disaster assistance declarations are issued in less than 50 percent of flooding events. The premium for an NFIP policy, averaging a little over \$400 a year, can be less expensive than the monthly payments on a federal disaster loan. Furthermore, if you are uninsured and receive federal disaster assistance after a flood, you must purchase flood insurance to be eligible for future disaster relief.

Are You Ever Safe from Floods?



In any area subject to heavy or prolonged rainstorms, which includes virtually all of western Oregon, the greatest flood hazards are those from rivers and other major streams. The most severe floods often result from snowmelt runoff occurring in conjunction with high-intensity or prolonged rainfall (a "rain-on-snow" event). Flooding is not limited to large streams and floodplains, however, and can occur along very small streams and even in areas remote from any natural drainage channel.

Urban Stream Flooding

As rural or open land is developed for residential, industrial or commercial purposes (becomes "urbanized"), streams and other natural drainage-ways are commonly either straightened, partly filled in and made narrower, or routed through culverts. Any such modification of a natural channel tends to change the timing and magnitude of flow of that channel, often resulting in rapid rises in water levels and volumes, or flash flooding.

Non-Stream Flooding

Heavy or sustained rainfall can cause flooding in areas far from streams, particularly in developed areas, where runoff from impervious surfaces – rooftops, paved streets, and parking lots – runs directly into storm drains and sewer systems. The carrying capacity of these systems, as well as of culverts and roadside ditches, is quickly exceeded, and backups and overflows occur. The resulting flooding damages roads, homes, businesses, and public buildings at great inconvenience and taxpayer expense.

Urban flooding can be reduced, or mitigated, by using techniques referred to as low-impact development. Such techniques include diverting water from the foundations of buildings, constructing small retention ponds, and taking advantage of natural absorption in vegetated swales to reduce the amount of water handled by storm drains and sewer systems.



Homeowners placing sandbags around their doors to prevent damage from urban flooding.