

Flood Insurance for Homeowners

As a homeowner, it's important to insure your home and its contents. Depending on your property location, your home is either considered at high-risk or at moderate-to-low risk for a flood. Your insurance premium will vary accordingly.

Most condo owners or renters in moderate-to-low risk areas are eligible for coverage at a preferred rate. Preferred Risk Policy premiums are the lowest premiums available through the NFIP, offering building and contents coverage for one low price. In fact, residential premiums start as low as \$49 per year for contents-only coverage.

If you don't qualify for a Preferred Risk Policy, a standard-rated policy is still available. Even though flood insurance isn't federally required, anyone can be financially vulnerable to floods. People outside of high-risk areas file over 20% of NFIP claims and receive one-third of disaster assistance for flooding. When it's available, disaster assistance is typically a loan you must repay with interest.

If you live in a high-risk area, a standard-rated policy is the only option for you. It offers separate building and contents coverage.

The Dwelling Form provides insurance for buildings with one to four units, including single-family condominium units and townhouses. The General Property Form provides insurance for other residential and commercial buildings. Both forms provide flood insurance on contents, if you have purchased this optional coverage.

Flood insurance premiums are calculated based on factors such as:

- Year of building construction
- Building occupancy
- Number of floors
- The location of its contents
- Its flood risk (i.e. its flood zone)
- The location of the lowest floor in relation to the elevation requirement on the flood map (in newer buildings only)
- The deductible you choose and the amount of building and contents coverage

If your home is in a high-risk flood area and you have obtained a mortgage through a federally regulated or insured lender, you are required to purchase a flood insurance policy.

[Request a Flood Insurance quote through AAA Insurance](#)

Content courtesy of National Flood Insurance Program: [FloodSmart.gov](https://www.floodsmart.gov)