



FEMA

Disaster News

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NFIP CLAIMS FOR 2010 FLOOD MAY NEAR TOTAL OF PAST 32 YEARS

WARWICK, R.I. – National Flood Insurance Program estimates of funds that may be needed to pay claims from the recent flooding indicate the cost of insured damage alone could total \$26.3 million. This would be almost half the total of all flood insurance claims paid in Rhode Island since officials began keeping records in 1978.

These figures are derived from NFIP estimates of funds needed to cover the 1,608 claims received so far in connection with the Flood of 2010. Claims actually paid through the National Flood Insurance Program in Rhode Island from 1978 through Feb. 28 of this year, prior to the current disaster, total \$35.3 million for 2,262 claims.

The recent flooding in Rhode Island underscores the value of maintaining flood insurance as a means of recovering from a flood, rather than depending on the federal government for disaster assistance, which is limited to funds for housing, minor home repairs, personal property and other basic needs, or help from the U.S. Small Business Administration in the form of a low-interest loan.

Just take a look at the numbers.

Based on Preferred Rate Policies in low-to-moderate risk areas, the average flood insurance premium for the maximum \$250,000 in coverage for a residence and \$100,000 for contents is only \$395 per year.

Flood insurance policy rates are based on the flood-risk zone, age of the structure and elevation of the building in relation to the base flood elevation level. The average annual premium for a standard flood insurance policy, based on standard rates in a low-to-moderate risk area, would be \$1,489 annually. The annual premium for a standard policy in a high-risk flood zone averages out to \$2,633 per year.

However, it should be noted that 25 to 30 percent of all flood insurance claims paid by the NFIP are for property located in low to moderate flood-risk zones. In areas with the greatest risk of

flooding, there is a 26 percent chance of a building being flooded over the course of a 30-year mortgage, according to the NFIP.

Reserve funds set aside to pay claims received so far from applicants in Bristol County total \$5.1 million versus \$1.6 million paid in claims for the period 1978 through Feb. 28, 2010. For Kent County, projections are that \$7 million will be needed, compared to \$3 million paid out for the previous years; Providence County \$6.2 million, compared to \$19.3 million; Newport County estimates of \$1.2 million, compared to \$3.3 million from 1978 through February 2010; and for Washington County \$6.7 million, compared to \$8 million for the 32 years leading up to March 2010.

As of May 17, FEMA had disbursed \$32.8 million in assistance to individuals and families, while SBA had approved \$26 million in home and business disaster loans. The average SBA home loan as a result of the Rhode Island flooding has been \$20,000.

May 28 is the deadline for Rhode Islanders to apply for disaster assistance.

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FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards.

The Small Business Administration (SBA) is the federal government's primary source of money for the long-term rebuilding of disaster-damaged private property. SBA helps homeowners, renters, businesses of all sizes, and private, nonprofit organizations fund repairs or rebuilding efforts, and cover the cost of replacing lost or disaster-damaged personal property. These disaster loans cover losses not fully compensated by insurance or other recoveries and do not duplicate benefits of other agencies or organizations. For information about SBA programs, applicants may call (800) 659-2955 (TTY 1-800-977-8339).

Disaster recovery assistance is available without regard to race, color, religion, nationality, sex, age, disability, English proficiency or economic status. If you or someone you know has been discriminated against, call FEMA toll-free at 800-621-FEMA (3362). For TTY call 800-462-7585.

For more information on Rhode Island disaster recovery, visit www.fema.gov or www.floodrecovery.ri.gov