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## FEMA Public Assistance Policy on Insurance

This is a summary of Sections 311, 312 and 406(d) of the Stafford Act with regard insurance requirements under FEMA's Public Assistance program. This policy applies to major disasters declared on or after June 29, 2015.

**For complete information, go to <https://www.fema.gov/media-library/assets/documents/107564>**

### **PART 1: Insurance Requirements Relating to Repair, Restoration, and Replacement of Damaged Facilities (Section 311 of the Stafford Act)**

#### **A. The Requirement to Obtain and Maintain**

**Insurance.** When FEMA provides an applicant assistance for permanent work to replace, restore, repair, reconstruct, or construct a facility, the applicant must insure that facility against future loss. FEMA refers to this as the requirement to “obtain and maintain” insurance, or, the “insurance requirement.”

**B. Types and Extent of Insurance Required.** The Stafford Act requires that applicants insure facilities and their contents with the “types and extent” of insurance that is reasonably available, adequate, and necessary to protect against future loss to the property.

#### **C. Complying with the Insurance Requirement.**

Applicants may comply with the insurance requirement for both flood and non-flood hazards with coverage available through commercial property insurance, which may include blanket policies; standard flood insurance policies; insurance pools; or a combination of these sources.

**D. Modifying the Insurance Requirement.** An applicant may request that FEMA modify the insurance requirement if the applicant attempts to comply with the requirement and believes that: the required insurance is not reasonably available; an alternative to the insurance requirement provides adequate protection against future loss to the property; or the required insurance is not necessary to protect against future losses to the property.

#### **E. State Insurance Commissioner Certifications.**

FEMA will not require greater types and amounts of insurance than are certified as reasonably available, adequate, or necessary by the appropriate State insurance commissioner.

**F. Timeframes for Obtaining Insurance.** FEMA will only approve assistance under the condition that an applicant obtains and maintains the required insurance.

**G. Consequences of Non-Compliance (Failure to Obtain and Maintain Insurance).** If an applicant does not comply with the insurance requirement in accordance with this policy and applicable legal authorities, FEMA will deny or de-obligate assistance in the current disaster and deny future assistance for that facility.

**H. Subsequent Assistance.** When a facility that received assistance is damaged by the same hazard in a subsequent disaster: If the applicant failed to maintain the required insurance from the previous disaster, then the facility is not eligible for assistance in any subsequent disaster (see Section G of this part).

**Other Insurance-Related Provisions.** (Sections 312 and 406(d) of the Stafford Act)

**Duplication of Benefits.** FEMA cannot provide assistance for disaster-related losses that duplicate benefits available to an applicant from another source, including insurance.

#### **What this means to counties.**

Counties that experience major disasters after June 29, 2015 need to become familiar with all of the items required by the Stafford Act in order to recover funds from FEMA public assistance.