

## **Hurricane Helene brought major damage, spotlighting lack of flood insurance**

USA Today

Kayla Ward was drinking coffee on her porch Friday afternoon when she noticed water from the nearby Nolichucky River rising fast.

After nearly a year in the house in the Appalachian Mountains, Ward never thought to worry about flooding. But she and her husband had to race to escape after Helene swept through Jonesborough, Tennessee. The couple managed to leave with their pets and the clothes on their back, but their home was severely damaged.

Ward, like many other homeowners hit by last week's storm, did not have flood insurance, and she said her insurance company denied her husband's claim. It was a surprise to Ward, 61, who used to work as an insurance claims specialist for a full-service insurance agency in the neighboring town of Johnson City.

"We're finding out everybody in our area is the same way. Nobody's being covered," she told USA TODAY. And "we lost everything. Everything."

Hurricane Helene's destructive path across the Southeast has spotlighted a lack of flood insurance in the U.S. One estimate from FEMA says just 4% of homeowners in the country have coverage. "The landscape is bleak, in terms of whether there will be insurance dollars flowing to those impacted households to fund repairs," said Amy Bach, executive director of the consumer advocacy group United Policyholders. "Not enough (homes had flood insurance), by a long shot."

A big insurance gap

Officials have yet to release damage estimates, but USA TODAY has reported that insured residential and commercial property damage is worth at least \$3 billion in Florida and Georgia, according to financial services company CoreLogic. The storm is one of the deadliest hurricanes to make landfall on the U.S. mainland, causing more than 100 deaths, and has been described as North Carolina's "own Hurricane

Katrina,” which devastated the southeastern U.S. with an estimated \$125 billion in damage, not adjusted for inflation.

But Katrina’s destruction was different. A number of people hit by the 2005 storm had their homeowners insurance claims approved because the destruction stemmed from wind damage, Bach said. This time, most of the damage is from storm surge and flooding.

“We don’t have the wind argument, the hook, to bring in the home insurers,” she said.

Homes tend to go without flood insurance for two reasons: cost and awareness.

Some homeowners, Bach said, aren’t aware that flood insurance has to be paid separately.

“There’s definitely an information gap,” she said. “Insurance regulators and public officials are always trying to find ways to raise consumer awareness about the fact that flood damage is excluded from your home insurance, but people don’t want to think about insurance.”

Others struggle to pay for additional flood insurance, or don’t think the cost is worth the coverage. Flood insurance through the National Flood Insurance Program costs roughly \$1,000 a year on average, USA TODAY’s Blueprint reported. And that’s on top of traditional homeowners insurance, which saw double-digit growth in 2023, according to S&P Global Market Intelligence.

Insurance prices are expected to keep rising, said Tim Zawacki, an insurance sector strategist at S&P Global. He expects homeowners insurers to reevaluate their exposures “in a wide range of locations” after Helene hit regions hundreds of miles off the coast.

“As carriers trim their exposure to limit concentration risk and earnings volatility, this will inevitably lead to higher homeowners insurance premiums,” Zawacki said in an email to USA TODAY.

Insurance prices: Soaring insurance costs are making more homeowners go without it  
'A false sense of security'

Some homeowners, like Ward, were under the impression additional flood insurance was unnecessary outside FEMA-designated flood zones, which require homeowners with a mortgage to purchase flood insurance.

But these flood maps are often outdated or incomplete. A 2020 report from the Association of State Floodplain Managers shows just one-third of the nation's floodplains have been mapped out by FEMA.

"Sometimes these maps give people a false sense of security," said Sharon Cornelissen, director of housing at the Consumer Federation of America. "As climate disasters become more common and with rain and storms becoming more frequent and more heavy, we know that the actual risk of flooding is much more widespread."

With 99% of counties nationwide affected by flooding since 1996, FEMA considers floods the most common and costly natural disasters in the country.

"We see lack of flood insurance as the biggest insurance gap," said Mark Friedlander, director of corporate communications at the Insurance Information Institute. "Some (homeowners) are at a higher risk than others, but you can't say you're not at risk, no matter where you live."

Next steps for homeowners

For homeowners without flood insurance who were hit by Helene, experts who spoke to USA TODAY shared advice for next steps.

Focus on getting your home dried as quickly as possible, but keep an eye out for scammers. Contractors who can help dry out homes will be in short supply, so vet any business offering to help.

Take photos and videos to document the damage.

Check your home policy. Bach said there may be some coverage for certain expenses under a home policy – especially if the homeowner can point to wind-driven rain as a source of damage. It's worth getting a second opinion before assuming the damage won't be covered.

Apply for FEMA assistance, and check for any state or local emergency funding. FEMA funding can help, but Friedlander warned that it's not a replacement for insurance; the average FEMA disaster assistance grant award between 2016 and 2022 was \$3,000. In comparison, FEMA warns that just 1 inch of water can cause roughly \$25,000 in property damage.