If you don’t have to buy flood insurance, should you?

San Francisco Chronicle

The Federal Emergency Management Agency is encouraging Californians to buy flood insurance before El Niño hits, even if they live in low- to moderate-risk areas where it’s not required by lenders.

“If there was ever a time to buy flood insurance, this is the time,” Roy Wright, FEMA’s deputy associate administrator for insurance and mitigation, said at a press conference last month.

FEMA is hardly unbiased, since it runs the National Flood Insurance Program, which sells to property owners and renters through insurance agents. “If more people buy flood insurance, it gets cheaper for people in the high-risk areas,” said Matthew Nielsen, a senior director with risk modeling firm RMS.

National flood insurance takes effect 30 days after it is purchased, with only a few exceptions.

If you are not in a high-risk area, should you buy it? Unless you live on a mountaintop, it’s worth considering, El Niño or not.

“This is an El Niño year in terms of ocean temperature,” said Andrew Fisher, a hydrogeologist with UC Santa Cruz. El Niños often bring extra rain to California, but not every year, and not to all parts of the state. Extra rain tends to cause flooding, but not always.

“You should do a thoughtful analysis of the condition of your home,” said Amy Bach, executive director of consumer group United Policyholders. “If there is a reasonable chance that you could have an inundation that would affect the interior of your home, absolutely get a quote.”

The average premium for national flood insurance is around $700 nationally and $850 in California. In low- to moderate-risk areas, premiums range from roughly $130 to $450 per year for homes. In high-risk zones, they can reach into the thousands.

The standard policy covers up to $250,000 in damage to the building. You can pay extra for contents coverage up to $100,000. Deductibles range from $1,000 to $10,000.

The policy does not cover basements, but it will include heating and cooling systems, even if they are in the cellar. It does not cover additional living expenses if you have to move out of a flooded house. Nor does it cover flooding to cars, but auto insurance usually will if you purchase comprehensive coverage.

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Several companies sell private flood insurance, which often provides more coverage and additional living expenses. These policies could cost more or less than national insurance, said John Dickson president of Advanced Insurance Coverages, which sells private insurance. “If your agent says national flood insurance) is your only option, talk to another agent.”

Flood vs. homeowners

Standard homeowners insurance does not cover flooding. It generally does cover water damage caused by burst pipes and washing machine or dishwasher mishaps. It might, or might not, cover sewers backing up into your tub or toilet and “wind-driven” rain that comes in when a storm or falling tree pokes a hole in your roof. Check your policy’s exclusions carefully; you might need to pay extra to cover these perils.

The national policy covers flooding defined as “a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties at least one must be yours) from an overflow of inland or tidal waters; unusual and rapid accumulation or runoff of surface waters from any source; or mudflow.”

FEMA describes mudflow as “a river of liquid and flowing mud on the surface of normally dry land, often caused by a combination of brush loss and subsequent heavy rains.” It’s generally the consistency of a milkshake.

The policy also covers flooding from a “collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels.” It will generally cover flooding caused by levee breaks.

Neither homeowners nor flood insurance cover landslides. If land gives way and comes down a slope, or comes with stumps, rocks and other solid matter, it’s probably a landslide. The only way to get landslide coverage is with a specialty carrier such as Lloyds of London.

Mapping risks

If you have a mortgage on a home in what’s called a special flood hazard area, almost all lenders will require you to buy flood insurance. These areas theoretically have at least a 1 percent chance of being flooded in any given year. On FEMA maps, they are zones starting with an A or V.

The problem is, “Mother nature doesn’t read those maps,” says Lisa Sharrard Jones of consulting firm Carolina Flood Solutions.

Almost 20 percent of national flood insurance claims come from low- to moderate-risk flood zones. FEMA periodically revises its flood maps. If you purchase and maintain flood insurance while you are not in a high-risk zone, and a map change moves you into one, you might be eligible for grandfathering, which would keep your premiums at a lower rate.

“There is a benefit to that, especially when it comes to resale of your house,” Jones said.

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Areas with moderate risk of flooding are labeled Zone B or Zone X/shaded. These areas have a 0.2 percent annual chance of flooding. Areas with minimal flood hazard are labeled Zone C or Zone X/unshaded.

To see which zone you are in, ask your agent or go to https://msc.fema.gov/portal and enter your address. After the first map comes up, click on Interactive Map. Warning: You might need to update or change your browser.

To get a more general idea of your flood risk, go to www.floodsmart.gov and enter your address in the red box. You will see a range of premiums and a list of agents who sell national flood insurance. The price is the same no matter which agent you use.

It's very hard to assess flooding risk. Nielsen, a company that models catastrophe risks for insurers, said it's easier to assess earthquake than flood risk.

FEMA, Nielsen said, focuses on river flooding and is less good at predicting "flash flooding events like we are more likely to get this year."

In general, he said, homeowners should "look at their elevation relative to areas around you." If you are situated at a low point where water can collect, or if you see ponding or erosion on your property after heavy rains, you could be at risk. If your house is 4 to 5 feet above street level, that's good.

"If you are on a relative high spot, and not behind a levee," you are not at much risk, said Alan Haynes, a hydrologist with the National Weather Service in Sacramento. If you are in a low-lying area, even if it hasn't flooded in 150 years, you probably want to consider flood insurance, he said.

El Niño effect

"El Niño doesn't significantly change the risk of flooding for most parts of California. We are at risk every year," Haynes said. "El Niño gives us a little more confidence it will be wet for the season," but that confidence is higher in Southern California, roughly from Santa Barbara south.

Experts say the drought and associated fires have increased and decreased the risk of flooding.

Reservoirs are so low that "when we start to get runoff, we have more space than we typically would. But once those get filled up, then you are in the same boat you would be in any year," Haynes said.

In fire-ravaged areas, "you have a problem with increased runoff because the soil has been changed by the fire," he added. "It sort of bakes the ground so rain doesn't penetrate as easily, at least initially. Fire makes you more prone to flooding in areas immediately downstream."

Where the drought has killed vegetation, you could also have more runoff.

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