

Iowans Face Financial Risks: The Urgency Of Flood Insurance Coverage

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As parts of the region begin their recovery, many homeowners find themselves without flood insurance, which isn't typically covered by standard homeowners insurance policies. According to federal data, only about 26,500 flood insurance policies have been issued across Nebraska, South Dakota, Iowa, and Minnesota combined.

The Independent reports: Emily Rogan, senior program officer at United Policyholders, a consumer advocacy group for insurance issues, emphasizes that the lack of flood insurance can impose significant financial burdens on homeowners. It often leads to out-of-pocket expenses for repairs and increases the demand for assistance from nonprofits and government agencies.

Who can get flood insurance?

According to FEMA: The National Flood Insurance Program (NFIP) is managed by the FEMA and is delivered to the public by a network of more than 50 insurance companies and the NFIP Direct.

Floods can happen anywhere — just one inch of floodwater can cause up to \$25,000 in damage. Most homeowners insurance does not cover flood damage. Flood insurance is a separate policy that can cover buildings, the contents in a building, or both, so it is important to protect your most important financial assets — your home, your business, and your possessions.

The NFIP provides flood insurance to property owners, renters and businesses, and having this coverage helps them recover faster when floodwaters recede. The NFIP works with communities required to adopt and enforce floodplain management regulations that help mitigate flooding effects.

Flood insurance is available to anyone living in one of the almost 23,000 participating NFIP communities. Homes and businesses in high-risk flood areas with mortgages from government-backed lenders are

required to have flood insurance.

What is NFIP?

More than 650 Iowa communities currently participate in the NFIP. To participate in the program, a community must adopt and enforce floodplain management ordinances meant to reduce damage from future flood events. In exchange, the NFIP makes federally-backed flood insurance available to homeowners, renters, and business owners in these communities. Community participation in the NFIP is voluntary, but there are many advantages to participating.

Flood insurance is intended to provide an alternative to disaster assistance and to reduce the escalating costs of repairing damage to buildings and their contents caused by floods. Flood damage is reduced by nearly \$1 billion a year nationally through communities implementing sound floodplain management requirements and property owners purchasing flood insurance. Additionally, buildings constructed in compliance with NFIP and Iowa floodplain development standards suffer approximately 80% less damage annually than those not built in compliance.

In addition to providing flood insurance and reducing flood damages through floodplain management regulations, the NFIP identifies and maps the nation's floodplain. Mapping flood hazard areas creates broad-based awareness of flood hazards and provides the data needed for floodplain management programs and to actuarially rate new construction for flood insurance.