

Is the lack of flood insurance coverage the next coverage crisis for California?

Live Insurance News

Thousands of homes may be at risk of flooding, but few are covered against this type of catastrophe.

Though we tend to think of wildfires as the main risk to property owners in California, climate change and a majority of homes without flood insurance could create an entirely new crisis in coming years.

Many predictions indicate that sea level is expected to rise in many areas of the country, including California.

Places like the Bay Area are considered to be at particular risk of this future development. Thousands of families live in homes that could be impacted by this trend. That said, very few of them carry flood insurance, mainly because of the added cost associated with the coverage.

In a recent report published by ABC7, the team conducted an analysis of First Street Foundation data. They examined the results of studies of climate risk from the nonprofit science and research group. What they determined was that over 300,000 homes in the Bay Area alone had a chance of flooding that was 80 percent or higher within the next three decades. Among them, 90 percent do not have coverage against such overland flooding.

Some experts are warning that this isn't just a problem for the future, but that flood insurance is needed now.

According to the director of the consumer nonprofit United Policyholders Amy Bach, homeowners will require more flooding coverage in the future, but the present rate of uninsurance against this peril is already problematic.