

Who should consider getting flood insurance? These days, almost everyone

The Seattle Times

With the hurricane season starting in parts of the country, this may be good time to consider buying flood insurance for your home — even if you don't live in a hurricane-prone area.

Officials at the National Oceanic and Atmospheric Administration said in May that they were expecting more than the average number of hurricanes during the season, which began June 1 and runs through November. NOAA predicts as many as 19 named storms, while an average season has 14 named storms.

Flood insurance should not be seen as important only for property owners near the ocean, insurance experts note. Areas far inland have had severe flooding in recent years as a warming climate spawns intense storms that drop heavy rainfall.

Won't my homeowners insurance policy cover flood damage?

No. Standard homeowners insurance policies don't cover damage from floods, which are the most common and costly natural disaster in the U.S.

Flood protection — which typically covers damage from rising water entering a home — requires a separate policy, available from the federal government's National Flood Insurance Program or from certain private insurers.

What if I don't live near a coastline?

You should still evaluate buying flood coverage, insurance experts say.

Consider this example. In September, Hurricane Helene made landfall on Florida's Gulf Coast as a powerful Category 4 storm, then moved inland, traveling hundreds of miles north. The storm drenched

parts of six states and caused record flooding in western North Carolina.

“If it can rain, it can flood,” said Amy Bach, executive director of United Policyholders, an advocacy group for consumers that is focused on insurance.

“If you can afford it, buy it,” Bach said, even if the policy has a relatively high deductible — an amount you pay out of pocket when filing a claim — because restoring a home after a flood can be extremely expensive.

The Federal Emergency Management Agency has offered financial help and services to provide basic needs to people affected by a disaster, but the assistance “is not a substitute for insurance,” the flood program’s media website warns. Grants from FEMA’s program for individuals and households averaged just over \$3,200 from 2019 to 2023, the website says, while the average claim payment under the flood insurance program was \$52,000.

How much does flood coverage cost?

Annual premiums depend on a home’s location, like its proximity to water, as well as its size, construction and other details. The average annual premium for a federal policy is \$898, according to the financial site Bankrate.com. Rates can be much more costly, however, in flood-prone areas.

Rates for many federal policies have been rising since late 2021, when FEMA adopted a pricing system intended to better align premiums with a home’s specific flood risk. Premiums for new policies must reflect a home’s “full risk.”

Where can I buy flood coverage?

Most flood policies are issued by the national program, which offers coverage for both homeowners and renters in participating communities. You can get a quote and a referral to an agency that sells the policies for the government on floodsmart.gov.

Federal flood insurance coverage limits are relatively low, however, and haven’t kept pace with rising home values. The federal program offers coverage for single-family homes of up to \$250,000 for the building and up to \$100,000 for contents, including furniture and appliances.

Some private flood insurers, like Neptune and Aon Edge, sell “excess” flood coverage beyond federal limits for an additional premium, as well as separate, full-coverage policies.

Private policies also offer coverage the federal program does not, like the cost of temporary housing and meals if you can’t live in your home after a flood and the removal of sand and debris from swimming pools, said John Dickson, president of Aon Edge.

But unlike the federal program, private insurers may not renew a policy if they decide your property has become too risky.

Does flood coverage take effect immediately?

There’s usually a 30-day waiting period for coverage to begin under a federal policy, with some exceptions, such as if you buy it when taking out a mortgage, the flood program’s website says. The wait for private coverage is often shorter — 15 days is typical.

What if my home is damaged by wind or by rain driven through broken windows?

Damage from wind or from rain blown into your home is typically covered by your main homeowner policy.

In coastal areas, policies usually have separate, often higher, hurricane deductibles that apply when a “named storm” causes damage. Hurricane deductibles are typically a percentage of the home’s value — say, 5% or 10%.

Does flood insurance cover my car if it’s damaged?

No. Typically, flood damage to cars is covered by the “comprehensive” portion of your automobile insurance policy. Check with your insurance agent to confirm the details.