

[With Start of Hurricane Season, It's Time to Consider Flood Insurance](#)

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This year's hurricane season began early, with a [named storm](#) forming before the official start on June 1, and it is expected to be active. If you lack flood insurance, especially if you live near the coast, this is the time to consider it.

Standard homeowner insurance policies don't cover damage from flooding, so you'll need to buy a separate policy to protect your property. Most flood policies in the United States are issued through the National Flood Insurance Program, managed by the Federal Emergency Management Agency — although options are increasingly available from private insurers in some areas.

FEMA is scheduled to change the way it prices policies beginning this fall, as part of an overhaul of the flood insurance program to better reflect climate risks. Some members of Congress, however, have signaled [opposition](#) to the changes, citing concerns about affordability. The aim is to more accurately reflect the risks that homeowners face, but some people may end up paying much higher rates.

The uncertainty may have left consumers wary, but it's best to shop for coverage now rather than waiting, said Robert Murphy, founder of Better Flood Insurance, an online brokerage.

"If you think your property is at risk, it's best to buy it immediately," Mr. Murphy said. "The reality is, floods happen." Unless you buy a policy at the time you buy your house, there is a waiting period before coverage takes effect — 30 days in the case of federal policies, and up to 15 days for private policies.

There's no downside to buying a policy now. According to FEMA, if a property owner buys coverage before the new system takes effect, and the premium is less than the "full risk" premium under the new pricing policy, the premium increase at the first renewal will be no more than 18 percent, the current cap set by Congress.

"If you can, get locked in now," said Bryan Braley, an agent with Arthur D. Calfee Insurance Agency in Falmouth, Mass., on Cape Cod.

There are pros and cons to both federal and private policies, insurance experts say, so it's best to shop for several quotes and use an agent knowledgeable about the nuances of flood insurance, which has many variables that can affect premiums.

Federal insurance is sold directly by the flood program, as well as through a network of insurers, and has fixed coverage limits: \$250,000 for the building and \$100,000 for its contents.

The average annual premium for a single-family home is now \$920, according to an email sent by FEMA's press office. That is expected to fall to \$815 under the [new pricing](#) system, known as "Risk Rating 2.0." FEMA says that the new pricing methodology will be fairer and more accurate than the current one and that most policyholders will see modest changes in their premiums.

"Some premiums will go up, some will go down, and some will stay about the same," FEMA said in April.

Specifically, about a quarter of current policy holders will see their premiums decrease, by an average of \$86 a month, while two-thirds will see increases of \$10 a month or less, on average. That compares with average premium increases of \$8 a month, under the current rating method. The remaining policyholders would see average increases greater than \$10 a month.

Agents don't yet have details to give policyholders quotes for specific properties under the new system, said Joe Rossi, a flood insurance specialist with RogersGray on Cape Cod. "There has been some confusion," he said. FEMA's [website](#) says current policyholders should be able to contact their insurers for information starting Aug. 1.

Some outside analysts, however, have warned that the new method could result in large [increases](#) for some properties considered at high risk for flooding.

David Maurstad, senior executive of the federal flood insurance program, said in an emailed statement that FEMA recognized the pandemic’s “far-reaching economic impacts” and noted that the agency will phase in the new pricing system, starting with new policies, beginning Oct. 1.

Mr. Maurstad said a plan to make flood insurance more affordable generally, however, was still needed. FEMA delivered [a report](#) to Congress in 2018 with suggestions like subsidizing premiums for low-income households. FEMA, he said, “will continue to work with Congress to examine flood insurance affordability options.”

Homeowners can buy private coverage to add to their federal flood policies or buy an entirely private policy. Private coverage is offered by independent companies, including Lloyd’s of London, TypTap and Aon Edge. It often offers much higher coverage limits, as well as extra benefits like “loss of use,” which pays for your lodging if your home is uninhabitable. Private insurers, however, don’t have to offer you coverage if they consider your property too risky. And they may decline to renew your policy if your property is, in fact, damaged in a flood.

Unlike federal flood policies, private policies typically don’t include a surcharge for second homes that can greatly increase the annual premium.

Mr. Braley cited what he described as an “extreme” example: A small, historic house in Oak Bluffs on Martha’s Vineyard qualified for a private policy of \$1,700 a year, compared with \$11,800 for a federal policy.

It’s worth getting a quote for private coverage to compare with federal coverage to see which works best for you, said Amy Bach, executive director of United Policyholders, a consumer advocacy agency.

Here are some questions and answers about flood insurance:

Is flood insurance required?

If you have a property in a high-risk area, your mortgage lender will probably require you to carry flood insurance. You may want to buy coverage, however, even if your home is in an area that traditionally has not flooded. A quarter of flood claims come from properties outside high-risk areas, according to FEMA, but most homeowners in those areas are eligible for lower rates.

Because of climate change, it's not just properties near the coast that are at risk from flooding, Ms. Bach said. Inland homes can be inundated by heavy rain, and properties near hilly areas devastated by wildfires can suffer erosion, leading to damage by flash floods.

"Don't assume if your area hasn't flooded before, it won't now," she said. "We're in a new era."

According to FEMA, one inch of water can cause \$25,000 in damage.

Is federal flood insurance transferable to a new owner if I sell my home?

Yes, and it can be a significant benefit, Mr. Braley said. Premiums for federal policies can increase by no more than 18 percent each year. So if a home has been covered for a long time, premiums are probably more affordable, making the availability of a federal policy an attractive selling point.

How many storms are expected this year?

Forecasters at Colorado State University expect "slightly above" average storm activity in the Atlantic this year, with an estimated eight hurricanes and 18 named storms, according to an [updated forecast](#) issued this month.

The average hurricane season produces 14 named storms, seven of which become hurricanes, including three "major" hurricanes, according to the National Oceanic and Atmospheric Administration. Last month, the administration's experts said they anticipated an "[above normal](#)" Atlantic hurricane season, although not the "historic" storm activity seen in 2020. Last year produced a record [30 named storms](#) and 13 hurricanes.

The season typically lasts six months, traditionally concluding on Nov. 30.