

## FLOOD INSURANCE

FEMA's flood map service can help consumers determine their flood risk. Depending on the location, consumers may qualify as a high risk, moderate/low risk, or undetermined risk.

- **High-risk** areas have at least a 1 percent chance of flooding each year. Homeowners in these areas with mortgages from federally regulated or insured lenders are required to buy flood insurance.
- **Moderate to low-risk** areas have less than a 1 percent chance of flooding each year, but there is still a possibility the area could flood. Flood coverage isn't required in these areas, but it is recommended. Some mortgage lenders still require you to have flood insurance in non-high-risk areas.
- **Undetermined risk** areas are areas where flood-hazard analysis has yet to be conducted, but risk still exists.

Per NFIP the average annual flood insurance policy is \$700

### Overview

The most common and most damaging natural disasters in the country are floods. Most homeowners' and business insurance policies do not cover flooding. OIR encourages consumers to be prepared and consider flood insurance coverage.

Flooding is a serious risk in Florida due to the state's geography, the frequency of storms, and proximity to water, both inland and on the coast. Insurance to cover this risk is not typically provided in a homeowner's policy, so it must be purchased separately. Depending on a home's location, flood insurance

may be a required purchase as a condition of a mortgage.

A vast majority of flood insurance coverage is federally regulated and provided through the [National Flood Insurance Program \(NFIP\)](#), which is administered through the Federal Emergency Management Agency (FEMA). To qualify for flood insurance, a community must join the NFIP and agree to enforce sound floodplain management standards. When this happens, the residents in that community are allowed to participate in and purchase flood insurance coverage through the NFIP. The NFIP Write Your Own (WYO) Program allows participating property and casualty insurance companies to write and service the Standard Flood Insurance Policy in their own names.

OIR has worked to expand Florida's private flood insurance market, providing for more consumer choice and competition in the marketplace. Insurance companies writing in the private flood insurance market are currently writing primary or excess flood insurance outside of the NFIP. Some of these companies write only a limited number of policies or only certain types of flood policies, such as for high value homes. The coverage can be written as a stand-alone flood policy or as an endorsement onto a homeowner's policy.