

Flooding a Reminder of Need for Coverage

By David Colmans

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There is a saying among Georgia's county flood plain managers that is important for the public to understand: The question is, who lives in a flood plain? The answer is, we all do.

The only difference is the percentage chance of your property being flooded. That was plainly evident in the late September flooding that surprised many people across Georgia and in other Southern states.

Just a few of the incidents that gave us all pause included:

- At least 10 deaths attributed to the floods
- The high percentage of those whose homes were not covered by a flood insurance policy
- The washout of numerous bridges that snarled traffic in many counties
- The number of motorists whose vehicles flooded in place at the owners' homes or those that flooded on the roads. Many of those individuals did not have the optional coverage known as "comprehensive" that would offer financial protection for damage.

Because of the economy, after loss of jobs or other negative economic circumstances, many motorists have reduced their auto coverages to eliminate many options.

Flood insurance is not part of a homeowner's insurance policy. The only financial protection one has against flooding is to obtain flood insurance either through your insurance carrier or directly from the National Flood Insurance Program. This message, repeated often by insurers, disaster response organizations and federal and state government, is one of the most misunderstood issues within the housing industry.

Renters who live in flood-prone areas and homeowners and business owners should be well informed about flood insurance protection. Renters should understand that they are only covering their possessions, not the physical unit.

Vitally important is the fact that one does not have to live inside a designated flood plain to obtain flood insurance. This detail is supported by the fact that between 25 percent and 35 percent of flooding in the U.S. occurs outside designated flood plains, according to county flood plain managers.

Sadly, the lack of flood insurance policies by homeowners and renters is seen along the hurricane coasts of the Atlantic and the Gulf. This is not just an inland mystery.

Flood insurance information requests spiked just after the flooding, but insurers and others are concerned that as time passes, many people forget the incredible damage caused and the high percentage of those affected who had no financial protection other than the hope of a government grant or a government-backed low interest loan.

This is the latest information from the NFIP, which instituted a new rate and coverage policy Oct. 1 that includes both good news and rate increase news.

On the plus side, the Basic policy limits for single family increases from \$50,000 to \$60,000, and the category known as Other Residential/Nonresidential limits increase from \$130,000 to \$150,000.

Additionally, basic contents limits also increase. Residential has gone from \$20,000 to \$25,000, and nonresidential from \$130,000 to \$150,000.

Also on the increase are premiums, which have gone up an average of eight percent. Specific increases vary by zone, according to NFIP.

The standard deductibles for flood insurance have increased from \$500 to \$1,000. Preferred Risk deductibles have increased from \$500 to \$1,000. The deductible changes will be adjusted at the policy renewal date.

Many other procedural and technical changes have also been made, which means a visit to the NFIP Web site at www.floodsmart.gov is highly recommended for those who have flood policies or want more information.

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