

Don't Get Soaked by Floodwaters; Coverage Available Through the National Flood Insurance Program

By John Doak, Oklahoma Insurance Commissioner

March is Flood Insurance Month, so there's no time like the present to consider flood insurance. It isn't unusual for parts of Oklahoma to face drought conditions one day and receive a month's worth of rain the next. That was the situation last June 14 when areas in Oklahoma City reported more than 10 inches of rain in less than 24 hours.



Standard homeowners insurance doesn't cover flood damage, yet if you live in an area at high risk of flooding, statistics suggest your home is more than twice as likely to be damaged by flood than by fire. And only by purchasing a policy through the National Flood Insurance Program (NFIP) will your home be protected in case of flood.

The NFIP is administered by the Federal Emergency Management Agency (FEMA) and enables property owners to buy flood insurance from certain permitted agents if they live in communities that participate in the program. The Oklahoma Water Resources Board is our state's designated NFIP-coordinating agency and its nine-member panel serves as the State Floodplain Board, with responsibilities that include ensuring that NFIP-participating communities in Oklahoma adhere to FEMA requirements for floodplain management.

Nearly 90 private insurance companies work closely with FEMA and the NFIP to offer flood insurance to property owners and renters. A policy can be purchased through property and casualty insurance agents in your community. Rates are locked-in and do not differ from company to company or agent to agent. These rates depend on many factors, including the age and type of construction of your home or business, along with your location's level of flood risk.

Flood insurance protects two types of insurable property – your home or business structure, and its contents.

Building coverage includes: The structure and its foundation; electrical and plumbing systems; central air-conditioning, furnaces and water heaters; refrigerators, cooking stoves and built-in appliances such as dishwashers; and permanently installed carpeting over unfinished flooring.

Contents coverage includes items such as: Clothing, furniture and electronic equipment; curtains; portable and window air conditioners; carpeting that is not already included in your property coverage; clothes washers and dryers.

So, should you purchase flood insurance? Some people are required to buy a flood policy, but even if such coverage isn't mandatory, it might be in your best interest.

Homes and businesses in high-risk flood areas with mortgages from federally regulated or insured lenders (such as FHA) are required to have flood insurance. These areas are considered to have a 1 percent or greater chance of flooding in any given year, which equals a one in four chance of flooding during the life of a 30-year mortgage.

Residents and business owners in moderate-to-low-risk areas who have mortgages from federally regulated or insured lenders are usually not required to carry flood insurance. However, flood insurance may be worth considering because, according to the NFIP, one in four flood insurance claims are filed by property owners from moderate-to-low-risk areas.

A private home lender might require flood insurance even if the government does not. And, residents or business owners from participating communities can simply choose to buy a flood insurance policy on their home or business property as extra protection, regardless whether the government or their lender demands it.

Flood insurance policies covering both the building and its contents start at just \$119 a year in moderate-to-low-risk zones and the NFIP estimates that the average flood insurance policy costs only \$570 per year, making flood insurance a rather inexpensive way to purchase a little peace of mind.

For a quick glance at what flood insurance might cost for your property and to find an agent who is licensed to sell flood insurance in your community, enter your address in the One-Step Flood Risk Profile at <http://www.floodsmart.gov>. For more information on this topic or other insurance questions, visit the Oklahoma Insurance Department online at <http://www.ok.gov/oid/>.