



Hurricane Season: Time to Consider Federal Flood Insurance

Tropical Storm Barry rang in the 2019 hurricane season with a wet taste of the perils of hurricanes -- offering a wake-up call for homeowners not covered by flood insurance.

An average hurricane season results in \$28 billion in damage -- much of it from flooding.

It's that time of year again. Time to tie down your patio furniture, tape your windows, and maybe even sandbag your driveway. For a growing number of Americans, this grim exercise has become an annual ritual, as powerful hurricanes exact a mounting toll from Texas to Maine. But the major cause of hurricane damage -- flooding -- is not covered by most homeowner policies. Given climate change and the growing likeliness of more frequent and severe weather events, it may be time to consider federal flood insurance.

Destructive and Costly

The U.S. has had 40 hurricanes identified as billion-dollar disasters since 1980, with a cumulative damage estimate of \$862 billion, according to the National Oceanic and Atmospheric Administration (NOAA).¹ This year's Atlantic hurricane season (June 1 to November 30) is expected to be an average one. NOAA predicts a likely range of 9 to 15 named storms (winds of 39 mph or higher), of which 4 to 8 could become hurricanes (winds of 74 mph or higher), including 2 to 4 major hurricanes (category 3, 4 or 5, with winds of 111 mph or higher). An average hurricane season produces 12 named storms, of which 6 become hurricanes, including 3 major hurricanes.²

But even an "average" season can result in huge damages. Last year's near-to-above-normal season accounted for more than \$33 billion in damages. Florence alone caused more than \$17 billion in damages, mostly from flooding and storm surge. The Congressional Budget Office estimates that government costs alone for hurricane damage average \$28 billion a year. That figure is expected to rise to \$39 billion by 2075, largely due to increased development along U.S. coastlines and climate change.³

Are You Prepared?

Although wind damage is usually covered under a typical homeowners policy, flooding is not. It may cover certain types of water damage, such as that resulting from a leaky roof, a broken water pipe or cracked water heater. But a real flood -- a river or stream that flows over its banks or storm waves that surge over the coastline -- usually won't be covered by homeowners or renters policies. To insure against

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floods, you must purchase special flood insurance, generally offered only through the government-run National Flood Insurance Program (NFIP).

Whether flood insurance is right for you will depend upon a number of factors. Ask yourself these four questions.

1. Is it available? Contrary to popular belief, flood insurance is not restricted to properties located in flood-prone areas like beaches or river fronts. It is generally available in communities that adopt and enforce what Federal Emergency Management Agency (FEMA) considers sound floodplain-management practices. To find out whether your community participates in the flood insurance program, contact your local government or one of the resources provided by the [NFIP](#).

2. Do I need it? As countless property owners have learned the hard way, if you live in a flood-prone area, the waters are likely to rise at some point -- and the longer you live there, the greater the chance you'll experience a flood. You may want to hedge your bets and consider flood insurance well before a hurricane or major storm is on the way.

3. What does flood insurance cover? Most flood-related damage is covered under a NFIP policy. Although you can buy flood insurance through your insurance agent, the policy and coverage generally come from the NFIP. Read this [summary of what's covered and what's not](#).

4. How much does it cost? The average flood insurance policy obtained through NFIP costs about \$700 per year.⁴ But rates vary by state, and by the property's elevation and proximity to the nearest body of water. Premiums also vary depending on deductibles and other coverage specifics. Check with the NFIP to see how much you may pay.

If you are considering flood insurance, make sure to investigate your options regarding deductibles, coverage and other factors. Also note that the NFIP is currently undergoing reforms that could impact premiums, increasing costs in the most flood-exposed areas. For more information, contact the [NFIP](#).

¹The Wall Street Journal, [The Rising Cost of Hurricanes](#), September 29, 2018. Based on National Oceanic and Atmospheric Administration U.S. Billion-Dollar Weather and Climate Disasters analysis, using 2018 inflation-adjusted dollars.

²National Oceanic and Atmospheric Administration, [NOAA predicts near-normal 2019 Atlantic hurricane season](#), May 23, 2019.

³The Balance, [How Hurricanes Damage the Economy](#), June 25, 2019.

⁴insurance.com, [Flood Insurance Guide](#), June 18, 2019.