

The Importance of Flood Insurance

Floods are the most common natural disaster in the United States and result in billions of dollars in damage to homes each year, though total losses vary depending on the severity of individual events. As flood risks continue to grow, flood insurance is becoming an essential way to help protect homeowners.

This quick guide offers insights into why flood insurance is an innovative and necessary step in today's changing environment.

Floods can happen anywhere

Flooding is not confined to high-risk flood zones. In fact, [over 40%](#) of all flood claims come from areas outside the high-risk zones, according to the [Federal Emergency Management Agency \(FEMA\)](#) and [National Flood Insurance Program \(NFIP\)](#). With rising sea levels, storm surges, and more frequent extreme weather events, regions that don't typically flood are becoming more vulnerable. The unfortunate reality is that anyone, anywhere, can be impacted by flooding.

Flood is an excluded peril on all homeowners policies

Most people do not realize that homeowners insurance policies do not cover [damage from rising waters](#) caused by heavy rains, hurricanes, or other weather events. Without flood insurance, you could be left with costly out-of-pocket expenses for repairs and replacements.

How flood insurance protects your home and property

Floods can cause severe damage to a home's foundation, walls, electrical systems, and personal belongings. Flood insurance helps cover the cost of repairs, replacements, and rebuilding, allowing you to focus on recovery rather than worrying about expenses. Many policies also cover additional living expenses if flooding makes your home uninhabitable.

The evolving landscape of flood insurance

For nearly 50 years, the government-backed NFIP has been the primary source of flood coverage. However, with rising premiums and limited coverage, it's becoming more expensive. The NFIP now adjusts premiums based on flood risks, leading to higher costs for vacation homes and properties in high-risk areas. As premiums rise, many homeowners are turning to private flood insurance as an alternative which can offer better protection.

Assess flood risks before purchasing a home

If you're buying a home in a high-risk flood zone, it's essential to consult an insurance advisor early on. Understanding the flood risks, availability of private flood insurance, and potential premium costs can help you make an informed decision and avoid unexpected costs down the road.

Flood insurance provides peace of mind

Even if your area has never flooded before, it's crucial to plan for the possibility. Having flood insurance offers peace of mind knowing you're financially prepared for unexpected disasters.

Whether you're protecting your home from future flooding or navigating changes in the insurance market, staying informed is key. If you have questions about flood insurance or need help finding the right coverage, we're here to guide you through the process.