

Flood Insurance?

Written by Steve Metzger - Lawton Constitution
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Depending on your perspective, an inch of water may be just a little or an awful lot.

If it's the amount that collects in your birdbath after a rain, it's just a little. If it's the amount that seeps into your home after first flooding your street, driveway and front yard, it's an awful lot — with emphasis on the awful.

According to the Federal Emergency Management Agency, which has a vested interest in promoting the National Flood Insurance Program, if an inch of water seeps into an average home in the United States it results in about \$7,800 in damage. Baseboards and moldings are lost. Carpeting is ruined. Lamps, bookshelves and some other furnishings are typically damaged. Of course, more serious flooding costs a lot more. In most severe cases, homes might be completely destroyed.

Some don't have a choice

So is it a good idea to buy flood insurance?

Again, that depends on your perspective.

Many people don't have a choice in the matter, according to local insurance agent Jeff Smith, of Smith and Sons Insurance Agency. If a person takes out a federally backed mortgage to buy a home located in a flood plain, he or she is required to buy flood insurance. He estimated that 5 percent of homes in Lawton fall into that category.

Cost depends on age

The cost depends on the age of the home and how elevated it is. A house built after 1979 on a 1-foot thick foundation can be insured at a cost of 61 cents for every \$100 of coverage for the first \$50,000 of coverage. A house on a 2-foot slab can be covered at a cost of 32 cents for every \$100 in coverage. Of course, costs are higher if the home doesn't stand up at least a foot over terra firma.

For homes built before 1979, no matter how thick the foundation, the minimum cost is 76 cents per \$100 of coverage for the first \$50,000 of coverage. No matter the age of the house, Smith said, costs decline for coverage beyond the first \$50,000.

While some people may be tempted to buy the minimum amount required, just to pay for any structural damage that might be caused by a flood, Smith said he recommends paying a little

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more for coverage of a home's contents as well.

Those outside the flood plain

But what about people who live outside flood plains, who aren't required to carry flood insurance?

Smith said it's an individual decision, but he recommends coverage for anyone who feels their property may be at even a slight risk for flooding. He noted that people who don't live in documented flood zones can qualify for cheaper rates for flood insurance.

"I do recommend it sometimes, if the homeowner believes there's a chance they could be flooded and they don't want to risk it," he said. "If you're at the bottom of a hill, if you're in an area where there's runoff that can somehow get backed up into your home, it's a good idea to have insurance. The NFIP (National Flood Insurance Program) preferred policy is highly discounted. You can buy a lot of coverage for just a little."

Smith allowed that he can't recall having to pay on a claim for flood damages that occurred in a home outside a recognized flood zone. However, he has seen, in training seminars and in videos, how such a flood can be a severe financial setback for someone who does not have insurance.

FEMA recommends insurance

Indeed, FEMA recommends flood insurance for people who live even in moderate or low-risk areas, pointing out that almost 25 percent of all flood insurance claims come from areas with minimal flood risk. The cost for insurance — and peace of mind — can be as little as \$39 per year for the structure or \$112 per year for structure and contents.

One more point worth considering: Many people, according to FEMA, believe that the government will take care of them if some sort of natural disaster occurs that results in flood damage. While a federal disaster declaration may help, any money made available to cover flood damage is often just a loan that must be paid back with interest.