

CLOSING THE FLOOD PROTECTION GAP – CAN IT BE DONE?



With all the financial and public pressures that the NFIP currently faces, the hope is that more private carriers will begin to offer flood insurance and increase marketplace capacity for this loss. Since flooding is such an unpredictable risk, private carriers have avoided underwriting it because they didn't have reliable ways to measure it.

In an attempt to decrease the pressure that rests on the NFIP, FEMA and state legislatures across the country are pushing for private insurers to get involved. Thankfully, private carriers have become more comfortable with writing flood policies due to the advent of technology, improved data, and sophisticated modeling. Many new products have become available for this peril in recent years, which could potentially improve the availability and affordability of flood coverage.



Yet improving modeling and increasing market capacity is only part of the solution. Public policy, technology, and finance need to work in tandem with communities and businesses to reduce the likelihood of claims and close the coverage gap.

CARRIERS AND INSURANCE ADVISORS SHOULD EDUCATE POLICYHOLDERS ABOUT RISK MITIGATION, RESILIENCY PLANNING, AND RECOVERY STRATEGIES FOR FLOODING DISASTERS.

If you don't have flood insurance and want to purchase it to financially protect your business, it's important to look at all available options before disaster strikes. You'll also want to be aware of any binding restrictions for securing coverage. Some carriers might implement binding restrictions on coverage if a natural disaster is scheduled to hit an area.

[binding restriction] when an insurance company temporarily stops writing new policies or increasing limits in existing policies.

Flood insurance also tends to come with a waiting period before you're covered. Like with binding restrictions, this time period varies by carrier.

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CONTACT US TODAY TO LEARN MORE ABOUT YOUR OPTIONS.

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