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## **More Pennsylvanians Getting Private Market Flood Insurance Policies to Protect Homes and Property**

**Harrisburg, PA** – Insurance Commissioner Jessica Altman said the number of private market flood insurance policies in Pennsylvania jumped 72 percent from February 2018, as she continued urging homeowners, business owners, and renters to shop around in the increasingly competitive flood insurance market to protect their homes, businesses, and properties.

“The number of private flood insurance policies increased from 5,200 in February of last year to 8,950 this February,” Altman said. “Since Governor Wolf directed my department to educate consumers about the increasing availability of private flood coverage in February 2016, the number of private flood policies has leaped almost six-fold and now represents nearly one in seven flood insurance policies in the state.”

Flood insurance is available through private sector insurance, and the federal government-run National Flood Insurance Program (NFIP), which almost exclusively provided this coverage prior to changes implemented by Congress in 2014. These changes have led to significantly higher NFIP premiums as subsidies for high-risk properties are phased out to reduce the program’s roughly \$25 billion debt.

“Phasing out of NFIP subsidies means private insurers can successfully compete in this market, and we have found in some cases, comparable private coverage is available at significantly lower costs than NFIP policies,” Altman said. “However, private coverage may not be available for some high-risk properties, so consumers should shop both the NFIP and private insurers to find the best plan for their situation.”

Altman emphasized most standard homeowners’ and renters’ insurance policies do not cover flood damage. While many mortgage lenders, including those making home loans backed by the federal government, require flood insurance for properties in what are known as Special Flood Hazard Areas (SFHAs), Altman urged homeowners outside of these areas to consider this additional coverage.

“In Pennsylvania, we see a lot of flooding outside of SFHAs every year, and hear stories from homeowners and renters who suffered significant losses that were not covered because they did not have flood insurance,” Altman said.

Twenty Pennsylvania-licensed insurance companies now sell private flood insurance, in addition to 59 individual producers who sell this coverage through what is called the surplus lines market. Surplus lines insurance is sold through companies licensed outside of Pennsylvania. However, the producers selling this coverage are licensed in Pennsylvania, and the Pennsylvania Insurance Department monitors the financial condition of the companies selling this coverage. Forty-seven percent of private market flood policies are now sold through Pennsylvania-licensed companies, as compared to only 26 percent two years ago.

“NFIP policies and some private coverage have a 30-day waiting period following purchase before coverage begins,” Altman said. “While flooding happens throughout the year, with melting snow and heavy spring rains, the next few months are when flooding can occur throughout the state, so I urge consumers to consider this coverage now.”

Information on both the NFIP and private flood insurance is available on the Insurance Department’s [flood webpage](#).

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