



For Immediate Release

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MID Stresses Need for Getting Flood Insurance Now Hurricane Season and NFIP Rate Increases On Horizon

Jackson – Hurricane season is just 30 days away, and being ever mindful of the danger of flooding along the Mississippi River, you have two excellent reasons to review your insurance coverage and purchase flood insurance. Now Commissioner of Insurance Mike Chaney offers a third important reason to purchase coverage for a risk that is not covered under a standard homeowner's policy.

In 2012, Congress passed the Flood Insurance Reform Act of 2012 which calls on the Federal Emergency Management Agency to make changes in the way the National Flood Insurance Program (NFIP) is run. Key sections of the legislation requires the NFIP to raise rates to reflect true flood risk, make the program more financially stable, and change how Flood Insurance Rate Maps updates impact policyholders. These changes mean premium rate increases for some- but not all – policyholders over time. While some of the changes have already occurred, significant rate increases are expected to take effect in October, 2013.

The Mississippi Insurance Department (MID) does not regulate the NFIP, approve its rates or changes or have any authority over the program. However MID is closely monitoring how these changes impact Mississippi policyholders.

“This is the time of year we strongly encourage Mississippians to purchase flood insurance to protect lives and property during spring flooding and hurricane season,” Chaney said.

”The impending rate increases in October adds to the urgency of getting a policy now, while you can still save on your premiums.”

Per statistics from the NFIP, as of late 2012 there were around 75,000 flood insurance policies in force in Mississippi, and although the state is not among the top in the number of claims filed, it is in the top 10 in claims payments with \$48.6 million paid as of July of 2012.

Another factor in purchasing a flood insurance policy as soon as possible is the fact that flood insurance policies generally take 30 days from the date of purchase to go into effect. Chaney added that with an above average 2013 hurricane season forecast, timing on getting a flood policy becomes more critical.

If you are facing rate increases or do not have flood insurance there are some things you can do to help your rates. First, talk to your agent and explore different options. You may opt for a higher deductible and consider using flood mitigation techniques like foundation vents and breakaway walls if you are rebuilding or remodeling.

Additional information on mitigation techniques and other hurricane/storm preparedness tips can be found on the MID website at www.mid.ms.gov. MID also offers tips and information via Twitter @MSInsuranceDept and on Facebook.

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