



Advertise on NYTimes.com

Cost of Flood Insurance Rises, Along With Worries



William Widmer for The New York Times

An elevated house for sale south of New Orleans in Plaquemines Parish, La. Buyers of properties in flood-prone areas could face steep increases in flood insurance premiums.

By LIZETTE ALVAREZ and CAMPBELL ROBERTSON
Published: October 12, 2013

MIAMI — Sharp increases in federal flood insurance rates are distressing coastal homeowners from Hawaii to New England and are starting to hurt property values and housing sales in areas just beginning to recover from the recession, according to residents and legislators.

Connect With Us on Twitter

Follow @NYTNational for breaking news and headlines.

Twitter List: Reporters and Editors

Enlarge This Image



William Widmer for The New York Times
Claiborne Duvall, of Houma, La., could see his premium rise to nearly \$6,500 a year from \$412.

In recent weeks, the hefty flood insurance rate increases brought about by a 2012 law have stoked widespread alarm and uncertainty, prompting rallies, petitions and concern among state governors. [Mississippi has sued](#) the federal government to try to block the law. The issue has even garnered the attention of lawmakers, otherwise mired in the acrimonious government shutdown. A bipartisan group of senators and House members from Gulf Coast states are pressing for significant adjustments to the law once the Capitol returns to normal.

The law, officially known as the Biggert-Waters Flood Insurance Reform Act, is being rolled out in stages, with a major part having gone into effect on Oct 1. It removes

FACEBOOK

TWITTER

GOOGLE+

SAVE

E-MAIL

SHARE

PRINT

SINGLE PAGE

REPRINTS

A romantic comedy for adults

Log in to see what your friends are sharing Log In With Facebook on nytimes.com. Privacy Policy | What's This?
What's Popular Now
Video: Scalded by Coffee, Then News Media
Angry at Prague, Artist Ensures He's Understood

Advertise on NYTimes.com

Flood Insurance Policy

www.Floodxp.com

Free & Easy Online Flood Insurance Quote. Guaranteed Lowest Rate !

Home Insurance - \$30 / Mo

Discount-Home-Insurance.org

Get Discount Home Insurance Quotes Online - Plans from \$30 / Month!

MOST E-MAILED

RECOMMENDED FOR YOU

1. CITY ROOM
A New Book, to Be Given Away, Documents the Wrath of Hurricane Sandy

2. TAKING NOTE
Amtrak: Not a Money Pit, After All



3. On a New Jersey Islet, Twilight of the Landline



4. A Year After Sandy, Collectors Consider the Lessons



5. BREAKING BREAD
A Marathon and Its Maestro, Getting Back on Track

6. SINOSPHERE
First Water, Then Soldiers, Flood a Chinese Town

7. Living in Bound Brook, N.J.



8. LIVING IN
In Bound Brook, Reaching a Truce With Floodwaters

9. SINOSPHERE

subsidies that keep federal flood insurance premiums artificially low for more than a million policy holders around the country — a discount that was applied to properties that existed before the drawing of flood insurance rate maps.

An estimated 20 percent of the property owners with federal flood insurance received these subsidies as the new law went into effect, and their premiums will rise, in some cases precipitously, either now, over the next several years or whenever they sell their properties. The exact amount of the increase depends on the home's elevation above flood level.

Approved by Congress in July 2012 as part of a wide-ranging transportation bill, the Biggert-Waters Act was intended to regain control of an increasingly unsustainable National Flood Insurance Program. The subsidies within that program, in the view of critics, encouraged development in risky areas and led to costly claims after catastrophic events, payouts that were borne largely by those paying market rates.

But the effort to stabilize the program means changing rules that have guided development in flood plains for decades. Some property owners, including business owners and those who bought property after July 6, 2012, are shocked to be facing potential tenfold premium increases or, in some cases, significant losses to the value of their homes.

[Property owners in the Northeast first confronted the changes](#) as they contemplated rebuilding in the wake of Hurricane Sandy last year. But owners of flood-prone properties elsewhere are just tuning in to the changes, with many still unclear how they will be affected.

“The homeowners and business owners simply cannot withstand these gargantuan hikes,” said Senator Bill Nelson, a Florida Democrat and member of the bipartisan group of lawmakers pushing a bill to delay the increase. “There is a lot of panic about this.”

Still, in recent years, costly flooding disasters, including Hurricane Sandy, have left the program \$25 billion in debt, a situation that will most likely worsen because of climate change and coastal overdevelopment. And almost everyone involved agrees that the issue is not whether to change the program, but how to soften the impact on those hit hardest by the cost increases.

“The flood insurance program is one big storm away from not existing at all,” said Steve Ellis, the vice president of [Taxpayers for Common Sense](#), a nonprofit group that has long pushed for changes in the program. The group has suggested some measures to help those affected by the new law but insists that delays would only make problems worse. “There’s a lot of talk about fairness,” Mr. Ellis said, “but I would argue that it’s not necessarily fair that some people are paying full risk-based rates and other people aren’t.”

The alarm over the new law spreads beyond those losing subsidies to even those who intentionally built outside of high-risk flood zones and are currently paying unsubsidized but relatively low premiums. In the past, if flood maps were redrawn and a property's risk profile changed, the old rate was “grandfathered” in. The new law ends that practice beginning late next year. So when the Federal Emergency Management Agency recently presented revised maps for south Louisiana, the reaction was alarm.

“My whole investment premise was destroyed overnight,” said Scott Morse, who, despite being the president of a local home builders association, did not know about the changes until after he bought a new house in January.

Lizette Alvarez reported from Miami, and Campbell Robertson from New Orleans.

A version of this article appears in print on October 13, 2013, on page A14 of the New York edition with the headline: Cost of Flood Insurance Rises, Along With Worries.

SAVE E-MAIL SHARE

 Try unlimited access to NYTimes.com for just 99¢. [SEE OPTIONS »](#)

First Water, Then Soldiers, Flood a Chinese Town

10. Japan: Many Dead or Missing After Typhoon

Log in to discover more articles based on what you've read.



Log In

Register Now

f Log In

What's This? | Don't Show



Ads by Google

what's this?

[Discount Home Insurance](#)

Get Discount Home Insurance Quotes

Online - Plans from \$30 / Month!

[Discount-Home-Insurance.org](#)