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Flood insurance becomes hot topic

Agents report a lot more calls than usual

By PURVA PATEL
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On the heels of hurricanes Katrina and Rita, many local homeowners are reevaluating their flood insurance coverage — especially those who don't have any.

Federal officials said they won't know for a month how many policies have been issued since the storms hit, but local agents said they've been fielding more calls since the storms than they have all year.

"We've had a flood of calls, pardon the pun, on flood insurance," said Julio Garcia of Julio R. Garcia Insurance Agency in Houston.

The two hurricanes triggered memories of the flooding caused by Tropical Storm Allison for many of the applicants, who wanted to be covered if that happened again.

Garcia said his agency has issued about a dozen flood policies this week, more than his usual amount, and he still has applications on his desk.

Most homeowners policies cover wind damage but not water damage from storm surges and other kinds of flooding. Instead, property owners buy coverage through the National Flood Insurance Program, a federally funded program administered by private insurance companies.

The insurance is not mandatory in all areas, although some lenders may require it. But experts say it's advisable to have it in low-lying areas and where fast growth could be altering the flood plain.

The Harris County Flood District recommends all its residents carry flood insurance. Policies cover up to \$250,000 on a house and \$100,000 on contents. Renters can buy up to \$100,000 in coverage.

Homeowners can check how likely their areas are to flood by plugging their addresses into the Web site at www.floodsmart.gov.

Premiums can cost up to hundreds to thousands of dollars a year, depending on the amount of coverage and the risk of flooding at the property.

"We recommend flood insurance to every single person and make sure people sign a waiver that they've been offered and made aware of the insurance but didn't buy it," said Joe Cook, who owns an agency in Clear Lake.

He says his call volume has gone up tremendously since Tuesday. The agency usually writes five to 10 policies a week, he said, but wrote about 20 this week and last.

Some homeowners are surprised to hear about the 30-day lag period before most policies kick in, and others are surprised to learn that there are separate deductibles for structural and contents claims.

Jim Allen, the flood program director for Delta General Agency Corp in Houston, said some business owners wanted to buy flood insurance so they'd have business interruption coverage, but it's not included.

"The flood policy also doesn't cover additional living expenses," he said. "They can get an advance on their flood claim, but that coverage is usually coming out of their building claim."

Allstate spokeswoman Kim Whitaker suggested property owners make sure they need the coverage before buying it. The insurer's production has tripled in coastal areas, Whitaker said.

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