Overview

• Background Information
• Challenges facing Businesses
• New options for Businesses
Background Information

• Most businesses get “insurance package” that includes standard hazard insurance (similar to homeowners insurance) and liability insurance – does NOT include Flood Insurance

• Currently flood insurance is regulated and premiums are set forth by FEMA. Insurance companies are simply “middlemen”.

• Businesses typically don’t get flood insurance unless it’s required by their lender
• There are some ways business owners attempt to mitigate premium costs

  – Utilize optional coverage such as:
    • Flood policies can be building only coverage. Adding contents is an optional coverage
    • By leaving contents off it severely reduces premium “at insured’s risk”
    • Or a flood policy could just cover the 1st floor

  – Utilize elevation certificates to reduce premium by proving their property is elevated. Can be expensive to get done

  – Utilize deductibles
Challenges Facing Businesses

- Overall complexity of insurance and what coverage is included and is needed
- Response to changing characteristics of property and area
- Costs & Disruptions to Business Activity
- Difficulty finding coverage
- Other priorities
New Options for Businesses

• Customers stunned by rate hikes under the National Flood Insurance Program.

• Some companies are offering flood insurance outside of FEMA
  – Example: Private Market Flood program is currently written by Lloyd’s of London as part of the surplus lines market

• Seeing a decrease in rates
Questions

• Nicole Riley
  – Virginia State Director
  – National Federation of Independent Business
• Nicole.Riley@nfib.org
• 804.377.3661