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NEWSALERT

Growing Risk

Flood Insurance Rates May Rise Dramatically



AS WE experience more extreme weather and floods increase across the country, the National Flood Insurance Program is poised to make a shift in how it prices its policies that is expected to have a drastic effect on premiums for many homeowners.

The NFIP's new rate-setting system will change how the government-run insurer calculates rates to better reflect the risk of each individual household. The new regimen, set to take effect in October 2021, comes as new research has concluded that the model that the Federal Emergency Management Agency uses to map flood risk across the country greatly underestimates the risk.

That means that many homes in flood areas may be at increased exposure to floods than previously thought, and that the flood premiums many property owners are charged are not enough to account for the increasing flood risk as the weather grows more volatile.

As a result, hundreds of thousands of homeowners could see their flood insurance rates jump substantially, according to a study by First Street Foundation, which models flood risk.

Uninsured for flood loss

Aside from these expected rate increases, the study found that hundreds of thousands of homes are likely going uninsured because they are not accounted for in FEMA's "Special Flood Hazard Areas," which are areas that have at least a 1% chance of being flooded in any given year.

FEMA creates these maps so that homeowners know what they are getting into when they buy a new property.

Also, under federal law, homeowners that have a federally backed mortgage and reside within a SFHA must secure flood insurance.

With so many people living in areas that are prone to flooding but are not in SFHAs, they have likely not taken out flood insurance, meaning that they would have to pay for repairs and replacement costs out of pocket if a flood hit their property.

Homeowner's insurance typically does not cover flooding.

The First Street report predicts that flood risk will grow throughout the country. It made these conclusions using models that predict climate changes into the future.

The average estimated annual total loss for the 5.7 million properties in the U.S. that have any flood risk is \$20.3 billion. That's an average loss of \$3,548 per property.

Using climate projections for 30 years into the future – or 2051 – the estimated annual flood loss for the properties will be \$34 billion, \$5,913 per property.

What you can do

If you do not have flood insurance but are concerned that your home is at elevated risk due to the changing climate, you can read the report here. It lists flood-prone areas in all states, including those that are not currently in SFHAs.

If you need flood insurance, the main option is the NFIP, but there are some private insurance companies that will write home flood insurance policies.

If you have any questions about flood insurance, even if you don't live in a currently designated floodplain, call us. ❖



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Pedestrian Deaths Surge to 33-Year High

WE'VE TOLD you before about the increasing number of car accidents and vehicular injuries – many of them resulting in deaths – that many observers attribute to distracted driving. But what you may not know is that pedestrian fatalities are now at a 33-year high and seem to be continuing to increase unabated.

A report by the Governors Highway Safety Association found that 5,987 pedestrians were killed in traffic crashes in the United States in 2019, which was a 9% increase in such fatalities from 2018 and 26% since 2015, when 4,735 pedestrians were killed.

Pedestrian deaths accounted for 16% of all traffic fatalities.

SHOCKING STATISTICS

- 72% of pedestrian fatalities were during evening or late night hours.
- 73% of pedestrian fatalities occurred in urban areas.
- Rural areas accounted for 27% of pedestrian fatalities.
- 69% of pedestrian deaths occurred in non-intersection locations.
- 92% of pedestrian deaths involved a single vehicle.

Source: Governors Highway Safety Association

Many large cities have seen pedestrian deaths soar. In Los Angeles, such fatalities have jumped 80% in just three years. The problem is largely in cities, and often the deaths occur when a driver isn't paying attention and turns right into a crosswalk as people are crossing the street.

And while you may feel that since you're not out walking much, or that the chances of being hit are small in your neighborhood, remember that everyone is a pedestrian at some point. Even if you drive a car, ride a bike or take public transit, your journey always begins and ends on foot.

Also, with the growing use of fitness trackers like FitBit, more people are walking. Many people also have opted to walk for environmental reasons.

With all this in mind, pedestrian safety needs to be a top priority for everybody.

TIPS FOR PEDESTRIANS

- If you are out walking, don't do so while listening to music with earbuds or headphones.
- Always be aware of what the vehicles driving near you are doing.
- If there are no sidewalks, always walk against the flow of traffic on the side of the road so you can see any erratic drivers coming.
- At crosswalks, check for cars before walking.
- Look both ways when crossing the street.

TIPS FOR DRIVERS

- Don't use your smartphone at all when driving (no texting, chatting or talking).
- Always be aware of the other vehicles you share the road with, as well as pedestrians.
- Be especially careful and reduce your speed when driving at dusk and at night in residential areas.
- Remember, pedestrians have the right of way. Yield for them at crosswalks and zebra crossings.

Distractions

One rising danger is distracted driving. Deaths from distracted driving account for 10% of all fatal crashes. About 12% of people killed due to distracted driving are pedestrians.

What remains unknown is how many pedestrians who were killed in a crash involving a distracted driver may have been distracted themselves. Recent research shows that many people are also engaging in distracted walking, usually typing on their smartphones or engaging in chats while walking.

Researchers at The Ohio State University found that between 2004 and 2010 the number of pedestrians killed while using a cell phone increased from less than 1% to 3.6%.

The Ohio State researchers also discovered that in 2010, more than 1,500 pedestrians were estimated to have been treated for injuries related to cell phone use while walking. ❖



Notify Us Before Remodeling Your Home



IF YOU ARE planning any home improvements, you should check your coverage before you start. Whatever you do, make sure that you have insurance in place during and after construction.

Many people must alter their coverage or add more. Waiting until the project starts or is finished can be an expensive mistake, so take the following steps to avoid a costly problem.

Discuss home improvement plans with us

Ask us about updating a homeowner's policy, and whether other types of insurance will be needed for protection during the construction process.

People who are not construction workers should not help unless there is sufficient liability coverage for their protection.

Many homeowners must raise their no-fault medical protection limit for such workers.

For a larger project, it is best to consider a "course of construction policy," which covers the home during the building process from weather or theft damages.

Make sure the contractor is covered

Before allowing a contractor to start work, ask to see their insurance policies. Contractors should carry both workers' compensation and commercial general liability insurance. If an insured contractor's worker sustains injuries, that individual will not be able to sue the homeowner. Don't hire a contractor who won't provide insurance documents.

Store all receipts and records

Be sure to take photographs before, during and after the re-

modeling project. This provides a virtual record of what the property looked like during each phase.

Hold on to all contracts from contractors, and be sure to save receipts for all materials purchased. Keep receipts for any other belongings bought for the home during the project.

Update insurance policies after the project

Let us know when you make any home improvements. Insurance limits may need to be increased following a major renovation.

Make copies of all of the records and receipts as the insurance company may ask for them.

This helps them assess needs and assign accurate values for the improvements. If you are adding expensive items, you may need an endorsement to your policy.

More liability coverage may be needed if you installed a pool or spa. An umbrella policy may be the right solution.

Be sure to ask us about discounts. When you install smoke detectors, stronger doors, deadbolt locks or burglar alarms, they may qualify for discounts.

Some insurers also offer larger discounts to people who install more sophisticated burglar alarm, sprinkler or fire alarm systems. You may also qualify for a discount if you've upgraded your plumbing, electricity, roof or windows.

This is especially true if any energy-saving features were installed.

In areas prone to strong storms, shutters, reinforced roofs and shatterproof windows may also result in discounts.

If you are remodeling to accommodate a new spouse or child, make sure to review other insurance changes. ❖

Car Seat Safety for Your Most Precious Cargo



ACCORDING TO the Centers for Disease Control and Prevention, motor vehicle injuries are the leading cause of death among children in the United States.

In 2015, 712 children aged 12 and younger died in auto crashes, and another 143,250 were injured.

Many of these deaths and injuries could have been prevented with the use of a proper child safety seat.

Car seat use reduces the risk of death for children under the age of one by 71%, and for kids aged one to four by 54%. Booster-seat use reduces the risk for serious injury in children aged four to eight by 45% compared to the use of seat belts alone.

If you want to ensure children riding in your car are doing so safely, you'll need to do the following:

Know your state's child passenger safety laws

While requirements vary based on age, weight and height, all states require child safety seats for infants and certain children.

California requires children to ride in the rear seat whenever possible, as well as the use of rear-facing infant seats, forward-facing child safety seats, and booster seats for older children.

Make sure the seat is right for your child's size and age

Rear-facing car seats should be used from birth to the age of one, at minimum. However, it's wise to keep your child in a rear-facing car seat until they reach the age of three or outgrow the height and

weight limits specified by the manufacturer.

At this point, you can transition your child to a forward-facing car seat until they are seven or again outgrow the manufacturer's height and weight specifications.

Booster seats are recommended for children age seven and older who cannot fit in a seat belt correctly without one.

Buy a seat recommended by the NHTSA

These seats meet federal safety standards as well as strict crash performance standards. You can find a list of the National Highway Traffic Safety Administration-rated car seats, along with information on their ease of use, on the agency's website: www.nhtsa.gov.

Install and use the seat or booster seat properly

Install the seat according to the owner's manual instructions. If you need assistance, visit a car seat inspection station in your area.

Local law enforcement agencies may also hold periodic car seat inspection events.

Put your child in the middle of the back seat

When traveling with one child, or only one child in a safety seat, place them in the center of the back seat. In the event of a collision, this is the safest location in the vehicle.

Register your car seat with the NHTSA

If there is a recall, you will be informed by e-mail and you can act accordingly. ❖

