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# Private flood insurance now available in South Carolina

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**Tyrone Richardson**  
Opinion



Relief may be available for those Lowcountry homeowners cringing at the notion of paying higher premiums for the federal flood insurance program.

The new option is private flood insurance.

The Flood Insurance Agency of Gainesville, Fla., has entered the South Carolina market. This comes after the company already has established a presence in more than a dozen other states, including Florida, New Jersey and Virginia.

The company, underwritten by Lloyd's of London, has patterned some elements of its product after the National Flood Insurance Program. That means coverage up to \$250,000, but some of the distinctions are that no elevation certificate is required and premiums can be lower by comparison, officials said. An elevation certificate basically determines the base flood elevation of the property, identifying its true risk.

Andrew E. Muller, an adviser at Charleston-based Mappus Insurance Agency, said the newcomer offers an option for those who may have been priced out of buying and selling homes.

He cautioned, however, that would-be buyers do their homework since the private program requires a \$5,000 deductible when a claim is filed. Some mortgage companies require no more than a \$1,000 deductible and could insist on federally backed flood

coverage.

Muller added that other private flood carriers are expected to eventually enter South Carolina.

There's been no shortage of horror stories about how the Biggert-Waters Flood Insurance Reform Act is expected to drive up premiums for homeowners who live in federally designated flood zones.

The 2012 law was designed to help get the federal flood program on better financial footing. The reforms include newly drawn maps and the elimination of subsidies for policyholders. Rate increases are expected to average 10 percent, but some have shown to be much higher.

The new federal law also erases subsidies once a home has been sold, a change that threatens to derail home sales in many markets, including the Lowcountry.

The Federal Emergency Management Agency announced last week that some premiums won't be raised until the fall of 2015 at the earliest because of delays passed by Congress last month. That affects hundreds of thousands of U.S. homeowners who pay "grandfathered," below-market rates for insurance because their homes were in compliance with earlier flood codes.

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The Flood Insurance Agency says its program won't solve all issues, but its program does offer an option for those who are required to buy flood insurance. It's available at [www.privatemarketflood.com](http://www.privatemarketflood.com) – the company's website.

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