

Flood Insurance on Park Point: Understanding our Options

Written June 30, 2020 with input from multiple contributors*

Many Park Pointers are experiencing first hand increased flooding and erosion. The combination of increased rainfall, storm events, and high water on Lake Superior puts Park Point residents at increased risk of flooding. The current Federal Emergency Management Administration (FEMA) flood maps for Park Point (Minnesota Point) are being updated next year to reflect these changes. As a result, the need for understanding flood risk and insurance coverage has never been greater. Everyone, including those living on Park Point, is strongly encouraged by FEMA and the Department of Natural Resources (DNR) to consider flood insurance options. This article answers basic questions about flood insurance and offers resources to learn more.

“Bottom line: Everyone should have flood insurance.” – James Sink, Regional Flood Insurance Liaison, FEMA

Q. What is Park Point’s flood risk?

- A. Flooding occurs when from rainfall, surface runoff, and/or overflow from a lake or river collects on normally dry land. FEMA produces flood maps that identify the risk of flooding for communities. The official 1992 flood map shows that most of Park Point has minimal flood risk (Zone C) with some areas closest to the lake and bay having a higher flood risk (Zone A1). FEMA is updating the St. Louis County flood maps to include new data sources and modeling of coastal flooding from Lake Superior. New preliminary flood maps should be ready by 2021. These updated flood maps will identify revised flood hazard zones on Park Point that reflect new storm and lake level data.

Q. What is my flood risk?

- A. Most Park Point homes are currently in Zone C (see figure). This may change for parts of Park Point once the new FEMA Flood Maps go into effect. You can identify your current flood risk in several ways. Flood Factor (www.floodfactor.com) is a website in which any address can be entered and the flood risk is calculated from peer-reviewed data. The DNR has a video to help you identify “Is my house in a floodplain?” www.youtube.com/watch?v=IEz8kjiuLdY. Your flood insurance agent can also help you identify your flood zone.

Q. What is flood insurance? (What does it cost?)

- A. Flood insurance provides homeowners, businesses and renters with protection from flood damages to their property. Most flood insurance policies are through the FEMA National Flood Insurance Program (NFIP) that offers building and contents coverage. *Building coverage protects the structure of your home. Content coverage protects your personal property*, including clothing, furniture, and other valuable items. The NFIP has a coverage limit of \$250,000 for your home and \$100,000 for personal property.

The DNR has a resource that highlights what property is covered by flood insurance:

https://files.dnr.state.mn.us/waters/watermgmt_section/floodplain/flood-insurance-coverage.pdf

Homes or businesses in Zone C (minimal risk) are eligible for a Preferred Risk Policy, which has a bundled building and contents option, or a contents only option for renters. Preferred Risk Policies range from \$200 - \$600/year.

Homes or businesses in Zone A1 (high risk), are eligible for a standard policy with building coverage, contents coverage, or both. Standard policy premiums vary based on the age and elevation of the home and the amount of coverage needed, with higher premiums ranging from \$2,000 - \$10,000/year.

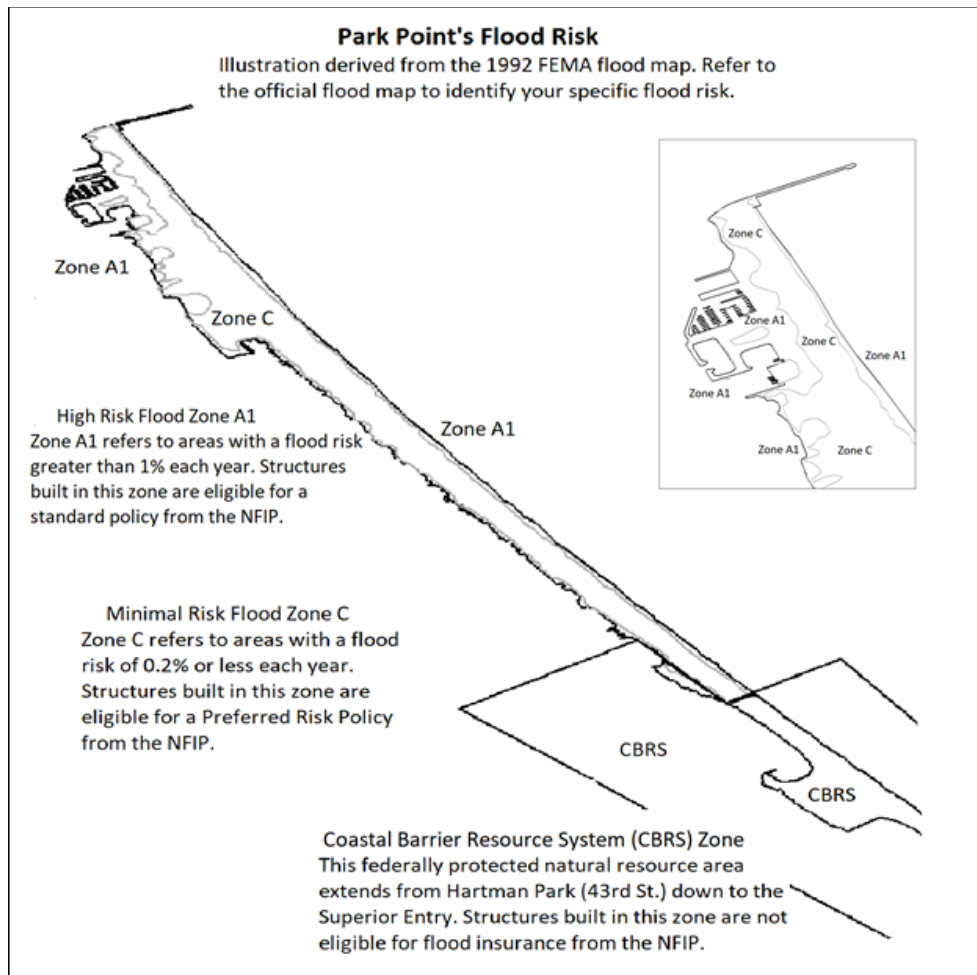


Figure: Illustration of Park Point's flood map with designations of high and minimal flood risk zones (zone A1 and C) and the location of the Coastal Barrier Resource System (CBRS) zone.

Q. Does my homeowner's (or renter's) insurance cover flooding?

A. No. Most homeowner's (or renter's) insurance policies do not cover any type of flood-related damages to your home or its contents. Speak with your insurance agent to clarify your policy coverage.

Q. Do I qualify for flood insurance?

A. Most homeowners on Park Point can purchase flood insurance. The exception is for the few homes and buildings built in the Coastal Barrier Resource System (CBRS) zone, a federally protected natural resource area. On Park Point, the CBRS zone starts at Hartman Park (43rd St.) and extends to the Superior entry. Structures built in this zone are not eligible for insurance from the NFIP.

Q. Is flood insurance required?

Lenders may require homeowners with a mortgage in a high flood risk area (Zone A1) to purchase structure flood insurance. If getting a flood insurance policy to meet the mandatory requirement for loans, check on the cost to include contents coverage.

Q. Will flood insurance cover damages from high water on Lake Superior and the bay?

- A. High water on Lake Superior increases the risk of flooding on Park Point. High water that inundates normally dry land may be considered flooding by the NFIP and damages covered if they meet the conditions of your policy. Decisions about coverage are handled on a case-by-case basis. Flood insurance covers damages from waves and seiche effects from the lake or bay if water comes overland and on to your property. Flood insurance can only cover damages related to flood events, where water comes overland, and does not cover damages from groundwater or shoreline erosion.

Q. Is water damage in my basement covered?

- A. In most cases, no. Flood insurance does not protect against groundwater-related flooding or damages, such as seepage and high water tables. Only damages from overland flooding is covered. Please note that policies have limited coverage in your basement, including your foundation and certain appliances, such as your furnace or washer and dryer. Neither flood or homeowner's insurance cover sewer backups nor sump pump failures, but you may be able to purchase a rider on your homeowner's policy.

Q. Who can I talk to about flood insurance?

- A. Speak with your insurance agent, as flood insurance is offered through private insurance agencies, to see if they offer flood insurance coverage. Your agent can help you evaluate your risk and coverage options. You can learn more about buying an insurance policy and find an agent at floodsmart.gov. An insurance agent interviewed for this article encourages residents of Park Point considering flood insurance to do it now because if you choose to get flood insurance before the new zoning goes into effect you retain the original zoning status.

Q. Where do I go for more information?

- A. The NFIP website floodsmart.gov has information on flood maps and flood insurance. An excellent resource article is *FEMA's National Flood Insurance Program Summary of Coverage*. The DNR Floodplain website mndnr.gov/floodplain has a page on flood insurance. An upcoming webinar on flood insurance for residents of Park Point will be announced in the Breeze.

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