

A Realtor's Guide to Flood Insurance

Speed up your closing with affordable, 100% online flood insurance

Many home buyers get a big surprise when discovering that they must purchase flood insurance. This triggers a frenetic search for a quote, a home inspection, and a reasonably priced policy. Add in concerns related to COVID-19 and the risk of invasive home inspections to produce an elevation certificate, and you have all the makings of a problem with closing.

The Private Flood Market: a great alternative to government flood insurance

In the last few years, private flood insurers have come into the market to offer lower cost, fully automated flood insurance policies. These companies are backed by some of the largest reinsurers in the world such as SwissRe, Lloyd's, MunichRE, Markel, and others, so are fully secure to weather any storm. They offer premiums that are often well below the government's National Flood Insurance Program (NFIP), saving money for the buyer and helping in the cost equation of the purchase. In addition, the private insurance offers broader coverage levels, such as up to \$2 Million on a home, and optional coverages not available under the NFIP. They are approved under federal law as proof of insurance to banks and lenders at closing.

Working Virtually with COVID-19 Restrictions

Working from home in the midst of a pandemic, we all searched for ways to continue to do business. Private flood insurance solves many of the problems with the current, labor intensive model. Most private flood insurers do not require an Elevation Certificate, which previously could only be attained by an expensive, in-person home inspection. Some of the more technically adept private flood insurers such as Neptune Flood, called "insurtechs", have automated the quote process so that an agent or a consumer can get a quote, as fast as a minute or two, online and have a real number to include in cost estimates for the buyer. These policies can be purchased online, use electronic signature for the legal documents, and can be purchased the same day as the closing on the house. No more delayed closings due to flood insurance surprises!

Key Messages for Agents and Brokers to come across as flood insurance experts

1. There are alternatives to the NFIP; private flood insurers offer better coverages, better pricing, and better terms, and are available in all 50 states and DC.
2. Homeowners insurance does not cover flood events, so home buyers need a separate policy for flood insurance. And even though the insurance is not mandatory if the home is not in a Special Flood Hazard Area, there is often a very high risk of flooding, making it worthwhile to get a quote. The rates can be as low as a dollar a day.
3. Consumers don't know what flood insurance may cost them, which creates big surprises during the closing process. As an example, they can go to [Neptuneflood.com](https://www.neptuneflood.com) to generate an immediate insurance quote, at no charge. It takes two minutes, all online.
4. Closings are often delayed due to consumer lack of awareness that their lender requires flood insurance. With Neptune, you can enter an address, get a quote, and buy a policy that goes into effect immediately. No need to delay closings any longer.

The future of real estate, as with insurance, will be about automation, ease of use, and the best buying experience. Private flood insurance is a great option to help speed up the closing process and be mindful of the changing consumer preferences for online versus face to face business transactions.

*Jim Albert is founder and Chairman of the private flood insurance company Neptune Flood, based in St Petersburg, Florida. Neptune offers policies across the nation and is the fastest growing flood insurer in the US. Get a free online quote in under 2 minutes at **neptuneflood.com**.*