

# More than 80 percent of homeowners impacted by Harvey lack flood insurance

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The crisis for tens of thousands of people in the region around Houston, Texas is only just beginning, as the vast majority lack flood insurance to cover the damage to their homes.

Only 16 percent of households in the 18 Texas counties that have been declared a disaster area have flood insurance, according to the Pew Charitable Trust. Between 80 and 85 percent of homes in Houston do not have flood insurance.

Despite rapid development and expansion in recent years, Harris County, where Houston is located, has 25,000 fewer properties covered by flood insurance than in 2012.

Many workers could no longer afford flood insurance on top of all their other bills when Congress approved premium increases in 2012, contributing to the decline in the number of homeowners paying for flood insurance.

On top of this, the Federal Emergency Management Agency (FEMA) flood maps that are used to determine who is eligible for insurance are out of date. Areas throughout Houston and elsewhere in the US that are not marked as high-risk for flooding have been subjected to regular flooding in recent years.

“A lot of the Houston area is not an identified flood area by FEMA,” Larry Larson, a senior policy advisor at the Association of State Floodplain Managers told the *Houston Chronicle*. “But they got hammered anyway.”

Due to the risks and uncertainty involved, flood insurance in the US is only available to millions through the National Flood Insurance Program (NFIP). The average annual cost of flood insurance in Texas can rise to as much as \$2,000 in designated floodplains.

Those lucky enough to have flood insurance are guaranteed up to \$250,000 to cover rebuilding costs

and \$100,000 to replace personal possessions. For many this will not be enough to cover the full cost of their losses.

Those without flood insurance whose homes have been made uninhabitable by flooding can apply for a \$33,300 loan to cover rebuilding costs and hotel stays. Low interest loans are also available through the Small Business Administration.

However, homeowners must fight the government tooth and nail to get even this small amount. “FEMA has to believe your house is damaged so substantially that there’s no area in your house you can live in,” in order to get a grant, Sandra Brown, a Houston area attorney, told the *Washington Post*.

The National Flood Insurance Program has been pushed to its limit after repeated disasters in the last 12 years. After paying out claims for Hurricane Katrina in 2005 and Hurricane Sandy in 2012, the NFIP is \$25 billion in debt. It is only authorized to borrow \$30 billion.

Additional borrowing to fund the program will require approval from Congress. The NFIP’s charter is set to lapse on September 30 without Congressional reauthorization. Failure to reauthorize the program would cause delays in the payment of claims for Harvey and end the issuance of flood insurance nationwide.



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