

# Could private flood insurance be cheaper?

What would a private flood market look like compared to the National Flood Insurance Program? This Florida market feasibility study by Milliman and catastrophe modeling firm KatRisk sheds light on the possibility of a new flood insurance market that for many could be cheaper than the NFIP.



**4.2**  
MILLION  
homes in  
Florida



**77%**  
could get flood  
coverage cheaper  
than the NFIP

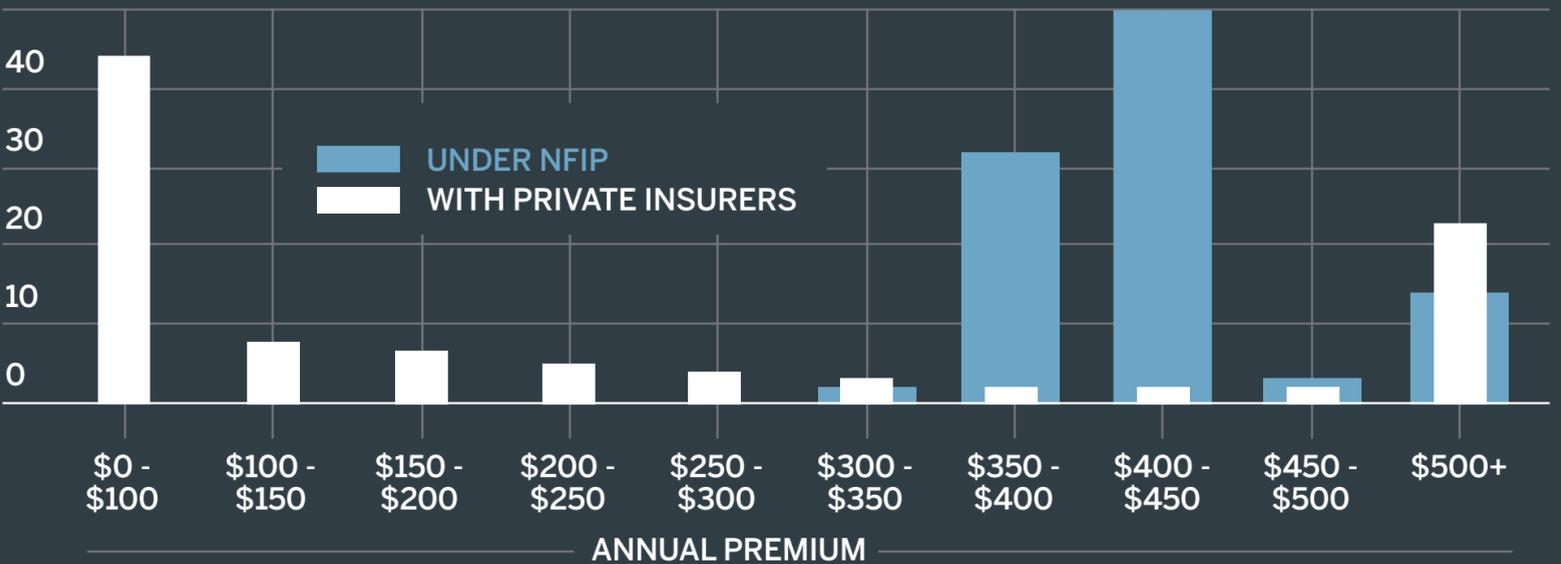


**1.8**  
MILLION  
homes where premiums are  
less than one-fifth of NFIP

## Most homeowners could get coverage that is cheaper than the NFIP

82% of NFIP premiums range from \$350 to \$450 per policy with another 14% above \$500/policy for all single-family homes in Florida. Comparatively, using our model, 44% of homes would see premiums at \$100/policy or less, while 23% would see premiums above \$500/policy.

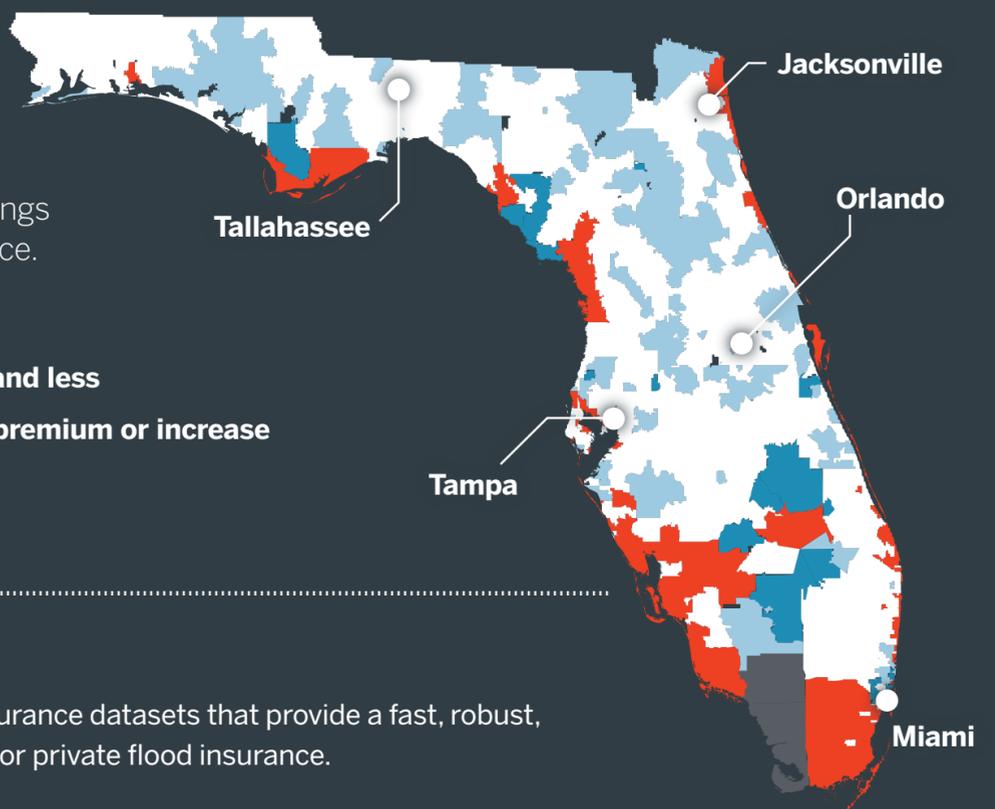
### 50% OF POLICYHOLDERS



## Where is the potential for savings?

On average, less risky areas see larger savings when moving from NFIP to private insurance.

### AVERAGE SAVINGS BY ZIP CODE



## A granular approach

Milliman and KatRisk have developed flood insurance datasets that provide a fast, robust, and cost-effective way to evaluate the market for private flood insurance.

### EXPOSED HOUSE

This house at the bottom of a hill and closer to water is riskier.

### LESS EXPOSED HOUSE

Another house, at the top of a hill and further from water, is less risky. Under a private market, it might see lower premiums. Our flood insurance datasets can tell the difference.

