

Lieutenant Governor Mary Fallin's Speech

Oklahoma Flood Forum

March 19, 2002

Thanks for having me here today to talk to you a little bit about a terribly important topic.

In the course of the day you'll learn about recent changes in public policy and how the National Flood Insurance Program can benefit the insurance industry.

Hopefully you'll get lots of information today that will help you and your clients.

We know that flood insurance is the number one defense for property owners against flood loss. Maintaining flood insurance is one of the most important things you can do to protect yourself and your clients from financial losses due to flooding.

In 1980, the Oklahoma legislature realized just how important it was to have a game plan for protecting property in floodplains that it adopted the Oklahoma Floodplain Management Act.

At that time, lawmakers recognized that it had become uneconomical for private insurance companies to make flood insurance available to those in need of protection. This Act provided a means for communities to implement wide floodplain management and thereby participate in the National Flood Insurance Program. This federal program provides a vehicle for people who need to purchase low-cost flood insurance.

Through the NFIP consumers can purchase flood insurance through licensed agents and coverage is available almost anywhere in Oklahoma...even if the property is located in a designated floodplain.

I want to thank all of you who are participating in today's forum for educating yourself on the topic of flood insurance. The typical homeowner just doesn't know very much about it...they rely on their agents to know the ins and outs of how best to protect themselves.

We find that lost of times agents just don't know everything they should on the topic.

In fact, homeowners are often times left with the impression that flood insurance isn't even available. That's why uninsured flood losses continue.

It's also why a number one priority for those in your professions should be to better educate yourself on this important topic and then pass that information on to your customers.

The latest numbers show more than 100 thousand Oklahoma homes are located in the floodplains, but less than 13 percent are insured against potential flood damage.

Another reason to learn all you can about flood insurance is purely bottom line....you can make a little extra money....for example, if you insured a 120 thousand dollar structure, including contents worth about 60 thousand dollars, located in a 1 percent chance floodplain (a property deemed to have a 1 percent chance of flooding each year), the result is a premium of about 978 dollars. Let's say you get a direct commission of 15 percent, you can make about 147 dollars on the policy....not too bad.

As you well know....Mother Nature throws all sorts of things at Oklahoma....flooding is just one of them.

The people of Oklahoma need to be ready when disaster strikes, of course the right type of insurance coverage is essential and for most of our citizens, the best source of information is their insurance agent....that's why it is so important for you to keep yourselves up to date on the latest resources and information available....once again thank you for having me here today.