



## Flood Coverage – Frequently Asked Questions July 25, 2025

### 1. What is the Definition of Flood?

Generally, a “flood” is the rising or overflow of surface water, or flooding as a result of tidal waves. However, the Pool’s coverage is more broadly defined within the ***Property Coverage Document*** located in the Member Portal. The full definition is shown in Paragraph M under Section II of the Special Form Property Coverage.

The most commonly referenced portions of that paragraph are:

- Flood, surface water, waves, tides tidal waves, overflow of any body of water...
- Mudslides or mudflows which are proximately caused by flooding...
- The collapse or subsidence of land along the shore...

### 2. What Flood Coverage is Available?

A Member may elect to add Flood Coverage to its Real & Personal Property Coverage for an additional contribution. There is a 15-day waiting period before Flood Coverage becomes effective if the overall coverage is added during a coverage period.

Note: Earthquake coverage is also provided with flood coverage, but with a separate limit.

### 3. What is Covered?

**Buildings and Contents:** If elected, coverage extends to buildings and contents, and related Coverage Extensions, that are *scheduled* on the Real & Personal Property Coverage.

**Mobile Equipment:** Flood coverage is automatically included for *scheduled* Mobile Equipment, regardless of whether coverage is elected under Real & Personal Property.

### 4. What about Automobiles?

Automobiles have separate coverage under Automobile Physical Damage through the ***Liability Coverage Document***. Flood coverage applies to *scheduled* automobiles where Automobile Physical Damage has been specifically elected. Flood coverage under Automobile Physical Damage is separate from the flood coverage provided for Real & Personal Property and Mobile Equipment, and the limit and deductible provisions for these coverages do not apply to Automobile Physical Damage.

### 5. What Limits Are Available?

The coverage provides two tiers of limits based on total building and content values.

- A. When a Member’s combined building and contents values are *less than or equal to* \$15 million, the limit available is the *lesser of* \$1.5 million or the combined building and contents value.
  - a. Example 1: \$5 million total building value and \$500,000 total contents value. Total Combined Value is \$5,500,000 (above \$1.5 million). Therefore, the flood limit is \$1.5 million

- b. Example 2: \$350,000 building value and \$100,000 contents value. Total value is \$450,000 (less than \$1.5 million). Therefore, the Flood Limit is \$450,000.
- B. When a Member's combined building and contents values are *greater than* \$15 million. The limit available is 10 percent of the combined building and contents value, subject to a maximum limit of \$5 million.
  - a. Example 1: \$25 million total building value and \$5 million total contents value. Total Combined Value is \$30 million. Therefore, the flood limit is \$3 million (10 percent of total combined building and content values).
  - b. Example 2: \$75 million total building value and \$25 million total contents value. Total Combined Value is \$100 million. Therefore, the flood limit is \$5 million (10 percent of total combined building and contents value exceeds the maximum of \$5 million, meaning the maximum of \$5 million applies).
- C. The Pool will not pay more than 150 percent of the value of any building, regardless of the flood limit that is available.
- D. Payments for Coverage Extensions (such as Extra Expense to temporarily relocate operations) are included in the flood limit (not in addition to).

#### **6. Can a Member purchase higher limits?**

Not under the Pool's Flood Coverage. However, Members can purchase individual building policies through the National Flood Insurance Program (NFIP). The Pool's flood coverage limit will apply above the maximum NFIP policy limit offered.

NFIP policies for commercial property (including public housing) are available only on an *actual cash value* basis. When both NFIP and Pool Flood Coverage (on a replacement cost basis) are in place, the Pool's coverage will pay the difference between the NFIP *actual cash value* payment and *replacement cost* as part of the Pool's flood limit.

Excess flood coverage may also be available through specialty commercial excess carriers. The Pool can connect Members with a broker to explore this possibility.

#### **7. What deductibles apply?**

The deductible is shown on the Members' *Property Declarations Page*. A one percent deductible applies (based on the building value), subject to a minimum occurrence deductible. The minimum occurrence deductible for most Members is \$25,000, but other deductibles are available.

If an NFIP policy is in place and pays for a loss on a property also covered by the Pool, the NFIP policy will apply towards satisfying the Pool's flood deductible. The NFIP posts information about policies and other resources, including flood maps, on their website at [www.floodsmart.gov](http://www.floodsmart.gov)

Maximum NFIP Limits Available:

Commercial Property (Including Public Housing or Complexes with 5 or more units)

\$500,000 building / \$500,000 Contents

Residential Property (Single Family Homes or Multi-Family Buildings 2-4 units)

\$250,000 building / \$100,000 contents

#### **8. Does Flood Coverage have any "special conditions?"**

Yes, property located in the counties along the Texas coast, Harris, Orange, and Jackson counties are subject to a few special provisions. Specific conditions or exclusions apply to these counties. Notable portions from the Flood Coverage option include:

For property in these counties in Flood Zone A or A-prefixed that are eligible for NFIP policies, the Pool's Flood Coverage is excess over the available NFIP limits **whether or not an NFIP policy is purchased**. The maximum limit cap is lowered to \$2.5 for scheduled properties in A or A-prefixed flood zones (even if the property is ineligible for NFIP).

Coverage is **excluded** for property located in flood zone V.

*Note: The full list of specific conditions can be found in the **Flood Coverage Option of the Property Coverage Document** available in the Pool's Member Portal.*

For all Members, regardless of county, flood coverage is also *excluded* for any scheduled golf course greens, fairways, tee boxes, etc. (non-building improvements).

**9. Does it matter in which FEMA flood zone a Member's property lies?**

Usually not. The only flood zone restrictions are for properties in the first tier of counties adjacent to the Texas coast and Harris, Orange, and Jackson counties (mentioned in the "Special Conditions" above).

**10. What if multiple floods occur in one fund year?**

The flood limit is the most the Pool will pay in total (the aggregate) for any one coverage period, regardless of how many flood events occur during the coverage period.

**11. Who can I contact with questions about Flood Coverage?**

Questions should be directed to the Member's [Risk Management Advisor](#).

*This document is not intended to provide coverage or legal advice. Each Member should carefully review its coverages and coverage documents in consultation with its Risk Management Advisor.*