Media Release

For Immediate Release
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S.C. Private Flood Insurance Act Enacted, Aims to Make Flood Insurance More Accessible

Columbia, S.C. – Monday, Governor Henry McMaster signed the South Carolina Private Flood Insurance Act into law (S. 882). This Act aims to foster innovative flood insurance coverage in South Carolina, allowing insurers the ability to test products in the market and offer consumers greater choice for flood insurance coverage.

“We are encouraged by the passing of this important legislation as we try to bolster competition in the flood insurance market,” said Ray Farmer, Director of the South Carolina Department of Insurance (SCDOI). “Currently, our consumers have very few options for purchasing flood insurance. While we are glad the National Flood Insurance Program (NFIP) exists to offer coverage, we realize that NFIP coverage may not work for every property owner. This is a chance to increase availability, which we believe will lead to competitive pricing and more options to meet consumers’ specifics need.”

The main provisions in the Act are:
- recognizing the various forms of private flood insurance available today - those meeting NFIP standards, discretionary acceptance policies, and any other type of coverage that covers losses resulting from flood;
- streamlining the regulatory oversight of forms and rates for private flood insurance coverage;
- allowing additional underwriting flexibility to incentivize carriers to offer coverage where and when it meets their underwriting criteria; and
- requiring 45 days’ notice before a private flood insurance policy is canceled or nonrenewed to allow consumers time to purchase alternative coverage.

“This is our chance to provide the industry with some flexibility for a small, but important line of coverage,” added Director Farmer.

The S.C. Private Flood Insurance Act will become effective November 28, 2020. For more information on the importance of flood insurance coverage, please visit www.do i.sc.gov/flood. The Department will publish additional guidance for industry on its P&C webpage, www.do i.sc.gov/p c.

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