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Here's where thousands of homeowners face higher insurance bills after FEMA updated its flood maps

Story by Aarthi Swaminathan 2026-9-23

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The federal government redrew flood maps across America this summer — and it could mean bigger housing bills for homeowners who now live in newly designated flood zones.

In June, the Federal Emergency Management Agency issued its biggest update to its flood maps in the last five years. Thousands more homes now require flood insurance if the homeowner still owes a balance on their federally backed mortgage.

Homeowners in Escambia County, Fla. — which includes Pensacola — were the biggest group rezoned into high-risk flood zones, followed by homeowners in Pender County, N.C., according to an analysis by Cotality. Pender County includes communities such as Surf City on North Carolina's coast.

The new flood-insurance requirements will add to the ever-rising ongoing costs of owning a home. Across America, many homeowners are already struggling to keep up with rising home-insurance premiums, which recently hit a record high. Meanwhile, property taxes have gone up for many homeowners.

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"Piling on to the pain at the pump and the grocery store, the increased cost of home insurance today is the inconvenient truth that flood events are becoming much more common across the country but are not covered in standard home policies," Amy Bach, executive director of United Policyholders, a consumer advocacy group, told MarketWatch.

"As flood-risk maps get updated, lenders will be requiring more borrowers to buy it," she added.
"That is going to create yet another affordability challenge for people across the country."

Home-insurance premiums now account for about a tenth of a typical homeowner's monthly housing payment, according to Intercontinental Exchange. In parts of the Southeast U.S. where floods are common, insurance costs eat up an even larger chunk of housing costs. Flood insurance is typically a separate policy from general home insurance.

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Read more: Home-insurance premiums just hit a record high. Here's where they spiked the most.

In 2025, the average yearly cost of flood insurance was \$957. The figure varied widely by state: In West Virginia, the average cost was \$1,800; in Alaska, it was \$430, according to data from Insurify.

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About 2,300 properties in Escambia County were newly mapped into a high-risk FEMA flood zone, Cotality noted, alongside 678 more properties in Pender County. To be sure, there are already thousands of properties in these counties that lie in zones with varying levels of flooding risk; the properties highlighted in the Cotality report are new additions to a high-risk category.

These properties were mapped into a Special Flood Hazard Area, which refers to places that are at risk from flooding from a 100-year flood. The area has a 1% annual probability of being inundated by a flood, according to FEMA. A structure within the high-risk SFHA on a flood map has a 26% chance of suffering flood damage over the full term of a 30-year mortgage, FEMA said. Note

The Cotality findings are not surprising, Preston Murphy, a Pensacola, Fla.-based real-estate agent and team leader at Keller Williams Gulf Coast, told MarketWatch.

"It may not necessarily be a shock in terms of the news, but it is definitely a financial shock to homeowners," who may suddenly find themselves facing higher insurance payments as rising costs — from energy to groceries — hit their pocketbooks hard, Murphy said.

None of Murphy's own properties require flood insurance, but he still has coverage for all his rentals and his primary home. The reason is that the cost of insuring his home and rentals is a few thousand dollars a year, much lower than the potential out-of-pocket cost he would face if he had to rebuild them.

Here are the 10 communities with the highest number of properties that were newly mapped into a high-risk Special Flood Hazard Area:

1. Escambia County, Fla.
2. Pender County, N.C.
3. Chattanooga, Tenn.
4. Ithaca, N.Y.
5. Methuen, Mass.
6. Lawrence, Mass.
7. Omaha, Neb.
8. Peabody, Mass.
9. Apache Junction, Ariz.
10. Malden, Mass.

More homes are in these high-risk flood zones because FEMA factored in recent changes in weather patterns.

"There has been a notable increase in the intensity of rainfall, which can be directly tied to a warmer atmosphere," Jeremy Porter, a physical-risk research director at MSCI, told MarketWatch.

"In some parts of the country, what we officially label a 100-year rainfall event is now happening every 30 years," he added.

Higher insurance premiums could increase mortgage delinquencies

Higher insurance costs could cause some homeowners to buckle under the financial pressure, Cotality said.

Those who cannot afford to pay their insurance premiums might take on more credit-card debt, miss mortgage payments or end up being forced to sell their home, according to an [analysis](#) circulated by the Federal Reserve Bank of Dallas.

Homeowners with Federal Housing Administration loans, in particular, could struggle to cover higher insurance payments. FHA borrowers typically have lower down payments, higher levels of debt relative to their income and "a thinner financial cushion to absorb" sudden increases in cost, Cotality said, so they could struggle to pay flood-insurance premiums

In turn, higher insurance costs could lead to an uptick in delinquencies over the coming months and years.

Not
"Our projections suggest that continued increases in [home-insurance] premiums could lead to an additional 203,000 mortgages per year falling into delinquency between 2025 and 2055," the Dallas Fed researchers said, basing their calculation on insurance-premium projections by First Street Foundation, a company that models climate risk. First Street was acquired by MSCI in August.

Don't just rely on FEMA to map flood risk — they cover the bare minimum

Homeowners frustrated with the new flood designation may think of going "bare," or not getting flood insurance.

Not
But homes in designated flood zones are required to have flood insurance if they have a federally backed mortgage. If the homeowner fails to obtain coverage, the lender can "[force-place](#)" a policy and require a monthly payment. The downside of the lender obtaining insurance is that you have no control over the cost or the coverage.

Emily Crain, a Compass real-estate agent based on the Gulf Coast of Florida, was notified that her insurance premiums were going up next year for the house she owns on Santa Rosa Island, just a hundred yards away from Escambia County. The property had been mapped into a new zone that had higher risk based on FEMA's flood designation, which meant higher flood-insurance premiums.

She advised that homeowners in this position proactively shop around for policies, instead of accepting what the lender provides. It's a "game we have to play," she told MarketWatch.

You can check if your home is in a flood zone by going to the FEMA website [here](#) and looking up your ZIP Code.

To be sure, FEMA maps aren't comprehensive. Homes that are outside FEMA's mapped flood zones could still be vulnerable to flooding.

FEMA maps are "still largely backward-looking, based on historical events, and don't fully account for how precipitation patterns and flood risk are shifting with a warming climate," Porter said. "Ultimately, this still leaves a significant amount of flood risk unaccounted for in the new maps.

"Disclosure requirements and recent disasters have helped increase awareness," he added, "but many homeowners just outside official flood zones still underestimate their exposure."

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