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Before the Flood, More New Orleans Residents Had Flood Insurance Than the Rest of the Nation

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NEW ORLEANS -- In the weeks after the levee system failed in New Orleans, public officials scolded the vast majority of the city's residents for not having flood insurance. It turns up they were wrong.

"Two out of three New Orleanians carried flood insurance -- 67% compared with the national rate of about 5%."

And "Louisiana is a more enthusiastic participant in the National Flood Insurance Program than any other state in the nation."

This was [revealed](#) in data painstakingly worked up by aides to Donald Powell, the Bush administration's liaison to the disaster zone.

But real damage was done because, as observed by Harry Shearer last month at the [National Press Club](#), it is in the early stages of news stories that Big Media creates a "template." Later, despite the appearance of conflicting data from experts, news editors tend to cling to the original versions.

Even researchers at the Cato Institute got caught up in the herd mentality.

"Although flood insurance is heavily subsidized, many -- even most -- property owners in New Orleans do not buy this insurance, expecting the federal government to bail them out whether or not they are insured," said Institute Chairman William Niskanen in [testimony to Congress](#) in September 2005.

Chairman Niskanen was wrong about New Orleans.

Nonetheless, myths, like this one about New Orleanians and flood insurance, have become established fact in the immediate aftermath and remain stubbornly entrenched.

So Levees.org is publishing Myth Buster #5 -- Per capita, more New Orleans residents had flood insurance, even if it wasn't required, than the rest of the nation, on the day the federal hurricane protection failed them.

"Of the 113,053 single family homes in Louisiana that sustained hurricane-related flood damage in 2005, at least 72,787, that's 64.4 percent, were covered by flood insurance, according to Powell's data."

Simply for the sake of comparison, "30% of the 28,800 flood homes in Mississippi had flood insurance."

Billy Kohlman, whose home in New Orleans took on 4 feet of water, had sold flood insurance since 1982 and insisted that all his clients have flood insurance.

"I thought Lake Pontchartrain or the Mississippi River could overtop the levees," said Kohlman. "But never in my wildest dreams did I think the levees themselves could break."

According to [Ed Pasterick](#), senior advisor to FEMA, Louisiana was a stand out success in a nation where the vast majority of people living in high-risk areas don't buy flood insurance.

"Much as Louisiana nursed the hope that the big one would go somewhere else," said Pasterick, "there was an awareness that the region was a hurricane target."

Levees.org's Myth Busters 1-4 can be seen [here](#).

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