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Now is the time to review your flood insurance needs

Don't wait until the snow melts and spring rains begin

March 17 – 21 is National Flood Safety Awareness Week, and it's a good time for Oregon homeowners, renters and businesses to review their insurance needs before snow melt and spring rains bring the potential for flooding.

National Flood Safety Awareness Week is sponsored by the National Oceanic and Atmospheric Administration (NOAA), and is supported by state insurance departments, including the Oregon Insurance Division.

Floods can happen anytime, anywhere and without warning. The damage from a flood is not covered under a standard homeowners insurance policy.

What is flood insurance?

Flood insurance is a special policy that is federally backed by the National Flood Insurance Program (NFIP) and available for homeowners, renters and businesses. The standard flood insurance policy pays for direct physical damage to insured property up to the replacement cost or actual cash value (ACV) of actual damages or the policy limit of liability, whichever is less.

Homeowners: You may purchase flood insurance covering up to \$250,000 of flood damage to your home. A standard flood policy will cover structural damage, including damage to the furnace, water heater, air conditioner, floor surfaces (carpeting and tile) and debris clean-up. The contents of the home are not covered under a standard policy, but for an additional premium, you also may purchase flood coverage for up to \$100,000 of damage to your personal property.

Coverage for basements, crawlspaces and ground-level enclosures on elevated homes is limited. If your home has these spaces, be sure to ask your insurance agent about any restrictions in your coverage.

Renters: Flood is not covered under a basic renters insurance policy. Talk with your insurance agent about your flooding risks to decide if you need flood coverage for your belongings.

Business owners: A flood insurance policy coverage will cover up to \$500,000 on a non-residential building and its contents.

How much does flood insurance cost?

According to the Federal Emergency Management Agency (FEMA), the average homeowners flood insurance premium is approximately \$500 a year. Premiums for flood insurance will vary depending on your risk level for a flood loss, the amount of coverage you choose, the type of coverage you need and your deductible.

You can normally choose different deductibles for building property and personal property coverage. The deductibles will apply separately to building property and personal property claims. Your mortgage company can require that your deductible is no more than a certain amount.

How do I buy flood insurance?

You can purchase flood insurance for your home or business regardless of whether the property is in a floodplain. Contact your insurance agent or company to find out if your community participates in the NFIP. You can also visit www.floodsmart.gov to get more information about your flood risk.

Plan ahead: Flood insurance has a waiting period

It's very important to plan ahead. A flood insurance policy normally will not go into effect until 30 days after you purchase the policy.

Additional tips

- Make a home inventory; i.e., a record of your personal property, such as clothes, jewelry, furniture, computers and audio/video equipment. Photos and video of your home, as well as sales receipts and the model and serial numbers of items, will make filing a claim simpler. In addition, add insurance information to your inventory information; i.e., the name of your insurance company and agent, policy numbers and contact information.
- Make sure you have bottled water, a first aid kit, flashlights, a battery-powered radio, non-perishable food items, blankets, clothing, prescription drugs, eyeglasses, personal hygiene supplies and a small amount of cash.
- If you need to evacuate your home, turn off all utilities and disconnect appliances to reduce the chance of additional damage and electrical shock when utilities are restored.
- Move all of your important documents to a safe location. Take them with you when you evacuate or store them in a safe deposit box outside the area.
- Take proactive steps to protect your property from loss. Be sure there is no loose siding on your home and no damaged or diseased trees growing over your home.

For more information

For more information about flood insurance, visit the NFIP Web site at www.floodsmart.gov. For more information about Flood Safety Awareness Week, visit the NOAA Web site at www.floodsafety.noaa.gov. If you have general questions about insurance, contact the Oregon Insurance Division's Consumer Advocacy Unit at 503-947-7984, toll-free at 1-888-877-4894, or visit www.insurance.oregon.gov.

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The Insurance Division, part of the Department of Consumer and Business Services, helps ensure the financial soundness of insurers, the fair treatment of consumers, and the affordability and availability of insurance products. For more information, visit www.insurance.oregon.gov.

The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit www.dcbs.oregon.gov.