

Flood Insurance Not Just for Homes by the Shore



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In the aftermath of the disastrous floods that accompanied Hurricane Irene in August, insurance companies are reporting a big uptick in requests for flood insurance.

As we've learned firsthand in Atlanta recently, damaging floods are no longer the exclusive concern of coastal communities. In fact, statistics show that about 25 percent of flood losses occur in non-flood zones.

A standard homeowners policy, however, does not cover damage caused by a flood.

The official definition of a flood used by the National Flood Insurance Program (NFIP) reads that a flood is "a general and temporary condition of partial or complete

inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is your property) from:

- overflow of inland or tidal waters;
- unusual and rapid accumulation or runoff of surface waters from any source;
- mudflow (defined as "a river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water"); or
- collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a

flood as defined above."

As you can see, this is a fairly broad definition. The area that pertains to erosion is one that many people overlook. The damage does not have to be a river of water running through your home. It can be caused from a build-up of water along the foundation or basement walls. I have seen where the weight of the water has pushed the basement wall in, a condition that was excluded by the home policy.

Many consumers fail to purchase flood insurance because it is not a part of the typical insurance purchasing process and because their home is not in a flood zone.

Yet just a few inches of water from a flood can cause tens of thousands of dollars in damage. Over the past 10 years, the average flood claim has amounted to nearly \$48,000. Flood insurance is the best way to protect yourself from devastating financial loss.

Check out the chart below showing flood insurance premiums for homes not in a flood zone. A flood policy can be an inexpensive way to protect your home.

Flood Insurance
Premiums for homes not in a flood zone

<u>Coverage</u>	<u>Annual Premium</u>	
<u>Contents</u>	<u>No Basem't</u>	<u>With Basem't</u>
\$100k/\$40k	\$274	\$304
\$150k/60k	\$313	\$343
\$200k/80k	\$343	\$378
\$250k/\$100k	\$365	\$405