

Midwest Floods And New I.I.I. Survey Underscore Need For Flood Insurance: Only 17 percent of Americans have Flood Insurance Policy

<http://www.insurancenewsnet.com/article.asp?n=1&id=95365>

NEW YORK, June 16, 2008 - Record widespread flooding across the Midwest has once again highlighted the catastrophic damages that flooding can cause. Yet a survey conducted for the Insurance Information Institute (I.I.I.) reveals that only 17 percent of Americans have a flood insurance policy.

The proportion of Americans with a flood insurance policy is relatively unchanged from a year ago when 14 percent said they have flood insurance.

In the North Central states, where much of the flooding is occurring, 17 percent of people said they have flood insurance, up from 9 percent in 2007, according to the I.I.I. survey.

"The results show that although more people are buying flood insurance the percentage is still dangerously low," said Jeanne Salvatore, senior vice president and consumer spokesperson for the I.I.I.

According to the Federal Emergency Management Agency (FEMA), floods, including inland flooding, flash floods and seasonal storms, occur in every region of the United States.

The I.I.I. survey also found that:

- In the Northeast, the proportion of homeowners with flood insurance rose by 10 points, from 10 percent in 2007 to 20 percent in 2008.
- - * In the Western region, 15 percent said they have flood insurance in 2008, up from 13 percent in 2007.
 - * Slightly fewer homeowners in the South now say they have flood insurance-17 percent compared with 20 percent a year ago. These findings are consistent with National Flood Insurance Program data that shows an increase in the number of people non-renewing flood policies in Gulf Coast states.

This analysis is based on a national consumer public opinion survey conducted for the I.I.I. by Opinion Research Corporation during the period of May 15-18, 2008. Some 1,004 individuals were interviewed for the survey.

The I.I.I. reminds you to consider the following facts about flood insurance:

- Standard homeowners and renters insurance does not cover flood damage. Flood damage is excluded under standard homeowners policies. Only a flood insurance policy, available to homeowners and renters through the federal government, will cover flood-related losses. However, flooding is covered under the comprehensive section of an auto insurance policy
- - * Flood insurance is easy to purchase. Federal flood insurance can be purchased directly from an insurance agent or a company representative, and is available to communities that participate in the National Flood Insurance Program. Nearly 100 insurance companies write and service NFIP policies. In order to find an agent or company servicing your area, visit FloodSmart.gov or call (888) 379-9531.
 - * It is easy to assess your flood risk. More than 20,000 communities in all 50 U.S. states and territories voluntarily participate in the NFIP, encompassing nearly all properties in the nation's high-risk flood zones. For more information, visit the Your Flood Risk section of the NFIP's FloodSmart Web site; in the lower left hand corner is a One Step Flood Risk Profile tool where you can enter your address to determine your level of flood risk.
- - * Flood insurance is affordable. The annual premium for a homeowners NFIP policy starts at \$112 per year, according to FEMA, and increases according to the level of flood risk and amount of coverage needed. The maximum coverage amount is \$250,000 for the structure of the home and \$100,000 for the contents of the home. Renters can pay as little as \$39 per year for \$8,000 in contents coverage. Flood insurance is available on a replacement cost basis for the structure of the home and on an actual cash value basis for personal property

* Excess flood insurance policies add an extra layer of coverage. A growing number of private insurers have begun offering excess flood policies, intended to provide water damage protection to homeowners over and above the coverage provided by the NFIP policy.

• * Without insurance, relief from floods primarily comes in the form of loans. If your community is declared a disaster area, no-interest or low-interest loans are usually made available by the federal government as part of the recovery effort. These loans are just that-loans-and must be paid back. Obtaining a flood insurance policy is the only way to protect you fully from the cost of flooding.

For more information on flood insurance, go to the I.I.I. Web site at <http://www.iii.org> or the FloodSmart Web site at <http://www.floodsmart.gov>.

For related audio, go to Survey Underscores Need for Flood Insurance at <http://www.iii.org/media/radio/prfloodpulse/>.

For a video about flood insurance, go to Flood Insurance for Your Home at <http://www.iii.org/media/av/>.

The I.I.I. is a nonprofit, communications organization supported by the insurance industry.

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