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Hurricane Season Entering Peak Period, Yet Many Homeowners Still Do Not Have Flood Insurance, Warns I.I.I.

August 9, 2012
Hurricane Season Entering Peak Period, Yet Many Homeowners Still Do Not Have Flood Insurance
FOR IMMEDIATE RELEASE
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NEW YORK, August 9, 2012 ? The busiest period of the Atlantic hurricane season is getting underway, so if you have not yet considered buying flood insurance, now is the time. Flood insurance covers your property against hurricane-caused storm surges as well as flooding generated by the torrential rains, which often accompanies tropical storms, according to the Insurance Information Institute [2] (I.I.I.).

Standard homeowners and renters insurance policies do not cover flood damage. However, flood coverage, is available in the form of a separate policy both from the National Flood Insurance Program [3], and from a few private insurers.

The NFIP provides coverage for up to $250,000 for the structure of the home and $100,000 for personal possessions. The NFIP policy provides **replacement cost** coverage for the structure of your home, but only **actual cash value** coverage for your possessions. Replacement cost coverage pays to rebuild your home as it was before the damage occurred. Actual cash value is replacement cost coverage minus depreciation so that the older your possessions are, the less you will get if they are damaged. There may also be limits on coverage for furniture and other belongings stored in your basement.

There is a 30-day waiting period before the coverage takes effect, so it is important not to wait until the last minute to buy a flood insurance policy.

Flood insurance is available for renters as well as homeowners. You will, of course, need flood insurance if you live in a designated flood zone. But it is worth keeping in mind that flooding can also occur in inland areas and at a distance from major rivers. Indeed, just last month a flash flood watch was in effect for the Santa Ana Mountains. You may want to consider buying a flood insurance policy if your house could be flooded by an overflowing creek or pond or water running down a steep hill.

Excess flood insurance is also available from some private insurers if you need additional insurance protection over and above the basic policy or if your community does not participate in the NFIP. Depending on the amount of coverage purchased, an excess flood insurance policy will cover damage over and above the limits of the federal program on the same basis as the federal program?replacement cost for the structure and actual cash value for the contents.

Excess flood insurance is available in all parts of the country wherever the federal program is available?in high risk flood zones along the coast and close to major rivers, as well as in areas of lower risk. It can be purchased from specialized companies through independent insurance agents or from regular homeowners insurance companies that have arrangements with a specialized insurer to provide flood coverage to their policyholders.

To find out whether private primary flood insurance is available in your area, contact your Insurance

Professional.

TV reporters interested in interviewing an I.I.I. spokesperson on flood insurance may also contact Brian Devenny at DS Simon Productions to schedule time during a **Satellite Media Tour on Thursday, August 16th** at 212-736-2727 or 201-696-1875.

RELATED LINKS

- Issues Update: Flood Insurance [4]
- Facts and Statistics: Flood Insurance [5]

THE I.I.I. IS A NONPROFIT, COMMUNICATIONS ORGANIZATION SUPPORTED BY THE INSURANCE INDUSTRY.

Insurance Information Institute, 110 William Street, New York, NY 10038; (212) 346-5500; www.iii.org [6]

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