



For Immediate Release

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**OPINION EDITORIAL FROM:
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**HOMEOWNERS NEED TO PREPARE FOR
HURRICANE SEASON FLOOD RISKS**

Hurricane season has arrived in Mississippi, and unfortunately, too few will be prepared to protect their families or their finances from the dangers of floods, which rank among the deadliest and most expensive natural disasters. Coastal residents should be wary; no one wants to see a torrent of filthy water come rushing through the first floor of your house, destroying your floors, drywall and furniture

There are several relatively simple things you can do to protect your family and your home this hurricane season. The Federal Emergency Management Agency (FEMA) and the American Red Cross offer recommendations on how to stay safe before, during and after a flood at www.fema.gov and www.redcross.org. The Mississippi Insurance Department (MID) offers tips on preparing for a disaster, what to do after the disaster and how to file a claim on the disaster page of its website at www.mid.state.ms.us.

FEMA also encourages home and business owners to protect themselves from the financial dangers of flooding by obtaining flood insurance through the National Flood Insurance Program (NFIP), which is expected to be reauthorized this week.

Having the right insurance coverage is important for several reasons. Most homeowners insurance policies don't cover flooding, which means you'll be stuck paying out-of-pocket for most of the damage to your property and possessions. The

damages can be costly – the average claim per homeowner for flood damage in 2009 was nearly \$27,000. Equally important, if you have a mortgage from a federally regulated or insured lender and live in one of the nation's Special Flood Hazard Areas (SFHAs), this insurance is required. Why? Because in a high-risk area, your home is more than twice as likely to be damaged by a flood than by a fire.

Many are concerned of the additional risks the oil spill poses should a hurricane strike. As far as the oil concerns of the Gulf Coast:

- There must first be a definitional flood*(see below) as described in the Standard Flood Insurance Policy (SFIP). Damage caused by the oil in flood waters is covered subject to the provisions of the SFIP.
- Under the terms of the SFIP's General Property Form (commercial buildings and contents), damage caused by pollutants is limited to \$10,000.
- The Dwelling Form and the Residential Condominium Building Association Policy Form limit damage from pollutants to the policy limits.
- Oil or water with oil in the yard is not covered
- The cost of complying with any local or State ordinance including one that requires special removal methods for oil is specifically excluded (certain floodplain management mitigation requirements are exceptions).
- No coverage for testing for or monitoring of pollutants unless there is a law or ordinance requiring it.

*Flood is a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or two or more properties (parcels of land) at least one of which is the policyholders property (parcel of land).from:

- Overflow of inland or tidal waters;
- Unusual and rapid accumulation or runoff or surface waters from any source;
- Mudflow.

But you don't have to live within one of these designated high risk areas to be endangered - 25 percent of all flood insurance claims come from low-to-moderate risk areas. In fact, you can live miles away from a large body of water and still be a victim of flooding. The largest amounts of rainfall from hurricanes are often produced by slow moving storms that move inland, producing high winds and torrential rains that can last hours or even days. Some of the worst damage from recent hurricanes has occurred hundreds or thousands of miles from the coasts where the storms made landfall – as far north as New York in the case of

Hurricane Ivan in 2004 and through much of the Midwest and into Pennsylvania because of Hurricane Ike in 2008.

It's easy to learn more about flood insurance and how to obtain it. FEMA has created a special web site at www.floodsmart.gov that provides clear information about the NFIP, which makes insurance available for an average cost of about \$560 per year – and as low as \$119 a year if you live in a low-risk area. The insurance is available to renters, homeowners and business owners through approximately 85 insurance companies in more than 20,800 participating communities nationwide. The website also has several interactive tools enabling home and business owners to assess their personal level of risk and estimate the costs based on various levels of flooding.

Flood insurance is an especially smart bargain compared to federal disaster assistance, which is usually a loan that must be paid back with interest and only available when a disaster has been federally declared. Rates depend on many factors, including the date and type of construction of your home and the level of flood risk and do not differ from company to company or agent to agent.

While you might not really be convinced of your risk for flooding until you see an alarming weather forecast or face a direct warning, it would be a dire mistake to wait until the waters are rising to obtain a policy. Most policies take 30 days before they go into effect, so the time to act is now. To learn more about your level of risk, and how to protect the value of your home, visit www.floodsmart.gov.