



Kansas Insurance Department

Sandy Praeger, Commissioner of Insurance

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For more information, contact:

Bob Hanson
Public Information Officer
785-296-7807

Consumer Alert

Flood Safety Awareness Week is a good time to review flood insurance options

TOPEKA, Kan. – Floods threaten homes from coast to coast - and they can happen anytime, anywhere and without warning, said Sandy Praeger, Kansas Commissioner of Insurance.

“The damage from a flood is not covered under a standard homeowners policy,” Commissioner Praeger said. “We at the Kansas Insurance Department and the National Association of Insurance Commissioners (NAIC) suggest all homeowners and renters review their flood insurance needs.”

Commissioner Praeger, who is president of the NAIC for 2008, and David Maurstad, Federal Emergency Management Agency (FEMA) flood insurance administrator, were in Kansas City Tuesday, March 18, to conduct a flood insurance workshop and tour the Brush Creek urban drainage channel. The event was part of National Flood Safety Awareness Week, March 17-21.

Commissioner Praeger offers the following flood insurance information as part of her department’s continuing education efforts concerning flood issues.

What is flood insurance?

Flood insurance is a special policy that is federally backed and regulated 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 of actual damages, or the policy limit of liability, whichever is less.

A homeowner may purchase flood insurance covering up to \$250,000 of flood damage. 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 a home are not covered under a standard policy, but for an additional premium, a homeowner may also purchase flood coverage for up to \$100,000 of damage to personal property.

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Coverage for basements, crawlspaces and ground-level enclosures on elevated homes is limited. Homeowners should ask their insurance agents about any restrictions in coverage.

Renters: Flooding isn't covered under a basic renters insurance policy. Renters should talk to their insurance agents about flood risks to decide if they need flood coverage for their 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 FEMA, the average homeowners flood insurance premium is approximately \$500 a year. Premiums for flood insurance will vary depending on the risk level for a flood loss, the amount of coverage chosen, the type of coverage needed and the deductible.

Homeowners can normally choose different deductibles for building property and personal property coverage. The deductibles will apply separately to building property and personal property claims. A mortgage company can require that a homeowner's deductible is no more than a certain amount.

How do I buy flood insurance?

Kansans can purchase flood insurance for homes or businesses regardless of whether the properties are in a floodplain. Insurance agents or companies know if a community participates in the NFIP. Flood risk information is also available at www.floodsmart.gov.

Plan ahead: Flood insurance has a waiting period

A flood insurance policy normally will not go into effect until 30 days after the homeowner purchases the policy.

Additional tips

*Make a home inventory; i.e., a record of personal property, such as clothes, jewelry, furniture, computers and audio/video equipment. Photos and video of the home, as well as sales receipts and the model and serial numbers of items, will make filing a claim easier. In addition, add insurance information to the inventory information, such as the name of the insurance company and agent, policy numbers and contact information.

*For personal safety, identify what storm shelter is available and prepare an evacuation plan.

*Make sure to 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.

*In case of an evacuation, turn off all utilities and disconnect appliances to reduce the chance of additional damage and electrical shock when utilities are restored.

*Move all important documents to a safe location. Take them during an evacuation or store them in a safe deposit box outside the area.

*Take proactive steps to protect property from loss. Be sure there is no loose siding on the home and no damaged or diseased trees growing over the home.

More information

For more information about flood insurance, visit the NFIP Web site at www.floodsmart.gov; The Kansas Insurance Department Web site, www.ksinsurance.org; the NAIC's consumer education Web site, www.InsureUOnline.org; or call the KID Consumer Assistance Hotline at 800-432-2484.

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The Kansas Insurance Department, established in 1871, assists and educates consumers, regulates and reviews companies and licenses agents selling insurance products in the state. More about the department is online at www.ksinsurance.org.