

IS YOUR HOME REALLY INSURED FOR THIS?



Most people assume that a homeowners insurance policy covers damage caused by flooding to their home and personal possessions. But that assumption is usually wrong. Don't wait until it's too late to protect yourself from the expense of a flood loss.

The Risk Is Clear

Over the long run, the average American home is more likely to suffer damage from flooding than from fire. And you don't have to live by a river, lake, or ocean for flooding to affect you. Nearly a quarter of all flood claims happen in other areas. Flooding can result from a wide variety of causes: storm surge associated with hurricanes and tropical storms, sudden downpours and flash flooding, prolonged rainfall or rapid snowmelt, water main breaks, and more.

Flood Insurance in the News

Flood insurance and the National Flood Insurance Program have received significant news coverage of late. The US recently passed into law the Homeowner Flood Insurance Affordability Act limiting the annual rate of increase on flood insurance. The act also makes other revisions to the 2012 Biggert Waters Act, itself meant to reform the National Flood Insurance Program. And, since the program carries nearly \$25 billion in debt, the new legislation may not be the end of the story.

Fortunately, the experts at Marsh Private Client Services keep a close eye on the important regulatory and market developments relevant to flood insurance as well as the entire spectrum of personal insurance concerns. Count on a Marsh Personal Risk Advisor for guidance on flood insurance and your entire personal insurance portfolio.

Have Questions?

We have answers. Call Marsh Private Client Services at 866 627 7472 or email marshpcs@marsh.com.

Many homeowners assume that their home insurance covers the damage caused by these events, but that's unfortunately not usually the case.

The Solution Is Simple

A basic and affordable flood insurance policy, backed by the federal government's National Flood Insurance Program (NFIP), is available in most communities.

Some insurers also offer their own private flood policies that may provide broader coverage and more favorable loss settlement terms than the government's NFIP policy, including:

- Costs to comply with any law or ordinance requiring you to repair, rebuild, elevate, flood-proof, or demolish your home after a covered flood loss.
- Additional living expenses — costs incurred to reside elsewhere while your home is repaired or rebuilt.
- Increased coverage for loss avoidance expenses such as sandbags, labor, and contents removal.
- Coverage for finished basement areas.
- Stabilization, evacuation, or replacement of land.
- Higher limits for valuables.

Additional protection is also available in form of excess flood insurance with higher loss payment limits for your home and possessions.

Flood Insurance versus a Standard Homeowners Policy

A standard homeowners policy protects against loss resulting from water coming in through a window or roof damaged in a storm. It does not provide coverage for rising water. The table below outlines how your flood or homeowners policies may respond to specific scenarios.

Loss	Flood Policy	Homeowners Policy
Flood water rising into dwelling	✓	
Faulty hose causes washing machine to leak water damaging flooring		✓
Neighbor's improper landscaping irrigation causes excess rainwater to enter residence causing damage to structure and personal property	✓	
Fire causes interior fire sprinklers to activate damaging interiors		✓
Nearby stream or river overflows and damages residence	✓	
Missing, worn, or broken roofing materials allow water to penetrate and deteriorate the roof structure		✓
Water heater bursts and damages flooring and walls		✓

About Marsh

Marsh Private Client Services is a division of Marsh, a world leader in providing comprehensive risk and insurance services and solutions.

For more than 30 years, Marsh Private Client Services has focused on providing personal risk management to successful individuals and families who value personalized advice and consultation.

We build long-lasting relationships with our clients through our commitment to detail and superior service. We begin every client relationship with a complete personal risk management review. We analyze your current risk profile and insurance program, taking into account both present circumstances and future plans. We then construct a comprehensive set of recommendations for an insurance program uniquely tailored for you.

To talk to a personal insurance expert about flood insurance as well as other insurance and risk management solutions, call Marsh Private Client Services at 866 627 7472 or email marshpcs@marsh.com.

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FLOOD FACTS

- According to FEMA, floods are the most common natural disasters in the US. They are also the most costly with a price tag in the millions of dollars of damage each year.
- Nearly 90% of all natural disasters in the US involve flooding.
- The average paid flood insurance claim is more than \$30,000.
- Just a few inches of water in your home can cause tens of thousands of dollars in damage.
- Wildfires and drought conditions increase the risk of flooding. Dry, charred ground is unable to absorb water making conditions ripe for flash flooding or mudflow.