

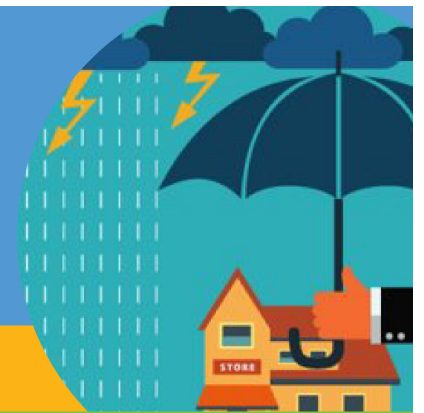


SESSION 3 TRANSFER YOUR FLOOD RISK, PURCHASE FLOOD INSURANCE

Be Flood Smart

Flood Education Virtual Sessions

JUNE 6, JUNE 13, JUNE 20, JUNE 27, 2024



DETAILS

DATE

Virtual Thursdays
June 6-27, 2024

12PM-1PM SESSIONS

[Click here to register via Zoom](#)

6 PM SESSION

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COST

Free of Charge

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SESSION 1	SESSION 2	SESSION 3	SESSION 4
Thursday, June 6 12pm-1pm	Thursday, June 13 12pm-1pm & 6pm-7pm	Thursday, June 20 12pm-1pm	Thursday, June 27 12pm-1pm
Watershed and Flood Basics, Where Flooding Occurs	Flood Risk Reduction Measures – Residential Drainage, Green Infrastructure Practices and CIP Projects	Transfer Your Flood Risk, Purchase Flood Insurance	Disaster Response and Recovery

Understanding Flood Insurance

Consumer Education and Advocacy Unit
Presenter: Joy Hatchette, Associate Commissioner
joy.hatchette@maryland.gov



Homeowners Policies do not Cover all Types of Water Damage

While the terms of your homeowners policy will determine what types of water damage are covered and the amount of coverage available, generally homeowners policies do not cover flooding.



Policy Comparison

Homeowners:

- Leaking roof (unless due to poor maintenance)
- Burst pipe
- Bath tub overflowing
- Damage to personal property from covered risks
- Water backup from an outside sewer (**typically requires a rider**)



Flood:

- Structural or foundational damage up to \$250,000 due to flood
- Overflowing inland or tidal waters
- Mudslide damage due to mud being carried by a river or stream of water

Flood Insurance

The Standard Flood Insurance Policy defines “**flood**” as:

A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area, or of two or more properties (at least 1 of which is the policyholder's property) from:

- Overflow of inland or tidal waters; or
- Unusual and rapid accumulation or runoff of surface waters from any source; or
- Mudflow; or
- Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above.

What Types of Losses are NOT Covered

Most homeowners insurance policies exclude the following types of losses:

- ✓ Mudslide
- ✓ Earth Movement
- ✓ Groundwater or seepage
- ✓ Flood



Flood insurance may be available as an endorsement to your homeowners, renters, or condominium insurance policy, or as a separate policy. While some insurers offer flood policies, flood insurance can also be purchased from the National Flood Insurance Program (NFIP). For more information, contact your insurer, insurance producer, or go to the NFIP's website, www.floodsmart.gov.

Flood Insurance

Structural Coverage – Covers damage to walls, floors, insulation, furnace and items permanently attached to the insured structure.

- Coverage is up to \$250,000 for residential buildings

Contents Coverage – Coverage for your personal property.

- Coverage on all residential personal property is up to \$100,000



Flood Insurance

Basements are any area of a building with a floor that is below ground level on all sides.

Basement items COVERED by flood insurance

- Unimproved structural parts (drywall, foundation and utility connections)
- Essential equipment (sump pumps, water tanks, furnaces and air conditioners)
- Clean-up

Basement items NOT COVERED by flood insurance

- Basement improvements (finished walls, floors or ceilings)
- Personal belongings kept in a basement generally are not covered



What Flood Insurance Covers

In the event of a flood, your National Flood Insurance Program (NFIP) policy covers direct physical losses to your structure and belongings.

What Flood Insurance Covers

Purchasing flood insurance will help protect the things you value. The NFIP offers two types of coverage – building coverage and contents coverage – to protect your home and belongings. Here are examples of what’s covered with NFIP flood insurance:

Building coverage protects for:

- Electrical and plumbing systems
- Furnaces and water heaters
- Refrigerators, cooking stoves, and built-in appliances like dishwashers
- Permanently installed carpeting
- Permanently installed cabinets, paneling, and bookcases
- Window blinds
- Foundation walls, anchorage systems, and staircases.
- Detached garages
- Fuel tanks, well water tanks and pumps, and solar energy equipment

What Flood Insurance Covers

Contents coverage protects for:

- Personal belongings such as clothing, furniture, and electronic equipment
- Curtains
- Washer and dryer
- Portable and window air conditioners
- Microwave oven
- Carpets not included in building coverage (e.g., carpet installed over wood floors)
- Valuable items such as original artwork and furs (up to \$2,500)

What isn't Covered by Flood Insurance

When determining coverage, the cause of flooding matters.

Flood insurance covers losses directly caused by flooding. In simple terms, a flood is an excess of water on land that is normally dry, affecting two or more acres of land or two or more properties.

For example, damage caused by a sewer backup is covered if the backup is a direct result of flooding. If the sewer backup is not caused directly by flooding, the damage is not covered.

What isn't Covered by Flood Insurance

Items not covered by building or contents coverage:

- Temporary housing and additional living expenses incurred while the building is being repaired or is unable to be occupied
- Property outside of an insured building. For example, landscaping, wells, septic systems, decks and patios, fences, seawalls, hot tubs, and swimming pools
- Financial losses caused by business interruption
- Currency, precious metals, stock certificates and other valuable papers
- Cars and most self-propelled vehicles, including their parts
- Personal property kept in basements

Flood Insurance – Who can Buy

Flood insurance is available to homeowners, renters and business owners in most communities in Maryland; ***even those that do not live in a special hazard flood zone.***

Flood Insurance – Where can I Purchase

You can purchase a flood insurance policy:

- From the National Flood Insurance Program (NFIP) if your property is located in a community that participates in NFIP. Flood insurance policies that are issued through the NFIP are regulated by the federal government, although they are frequently sold by private insurance companies. Go to www.floodsmart.gov to find out more;

Flood Insurance – Where can I Purchase

You can purchase a flood insurance policy:

- In the private market. A list of authorized insurers that sell private flood insurance in Maryland is available at: <https://insurance.maryland.gov/Consumer/Documents/publicnew/Private-Flood-Insurance-Contact-List.pdf>. These insurance policies are regulated by the Maryland Insurance Administration. If your home or business is in a special hazard flood zone and you have a mortgage, it is a good idea to check with your lender to confirm that the private flood insurance product you are considering will fulfill the mandatory purchasing requirement of your lender; or
- From a surplus lines insurer. The Maryland Insurance Administration has very limited jurisdiction and regulatory authority over surplus lines insurers.

Facts about Flood Insurance

1. Your chances of being flooded are much greater than some other risks you face daily.
2. If you live in a 100-year floodplain, there's more than a 1 in 4 chance that you'll be flooded during a 30-year mortgage.
3. During a 30-year mortgage, you are 27 times more likely to experience a flood than have a fire.
4. Just one-inch of water can cause \$20,000 or more in damages to your property.
5. Your homeowners or renter's policy typically doesn't cover flood damage.
6. No home is safe from the devastation of a flood; 25% of flood losses occur to homes outside of a high-risk area (category 1 or above)



Facts about Flood Insurance

- You can buy flood Insurance no matter where you live if your community participates in the NFIP.
- Whether your flood risk is high or low, most property owners in a community that participates in the NFIP can buy building and/or contents coverage, but there are exceptions.
- Property owners located in low-to-moderate risk areas should ask their agents if they are eligible for the Preferred Risk Policy (**provides flood insurance protection at a lower cost than a standard policy in a high risk area**).



Contact Information

Maryland Insurance Administration



1-800-492-6116



www.insurance.maryland.gov

National Flood Insurance Program




1-800-427-4661



www.floodsmart.gov


Contact Information

Maryland Department of Emergency Management

 1-877-636-2872

 www.mdem.maryland.gov

Federal Emergency Management Agency

 1-202-646-2500

 www.fema.gov

Information & Publications Available on MIA's Website

Flood Insurance Page:

<https://insurance.maryland.gov/Consumer/Pages/flood-insurance.aspx>

Check out the following publications for more information.

- [An Insurance Preparedness Guide for Natural Disasters](#)
- [Consumer Guide to Homeowners Insurance](#)
- [Property Damage – What to Do After A Loss](#)
- [Weather Related Damage – Frequently Asked Questions about Insurance Coverage](#)



QUESTIONS

We are also interested in your feedback
Please use the chat feature to tell us-

- What prompted you to join us this afternoon?
- What other topics would you like us to cover?





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NEXT SESSION

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