



Illinois Department of Financial and Professional Regulation

NEWS

Illinois insurance regulators urge property owners to review, add coverage to protect from floods and water damage

Recent news highlights that floods can happen anywhere and anytime

CHICAGO – As many Illinois communities continue to recover from last year’s catastrophic floods, heavy rains—combined with a quick snow melt—raise concerns that 2009 could be another rough season for flood-prone areas throughout the State. Springtime is a visible reminder that floods are the most common natural disaster in the U.S.—and one of the most expensive. The National Flood Insurance Program estimates that only two inches of water in a home could cause \$7,800 in damage.

“Flood risk exists everywhere,” said Michael T. McRaith, Director of the State’s Division of Insurance. “Standard homeowner or renter policies do not cover flood damage, and new flood insurance policies are not usually effective for 30 days. We encourage property owners and renters to review their policies now and add coverage to protect from water damage, especially if they live in areas prone to flooding. Consumers should know the limits and benefits of their policies before damage occurs.”

The Division of Insurance offers the following information for property owners and renters:

- Call your insurance agent to inquire about the availability of flood insurance in your area. Keep in mind that flood insurance becomes effective 30 days after it is purchased, so the sooner you talk to your insurance agent, the better.
- The average flood insurance policy costs a little more than \$400 per year for about \$100,000 of coverage. The actual cost to you will depend on where you live and the amount of coverage you choose.
- Consumers should regularly review all of their insurance policies to ensure adequate coverage and affordable deductible levels.
- Standard flood coverage does not typically cover damage resulting from sewer backups or sump pump issues. Ask your insurance agent if such additional coverage is appropriate to add to your policy.

- There are steps you can take before a disaster strikes to make it easier to file and recover insurance claims. For example, homeowners or renters should take an inventory of their personal property and make photocopies of their insurance policies, keeping all such important papers in a secure location away from their home. Taking pictures of various rooms and their contents is also a great way to document the contents.
- For more information about insurance coverage in the event of a flood or other disaster, consumers can visit the Division of Insurance's website at www.idfpr.com/doi/default2.asp or see the following consumer fact sheets prepared by the Division:
 - Consumer Alert on Flood Awareness
<http://www.idfpr.com/DOI/Main/FloodInsuranceConsumerAlert.pdf>
 - What to Do After an Insured Homeowners Loss
<http://www.idfpr.com/DOI/HomeInsurance/disaster.asp#1>

For more information on the availability of flood insurance in your area, and for additional tips on preparing for a flood, call the National Flood Insurance Program at (800) 638-6620 or visit NFIP's Web site at www.floodsmart.gov.

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