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Don't Let Flood Damage Wash Away Your Savings

(March 7, 2012) – Marylanders claimed nearly a quarter of a billion dollars in flood damage since 1978, yet only one out of every 28 households in the state is protected by flood insurance. During National Flood Safety Awareness Week, March 12-16, 2012, the Maryland Insurance Administration reminds residents to consider protecting their families and property from the expense of repairing major damage from storms and other flooding.

Flooding is not isolated to major bodies of water. Hurricanes, broken levees, outdated or clogged drainage systems, water main breaks and heavy rainfall all can lead to temporarily high levels of water or even mudflows. Most homeowners insurance policies do not cover flooding.

“Only 70,000 of Maryland’s 2 million households have flood insurance, leaving a large portion of our population unprotected from the cost of unexpected repairs,” notes Commissioner Therese M. Goldsmith. “Homeowners, renters, and business owners should evaluate their risks and consider whether to purchase coverage through the National Flood Insurance Program.”

National Flood Insurance is sold by many local insurance agents, even though it is a policy from the federal government. The average flood insurance policy premium is around \$500 a year. In low- to moderate-risk areas, residents can protect their properties with lower-cost Preferred Risk Policies (PRPs) that start at \$129 a year. Additional coverage is needed to insure the contents of a dwelling that may be damaged by flooding. Premiums are based on the value of the home’s contents.

Learn more about flood risk by visiting www.FloodSmart.gov or calling 800-427-2419. Consumers also may visit the Maryland Insurance Administration’s website (www.mdinsurance.state.md.us) to download a brochure entitled: *An Insurance Preparedness Guide for Natural Disasters*. Printed copies of the brochure may be ordered by calling 1-800-492-6116.

Because of a 30-day waiting period before a new flood insurance policy becomes effective, consumers should consider purchasing this coverage now in order to be protected. Spring typically brings significant rainfall and isolated flooding.

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