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FOR IMMEDIATE RELEASE

**SPRING SHOWERS COULD SOON BRING FLOODS
ARE YOUR HOME AND BELONGINGS PROTECTED?**

ALBANY, NY, April 28, 2009— Most New Yorkers live or work in areas that have some risk of flooding, says the New York Insurance Association (NYIA). Unfortunately, many people still don't understand the importance of flood insurance.

"Looking ahead to a rainy spring means now is the time for homeowners, renters and businesses to purchase flood insurance," says Ellen Melchionni, president of NYIA. More than 156,000 flood insurance policies currently are in force in New York State.

To help people understand the importance of flood insurance, NYIA offers the following facts:

- Standard homeowners and renters insurance does not cover flood damage although it is covered under the comprehensive section of a standard auto insurance policy. Flood coverage, however, is available in the form of a separate policy both from the [National Flood Insurance Program](#) - NFIP (888-379-9531), and from a few private insurers.
- Flood insurance is affordable. The annual premium for a flood policy starts at \$119, according to NFIP, and increases with the level of flood risk and amount of coverage needed. For homeowners, the maximum amount of coverage is \$250,000 for the structure of the home, and \$100,000 for the contents. For businesses, the maximum amount of coverage is \$500,000 for the structure and \$500,000 for the contents.
- The NFIP policy provides replacement cost coverage for the structure of a home, but only actual cash value coverage for possessions. Replacement cost coverage pays to rebuild a home as it was before the damage. Actual cash value is replacement cost coverage minus depreciation so the older the possessions are, the less individuals will get if they are damaged. There may also be limits on coverage for furniture and other belongings stored in a basement.
- There is a 30-day waiting period for flood insurance to go into effect, so it is important that individuals do not wait until flooding in their area is imminent to get the coverage.
- For individuals who want to purchase coverage over and above that offered by the NFIP policy, excess flood insurance is available from private insurance companies. It can even be purchased in high risk flood zones along the coast and close to major rivers as well as in areas of lower risk. Excess flood insurance is available from specialized companies through independent insurance agents or from standard homeowners insurance companies that have arrangements with a specialized insurer to provide coverage to their policyholders.

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- Keep in mind that before most forms of federal disaster assistance are offered, the president must declare the area a major disaster—and less than 10 percent of all disasters are declared so officially. If your area is declared a disaster, no-interest or low-interest loans are usually made available by the federal government. But these loans are just that, loans, and must be paid back. If you have flood insurance, your claims are paid whether or not the area is formally declared a disaster area.

The New York Insurance Association (NYIA[®]) is a state trade association that has represented the property and casualty insurance industry for over 125 years. For more information on NYIA, visit www.nyia.org.