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FOR IMMEDIATE RELEASE

Who Needs Flood Insurance? Maybe You Do!

Flood Insurance will help protect you in the event of a loss.

MADISON, Wisconsin (August 27, 2007) – Think you don't need flood insurance? Recent weather conditions have forced many Wisconsin home owners to reevaluate that question.

Floods and flash floods happen in all 50 states and nearly everyone lives in a potential flood zone. Every year, flooding causes more than \$2.4 billion of property damage in the U.S. Nationally, homeowners have a 26 percent chance of flood damage over a 30-year period versus only a 9 percent chance of damage due to fire.

“Only an inch of water can cause costly damage to your property,” says Ron Von Haden, CIC, Executive Vice President of the Professional Insurance Agents of Wisconsin (PIAW).

“Basic home owners’ policies do not cover flood damage, so a federal government backed flood insurance policy is needed.”

“The large amount of rain Wisconsin has received lately has caused flooding, which can lead to sewer back-ups,” says Von Haden. “Sewer back-ups are typically not covered or covered on a limited basis under your homeowner’s policy. Purchasing flood insurance should protect you if a sewer were to back-up due to flooding. Review your policy with your professional independent agent to ensure that you have the right type and amount of coverage for your

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situation.”

In order to purchase flood insurance, your community must participate in the National Flood Insurance Program (NFIP). A \$100,000 flood insurance premium is roughly \$400 a year. If you live in a low to moderate risk area, your premium may be even lower. Last year, one-third of all claims paid by the National Flood Insurance Program (NFIP) were for policies in low-risk communities.

“If you live on a coastline, flood plain, etc., you may not qualify for federally subsidized insurance and if you do, your rates will be substantially higher,” says Von Haden. “In this case, should a flood occur, your only option may be federal disaster assistance in the form of a loan that has to be paid back with interest.”

Land development can increase flood risk if construction has altered natural runoff paths. Areas that have not flooded before may be susceptible if surrounding land becomes developed.

If you are building or renovating a home in a floodplain, be sure to elevate the furnace, water heater, and electric panel. Also, install “check valves” in sewer traps to prevent flood water from backing up into the drains of your home.

“Flood policies typically take 30 days to take effect, so be prepared before the floodwaters start to rise,” says Von Haden. “Contact your professional independent insurance agent to discuss adding flood insurance on your home.”

For more information or to locate a PIA member near you, look for the PIA logo or go to www.PIAW.org.

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