

The Wisconsin Insurance Alliance

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MELTING SNOWS AND SPRING RAINS COULD SOON BRING FLOODS WILL YOUR HOME AND BELONGINGS BE PROTECTED?

In Wisconsin Many Ignore Importance of Flood Insurance

Madison, WI, Tuesday, March 22, 2005 – Soon the snow which blanketed many communities throughout Wisconsin this winter will begin melting on top of frozen earth. When combined with the inevitable springtime rains, excessive run off could produce record flooding.

Most Wisconsin residents live or work in areas that have some risk of flooding, says the Wisconsin Insurance Alliance (WIA). Unfortunately, many people still don't understand the importance of flood insurance.

"Looking ahead to a rainy spring on top of significant snowmelt means now is the time for homeowners, renters and businesses to purchase flood insurance, says Eric Englund, president of WIA. To help people understand the importance of flood insurance; the WIA offers the following facts:

- Homeowners insurance does not cover flood damage. Only flood insurance will cover your losses in the event of a flood. Insurance for homeowners, renters and businesses is available, however, through the federal government.
- Floods and flash floods occur within all 50 states. Almost everyone is vulnerable to floods, no matter where they live. In fact, the National Flood Insurance Program says that one out of four flood claims come from outside flood risk areas.
- Flood insurance policies can be purchased from licensed brokers. Flood insurance is available through the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP). It is sold via the more than 80 participating insurance companies that write and service policies through a special arrangement with the Federal Insurance Mitigation Association (FIMA), as well as through thousands of insurance agents nationwide. Contact your insurance agent for details or call the NFIP at 1-800-638-6620.
- Don't wait to obtain a flood insurance policy. If your community participates in the National Flood Insurance Program, you are eligible to purchase flood insurance through the NFIP. Remember that there is a 30-day waiting period before your coverage takes effect, so don't delay.

- Flood insurance Cost. The average premium for an NFIP flood insurance policy is \$625 per year for \$100,000 worth of property coverage without a basement and \$720 per year for \$100,000 worthy of property coverage with a basement. This does not include content coverage, which is available for as little as \$48 per year for \$5,000 worth of coverage. The maximum coverage amounts are \$250,000 for a home and \$100,000 for its contents. Maximum coverage for businesses is \$500,000 for buildings and \$500,000 for contents.
- Disaster aid is only available in federally declared disaster areas. Before most forms of federal disaster assistance are offered, the President must declare the area a major disaster -- and less than 10% of all disasters are declared by the President. Flood insurance claims are paid even if the President does not declare a disaster.
- Relief from floods primarily comes in the form of loans. 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. Obtaining a flood insurance policy is the only way to truly protect yourself from the cost of flooding disasters.