

Saving Your Assets for a Rainy Day

How much do you know about flood insurance? Take this brief quiz to find out:

1. **True or false: You do not live in a flood zone, so you do not need insurance.**
2. **True or false: Your homeowners or business insurance covers you for flood.**
3. **True or false: Flood insurance is affordable.**

The answers to the statements above may surprise you:

1. **False.** Consider this: between 20 and 25 percent of all flood insurance claims come from low-risk areas. You do not need to live near the seashore, lakes or rivers to be flooded. Floods can be caused by storms, hurricanes, melting snow, poor drainage systems or dams. Floods can occur any place, any time, in any state.

2. **False.** This is a common misconception. Your homeowners or business insurance policy does not cover flood damage. This means if your home or business is flooded, you must cover the cost of damage yourself.

Moreover, federal disaster assistance is only available if the President of the United States declares a major disaster, which occurs in only 10 percent of natural disasters that involve flooding. The most common form of disaster assistance is a loan that must be repaid with interest.

The only insurance available for flood is a policy through the National Flood Insurance Program (NFIP), which is administered by the Federal Emergency Management Agency (FEMA).

3. **True.** NFIP offers a variety of coverage amounts and you can get a lot of coverage for minimal cost. For example, the average flood policy costs about \$400 a year for about \$100,000 of coverage.

Contents coverage is separate, so renters can also insure their belongings. For as little as \$121, renters can purchase \$50,000 of contents-only coverage.

Please note that while flood insurance is written through the federal government, your independent agent and Main Street America can help you service a flood claim.

You should be aware that there is usually a 30-day waiting period before flood insurance goes into effect. Also, flood insurance cannot be written when your region is under a tropical/hurricane storm watch or warning. Consult your independent insurance agent today about whether you should add this important coverage to your home or business policy.

Source: Federal Emergency Management Agency (FEMA)

Floods can happen
anywhere, any time.
And they can happen to
you. Be smart and be
prepared—talk to your
Main Street America
independent agent about
how to protect your home
and belongings with the
National Flood Insurance
Program (NFIP).



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