



Flood Insurance 101

As the days begin to warm from cold winters to spring, the rise in temperatures means more rains and melting snows.

This can be an issue for people in all areas, not just ones near the water, as flooding potential grows. Certainly higher amounts of rain can cause water levels to rise, making problems for people by rivers and lakes, but this also causes debris to come loose from trees and surrounding soil, which can clog sewers and waterways and raise the flooding potential for more urban areas.

So how much do you know about flood risk and your flood insurance? Better yet, what do you NEED to know and where can you start?



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What counts as a flood?

When at least 2 acres of land or 2 properties are overrun with surface water or mudflow, this counts as a flood. The street can also count as one of the properties. Flooding does not include sewage or sewage backup UNLESS there is a general condition of flooding. (Sewage does not count unless it was part of the flood at hand).

Who can you talk to if you want to learn more about your flood risk?

Your real estate agent can tell you about what flood zone your home is in and its rank of risk, as well as if the property has ever flooded before. The neighbors of your property can tell you about the rain and flooding activity in the past. The Flood Plain Manager in charge of your area can tell you if there are any zone, risk, or flood map changes that can effect your property and coverage rates. Your insurance agent can tell you what flood zone you are in and any community changes that may effect your policy.

Who is at risk?

Technically everyone. There is no such thing as not being in a flood zone, there are only zones of higher and lower risk. Lower risk doesn't exempt people from flooding, it just is less likely (but still possible) in those areas.

Am I covered?

Standard homeowners policies do not cover floods, so best way to find out is to speak with your agent. National Flood Insurance Program policies have low coverage limits and don't cover replacement costs, external structures, or temporary living expenses if you are displaced from your home. These coverages are optional and need to be chosen if you want them added to your coverage.

What if I don't know what to ask for?

I don't want to get caught up flood river without a paddle!

That's completely understandable and why we are here! You can call our agency and ask any of your coverage questions and concerns and our team will go over them all to make sure you feel confident in your coverage. We make a point to go over the things you may not know to ask as well, just to be sure that you aren't missing out on anything you may want but not know to ask for. We have included some terms-to-know on the next page to help you with this conversation.

ACV (Actual Cost Value)

the cost to replace insured items MINUS the cost of depreciation. This would be the amount of money needed to replace your 2018 appliance for what it costs TODAY, NOT what it cost in 2018.

RCV (Replacement Cost Value)

the cost to replace insured items TODAY. If your 2018 appliance is insured at RCV, you can replace it with an appliance worth its cost without depreciation.

Market Value

Value determined by if a building has undergone damage or improvement, thus increasing or decreasing accordingly.

Risk

Chance of exposure to a situation that could cause damage/claims, valued as high or low i.e. high flood risk or low flood risk

Peril

The cause of risk, i.e. flooding



We hope that this has helped you better understand the importance of flood insurance and why you should consider purchasing it if you haven't already. If you have purchased it, we strongly suggest that you go over your policy to look for any changes to your risk and flood zone so that you are prepared for the possibility of a flood or its consequential damage.

Please click [HERE](#) to go to our personal flood insurance info page to learn more about how this can effect your home, and [HERE](#) to learn about the flood coverage you should consider if you are a business owner to protect your company.

If you have any further questions or would like to purchase flood insurance, please call us at (901) 388 – 7283 to start your protection with one of our team. You can also email us at Insure.Me@LoftonWells.com or click [HERE](#) to go you our Service Request page.

