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Illinois Department of Insurance Urging Homeowners and Renters to Review, Add Coverage to Protect from Floods and Water Damage

***Department reminding homeowners and renters that floods
can happen anywhere, anytime***

CHICAGO—March 15, 2010. As winter draws to an end and warmer weather approaches, it is important to remember that with the change in seasons comes an increased chance of flooding. The Illinois Department of Insurance is reminding Illinois consumers to prepare for the possibility of a flood by examining existing homeowner or renter policies and determining whether to add flood insurance.

“A common misunderstanding is that flood risk exists only near rivers, lakes and other bodies of water,” said Michael T. McRaith, Director of the Illinois Department of Insurance. “The reality is that a flood can occur anywhere. Standard homeowner and renter policies do not cover flood damage, and new flood insurance policies are not usually effective for 30 days. Consumers should know policy limits and benefits before flood damage occurs and add flood insurance if necessary.”

Floods are the number one natural disaster in the U.S. — and one of the most expensive. The National Flood Insurance Program estimates that only two inches of water in a home could cause \$7,800 in damage. Flood damage can occur due to heavy rain, land development, or as a result of runoff from parking lots into residential subdivisions.

To ensure that homeowners and renters understand the risk of property damage and are aware of options for flood protection, the Department is encouraging homeowners and renters to review their insurance policies and consider obtaining flood insurance coverage. Since new flood insurance policies are not usually effective for 30 days, it is important to examine your policy and needs well before the rainy season begins.

The Department offers the following information for homeowners and renters:

- Call your insurance agent to inquire about the availability of flood insurance in your area. Keep in mind that flood insurance becomes effective 30 days after it is purchased, so the sooner you talk to your insurance company or agent, the better.
- The average flood insurance policy costs a little more than \$400 per year for about \$100,000 of coverage. The actual cost to you will depend on where you live and the amount of coverage you choose.
- You should regularly review all of your insurance policies to ensure adequate coverage and affordable deductible levels.
- Standard flood coverage does not typically cover damage resulting from sewer or drain backups, sump pump discharge or overflow, or seepage of water unless those issues are caused by a flood. Ask your insurance company or agent to explain these situations and help you determine what coverage is appropriate for you.

There are steps you can take before a disaster strikes to make it easier to file and recover insurance claims. For example, homeowners or renters should take an inventory of their personal property and make photocopies of their insurance policies, keeping all such important papers in a secure location away from their home. Taking pictures of various rooms and their contents is also a great way to document the contents.

For more information about flood insurance, please visit the Department's website at www.insurance.illinois.gov or call the Department toll-free at (866) 445-5364. Specific information about flood awareness, flood insurance, and what to do after a flood strikes can be found at the [Homeowner Insurance section](#) of the Department's website. Helpful information on the availability of flood insurance in your area and additional tips on preparing for a flood can also be obtained from the National Flood Insurance Program at (800) 638-6620 or www.floodsmart.gov.

More information

The Department's mission is to protect consumers by providing assistance and information, by efficiently regulating the insurance industry's market behavior and financial solvency, and by fostering a competitive insurance marketplace. The Department assists consumers with all insurance complaints, including health, auto, life, and homeowner. Consumers in need of information or assistance should visit the Department's Web site at insurance.illinois.gov or call our toll-free hotline at (866) 445-5364.

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