



PAT QUINN
Governor

ANDREW BORON
Director

NEWS

Illinois Department of Insurance

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CONTACT:

Kimberly Parker

(312) 814-1577

Kimberly.Parker@illinois.gov

State Insurance Regulators Urge Property Owners to Review/Add Coverage to Protect from Floods & Water Damage

Most homeowners' policies do not cover flood damage

CHICAGO – Illinois Department of Insurance (DOI) Director Andrew Boron today urged people to prepare and protect their homes from possible flooding. As Illinois communities welcome springtime weather after the significant snowfall during this winter season, potentially heavy rains could result in another rough year for flood-prone areas throughout the state. Spring is a visible reminder of the potential for floods with torrential rain and damaging winds. In 2013 flooding in 49 Illinois counties broke all-time records. Floods are the most common natural disaster in the United States and one of the most expensive.

“Consumers should be aware that standard homeowner, condominium, and renter policies do not cover flood damage,” said Director Boron. “Just a few inches of water from a flood can cause tens of thousands of dollars in damage. We urge consumers to be prepared. Know your insurance policy limits before damage occurs.”

The Department of Insurance offers the following information for property owners and renters:

- Call an insurance agent to inquire about the availability of flood coverage in your area. Flood insurance becomes effective 30 days after it is purchased, so the sooner you secure coverage the better.
- Get a premium quote on flood insurance. Cost depends on where you live and amount of coverage you choose.
- Standard flood coverage does not typically cover damages resulting from sewer backups or sump pump issues. Ask if additional coverage is appropriate to add to your policy. Ask your insurance company or agent for clarification on how flood vs. water/sewer back up vs. sump pump are defined.
- There are steps you can take before a disaster strikes to make it easier to file and recover insurance claims. For example, homeowners and renters should regularly review all of their insurance policies to ensure adequate coverage and affordable deductible levels; take an inventory of personal property, make photocopies of their insurance policies and keep all such important papers in a secure location away from their home. Taking pictures of various rooms and the contents is great documentation.

For more information about insurance coverage in the event of a flood or other disaster, visit DOI's website at <http://insurance.illinois.gov> or see the consumer fact sheet *When Disaster Strikes: What to Do After an Insured Homeowners Loss* at <http://insurance.illinois.gov/Homelnsurance/disaster.asp>.

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