



Inland Flood Coverage Endorsement

Floods are on the Rise. Now there's affordable protection.

Flood is the number one most frequently occurring natural disaster in the United States, according to FEMA. It has impacted every state, and homeowners in low-to-moderate risk areas are often uninsured against serious losses and left with expensive repair costs.

Flood Coverage For Your Policyholders

With our Inland Flood Coverage Endorsement, you can now offer your policyholders a new choice for flood coverage. Designed specifically for residents in low-to-moderate risk areas, our endorsement adds affordable flood coverage to existing homeowner, dwelling fire and mobilehome policies. The endorsement covers the most common exposures policyholders face from an inland flood, including personal property, basement exposures and loss of use. With inland flood losses averaging \$27,000¹, it's clear that more homeowners need this protection.



Fire Insurance Company

Phone: (540) 459-3421 (800) 757-6342
www.shenandoahmutual.com

By the numbers

1st

Flood is the most frequently occurring natural disaster in the US¹



20%

Of flood claims from low-to-moderate risk areas¹



5mn

People currently hold flood insurance policies²



50

States have experienced flood events in the past 5 years³



67

Relevant flood/flash flood events in the United States (2012-2017)⁴



1. Federal Emergency Management Agency, "Basic Facts about the National Flood Insurance Program," 9-19-2016.

2. <https://bsa.nfipstat.fema.gov/1011.htm>

3. Federal Emergency Management Agency "Flooding in the Past Five Years," 11-28-2016.

4. © 2018 Münchener Rückversicherungs-Gesellschaft, Geo Risks Research, NatCatSERVICE - As of March 2018

What is an Inland Flood?



When inland waters, such as streams or rivers, overflow and partially or completely inundate normally dry land



Unusual, rapid rain accumulation, runoff, or snowmelt that doesn't drain away or soak into the ground



When water carries mud and becomes a mudflow

One Size Does Not Fit All

The National Flood Insurance Program (NFIP) was formed to cover high-risk areas that require flood insurance by law. For residents outside of these areas, the coverage is "optional". Because of surcharges and exclusions that come with flood coverage in high-risk areas, the take up rate is only 1% in low-to-moderate risk areas. This doesn't stop floods from hitting low-to-moderate risk areas. In fact, 20% of NFIP flood claims come from such areas.

Inland Flood Coverage Highlights

Coverage includes damage to:

- Residence and certain other structures (e.g. shed, pool house)
- Personal property, including in a basement or sunken room (sub-limits may apply)
- Loss of Use (sub-limits may apply)
- Property the policyholder moves to safety (first 30 days)
- Debris removal
- \$250 sub-limit for towing charges to move a covered mobile home in danger from a flood occurrence

Exclusions include, but are not limited to, damage to:

- Personal property not inside the home (e.g. patio furniture, barbecue equipment)
- Decks and fences
- Lawns, trees, landscaping
- Damage from earth movement, seepage from water table rising with no flooding near the house
- Sump pump discharge or overflow, or back up of sewers or drains, unless caused by flood

Eligibility includes single and multiple family dwellings (1-4 condo units) in all FEMA Flood Zones:

- Except those beginning with A and V prefixes
- Does not satisfy federally regulated mortgage lender requirements

A Claim Example

A creek behind a home overflows, inundates normally dry land and causes damage. Water enters the basement through its windows. The sump pump in the basement cannot handle the excess water from the flood. There is a clear watermark on the outside of the home. The insured has \$15,000 of Inland Flood Coverage Limit with a \$1,000 deductible.

Total damage – \$18,900 including:

- Personal property in the basement (\$8,200 covered)
- The furnace gets damaged and needs to be repaired (\$1,500 covered)
- Drywall in the basement needs to be replaced (\$2,200 covered)
- Charges for debris removal and fans to dry out the basement (\$5,000 covered)
- Landscaping outside the home is destroyed (\$2,000 not covered)

How coverage applies:

- Covered loss – \$16,900
- Deductible – \$1,000 deductible

Loss payment to insured – \$15,000

Find out how our Inland Flood Coverage Endorsement can protect your policyholders against serious losses that can come with a damaging flood.



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