

FLOOD INSURANCE

*A brochure explaining
what you should know
about flood insurance in
Colorado.*

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Flooding causes more than \$2 billion in property damage each year. In Colorado, flooding can be serious, and many consumers are not protected from the damage caused to their property as a result of such a disaster.

The standard Homeowners policy excludes property damage to structures and personal property from:

- ◆ Floods, including, but not limited to surface water, waves, tidal water or overflow of any body of water, or spray from any of these, whether or not driven by wind.
- ◆ Water or any other substance that backs up through sewers or drains.
- ◆ Water or any other substance that overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.

- ◆ Water or any other substance on or below the surface of the ground, regardless of its source. This includes water or any other substance which exerts pressure on, or flows, seeps, or leaks through any part of the residence premises.

A small number of insurers, on a voluntary basis, offer limited amounts of backup of sewer or drain coverage for a price.

Coverage for losses due to flooding is not offered by insurers under standard homeowners or business policies. However, it is normally covered under a mobile homeowners policy. Loss caused by flooding is also covered under automobile policies if comprehensive coverage is purchased.

Flood insurance is available to protect homes and businesses and their contents in communities that participate in the National Flood Insurance Program (NFIP). In

recent years, through a cooperative undertaking of the insurance industry and the Federal Insurance Administration, the Write Your Own (WYO) Program was developed. The WYO Program allows participating property and casualty insurance companies to write and service the Standard Flood Insurance Policy in their own names. The WYO Program operates within the context of the NFIP, and is subject to its rules and regulations.

A flood insurance policy through the (NFIP) covers damage from floods subject to limitations, restrictions and exclusions. In the policy, flood is defined as a general and temporary condition of partial or complete inundation of normally dry land area from:

- ◆ The overflow of inland or tidal waters.
- ◆ The unusual and rapid accumulation or runoff of surface waters from any source.
- ◆ Mudslides which are caused by

flooding and are akin to a river of liquid and flowing mud on the surface of normally dry land areas, including the premises, as when earth is carried by a current of water and deposited along the path of the current.

- ◆ The collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding the cyclical levels which result in flooding.

A flood policy excludes losses caused by:

- ◆ Theft, fire, windstorm, wind, explosion, earthquake, land sinkage, landslide, destabilization or movement of land resulting from the accumulation of water in subsurface land areas, gradual erosion, or any other earth movement except such mudslides or erosion as is covered under the peril of flood.

- ◆ Rain, snow sleet, hail or water spray.
- ◆ Land subsidence, sewer backup, or seepage of water unless, subject to additional deductibles and,
 - there is a general and temporary condition of flooding in the area,
 - the flooding is the proximate cause of the land subsidence, sewer backup, or seepage of water,
 - the land subsidence, sewer backup, or seepage of water damage occurs no later than 72 hours after the flood has receded, and
 - the insured building must be insured, at the time of loss, for at least 80 percent of its replacement cost or the maximum amount of insurance available under the National Flood Insurance Program.

- ◆ Freezing, thawing, or the pressure or weight of ice or water.
- ◆ Water, moisture, mildew, mold or mudslide damage resulting primarily from any condition substantially confined to the described dwelling or from any condition which is within the insureds control (including but not limited to design, structural or mechanical defects, failure, stoppages or breakage of water or sewer lines, drains, pumps, fixtures or equipment).

A flood policy is generally issued with a \$1,000 deductible for the structure and a separate \$1,000 deductible applies on the contents. Other deductible amounts can be purchased.

If not insured for flood damage, and a Federal disaster is not declared, a home and its contents may be ruined with no hope of recovery. Also, if located in a flood prone area and no flood insurance is purchased, there may be no Federal

flood assistance available in the future.

Therefore, call your insurance company or agent to find out if your community participates in the NFIP. If it does, ask for details about how to purchase flood insurance. Do it today. Flood insurance does not go into effect until 30 days after a policy is purchased.

Please direct your questions to:

The Federal Flood Insurance Program to 1-888-CALL-FLOOD x 304 or to the agent or insurer who issued the flood insurance policy.

More information may also be obtained on the Federal Flood Insurance Program's website, www.floodsmart.gov

Homeowners, renters, mobile homeowners or auto insurance to your agent of insurance company.

Complaints regarding your agent or insurer or general inquiries to the Colorado Division of Insurance at 303-894-7490 or 1-800-930-3745, or www.dora.state.co.us/insurance