



Free help with your insurance questions or complaints

Consumer Advocacy
Hotline

Toll-free
888-877-4894

Salem
503-947-7984

Email
cp.ins@state.or.us

Follow DCBS on
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Salem, OR 97309-0405

Phone: 503-947-7980
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Web: insurance.oregon.gov



Most homeowner and renter insurance policies do not cover flooding. If a covered peril, such as wind or hail, damages the structure and allows rain inside the building, the resulting water damage would be covered by your homeowner policy, but not damage caused by flooding.

Finding coverage

- ▶ Flood insurance may be purchased from the National Flood Insurance Program (NFIP). Nearly everyone can qualify to buy flood insurance because all Oregon communities with identified flood hazards participate in the program. Visit <http://www.floodsmart.gov/floodsmart/>.
- ▶ You can purchase flood insurance from a licensed private insurance company or independent property and casualty insurance producer (agent) in Oregon.
- ▶ If your insurance agent is unfamiliar with the program or is not licensed to sell national flood insurance, search the program's website for agents or companies in your area, or call 888-379-9531 (toll-free) to request a referral.
- ▶ A few private insurance companies offer excess flood protection, which provides higher limits of coverage than the National Flood Insurance Program, in the event of catastrophic loss by flooding.

Costs and rules

- ▶ Residential insurance for one- to four-family unit buildings and individual residential condominium units are insured for up to \$250,000 in building coverage and up to \$100,000 in personal property coverage. Your premiums will depend on your location (flood zone) and the coverage limits you select. In Oregon, the average cost of a flood policy is about \$500.
- ▶ Go to the National Flood Insurance Program website to get an estimate of how much flood insurance will cost. For a personalized quote, contact your insurance agent or company.
- ▶ In general, a policy does not take effect until 30 days after you purchase flood insurance. You will not be insured if you buy a policy a few days before a flood.
- ▶ A flood or tsunami resulting from an earthquake is not included under earthquake coverage.

Federal disaster help

- ▶ Federal disaster help is available only when the president declares a disaster and is usually a loan that you must pay back with interest.

INSURANCE *Tips . . . continued*

- ▶ Example: For a \$50,000 loan at 4 percent interest, your monthly payment would be about \$240 a month or \$2,880 per year for 30 years, in addition to your mortgage loan that you may still owe on the damaged property. In addition, you would need to buy and maintain flood insurance for the life of the loan.
- ▶ Compare the above cost to the average premium for \$100,000 of flood insurance coverage, which is about \$500 a year (less than \$42 per month). When you submit a flood insurance claim, you are compensated for all covered losses whether or not a disaster is declared.

Flood zones

- ▶ The Federal Emergency Management Agency (FEMA) designates flood zones based on the risk of flooding. You can find out what flood zone your property is in at <http://www.floodsmart.gov/floodsmart/> or by contacting your insurance agent or company, or your city or county planning department.
- ▶ Consider getting flood insurance even if you live in a low- or moderate-risk area. Almost 25 percent of all flood insurance claims come from areas with low or moderate flood risk. FEMA states that over the period of a 30-year mortgage, you have about a 9 percent chance of experiencing a fire, and a 26 percent chance (or about three times greater) of experiencing a flood.
- ▶ You may qualify for the Preferred Risk Policy, a low-cost flood insurance policy.

Other flood insurance

- ▶ Renters can purchase contents coverage up to \$100,000.
- ▶ Businesses can purchase coverage; the limits for a standard flood insurance policy for a business are \$500,000 for the structure and \$500,000 for contents.
- ▶ Flood damage to your vehicle is covered under your auto insurance policy if you have comprehensive coverage.
- ▶ Flood insurance is required if you buy or build in high-risk flood areas (special flood hazard areas) and the federal government helps finance this venture. Flood insurance must be maintained during the term of the loan and is required for the lesser of the maximum amount of available National Flood Insurance Program coverage or the outstanding principal balance of the loan (minus the land value).

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