

Article for 9/2/15

The rains came. The rains stayed. The rains left. The heat came. NO rain came. The heat got hotter. FINALLY, a little rain came. It's a cycle.

We water the yard. We get a little rain. We need to water the yard. It's supposed to rain. We don't water the yard. It doesn't rain. We water the yard, and it rains. It's a cycle.

How do we ever break the cycle? Some cycles are way beyond our control, but we can try to cut our losses. One way we can do that is through insurance. Particularly, flood insurance. Especially, since it can provide peace of mind considering that flooding is the most frequent natural disaster in the United States. Here's some interesting information on flood insurance in Texas.

"Flooding comes from a variety of sources in Texas, such as rainstorms, tropical storms, and hurricanes. Last year, the National Flood Insurance Program (NFIP) paid out more than \$58.5 million in claims for Texans. So far this year, the agency has paid out more than quadruple that amount – exceeding \$277.6 million, as of Aug. 19." Madison County has had 17 claimants resulting from the flooding this year and those households have \$45,034 set to be paid out. "Nearly 600,000 Texas households had flood insurance as of May 31, according to the NFIP. While that number may seem large, it is a small percentage of the 8.9 million total Texas households."

Considering that "just three inches of floodwater in a home will require replacing drywall, baseboards, carpet, furniture and other necessary repairs that can cost \$22,500 in a 2,000-square foot house; and the deeper the floodwater, the higher the repair costs – 12 inches of water in a 2,000-square foot house can cost \$50,000 or more."

"Understanding the value of flood insurance is important, yet many people remain uninsured, in part due to common misconceptions. Many policyholders believe their insurance covers all hazards and flood insurance isn't needed. However, standard homeowner policies do not cover flooding."

Another interesting fact is that "A federal disaster declaration is not necessary to make a claim on an NFIP flood insurance policy. Homes located outside flood-prone areas need flood insurance, too. Nationally, 25 percent of the total structures that flood each year belong to policyholders whose properties are not in high-risk areas."

Please consider that "there is normally a 30-day waiting period when purchasing a new policy. Flood insurance is sold through private insurance companies and agents and is backed by the federal government. Flood insurance is available to homeowners, business owners and renters in communities that participate in the NFIP and enforce their local flood plain management ordinances. To determine if a community participates in NFIP, go online to www.floodsmart.gov. Homeowners in a Special Flood Hazard Area (SFHA) must buy flood insurance if they have a mortgage from a federally regulated lender."

"An interactive guide to determine flood risk is available online at www.floodsmart.gov. This site also provides additional information on the NFIP and a list of insurance agents in a homeowner's area who sell NFIP flood coverage. Flood insurance premiums average about \$700 per year for homeowners. Homeowners can insure their homes for up to \$250,000 and contents for up to \$100,000. A number of

factors determine rates for renters. Renters can cover their belongings in amounts up to \$100,000. Nonresidential property owners can insure a building and its contents for up to \$500,000 each.”

Please consider looking further into flood insurance for you and your loved ones. Some cycles just can't be broken, but insurance could help lessen the losses, and planning can help you Be Safe Out There!