

Flood protection

Risk overview



The decision about whether or not to buy flood insurance should not be based on a line on a map. Where it can rain, it can flood.

The unexpected shouldn't be so unexpected

Flooding is one of the most common and costly natural disasters in the United States causing more than \$5 billion in damage nationwide each year. And, it often happens in low- and moderate-flood risk areas.

The fact is, a flood event doesn't have to be the size of a hurricane to cause serious damage. Flood risks can occur along rivers, oceans, streams, neighborhood retention basins, and even man-made issues related to land development. Unfortunately, many business owners, homeowners, and renters typically don't buy flood insurance. One inch of water in a home can cause significant loss!

According to Federal Emergency Management Agency (FEMA), your flood zone is not the only factor that determines flood risk. Many other factors such as recent construction, fires, a breached dam or oversaturated land can lead to flooding.

All 50 states have experienced recent flood events, and more than 40% of National Flood Insurance Program claims come from outside high-risk flood zones.

Some common myths include:

- Many consumers think their property won't flood, if it didn't in the past.
- I'm not in a flood zone, so I can't get flood insurance
- Flood coverage is unnecessary because individual disaster assistance from FEMA will fill in the policy gap.

Hard-truth realities

- Flooding can happen anywhere, not just in high-risk areas.
- 99 percent of U.S. counties have experienced a flooding event.
- Just one inch of water in a home can cause more than \$25,000 in damage.
- Flood damage is excluded from most homeowners, renters, and business property and contents coverage.
- Hurricane Ian alone resulted in more than 46,000 claims and \$1.5 billion in policy coverage.
- Flood insurance policies can take up to 30 days to go into effect.
- Disaster assistance is not a substitute for flood insurance. FEMA Individual Assistance (IA) typically provides limited compensation to cover very basic needs and is available only when a disaster is formally declared by the President. IA payments are intended to meet survivors' basic needs and supplement other disaster recovery efforts.

Source: National Flood Insurance Program media toolkit, July 2023, FEMA

Take these steps to understand the risks

Reach out to your insurance agent or call **800.427.4661** to talk to an agent near you:

- Does my homeowner's insurance cover flood?
- What flood zone do I live in? What is my property's flood risk?
- What will and won't be covered?
- How much coverage should I purchase for my building and for my contents?
- When will my policy become effective?
- Will my policy provide replacement cost value or actual cash value—and what's the difference between the two?
- Do I qualify for a Preferred Risk Policy (PRP)?
- Does my community participate in the NFIP's Community Rating System (CRS)? If so, does my home qualify for a CRS rating discount?
- Is flood insurance mandatory for my property?
- Does my credit union lender require it?
- Are there additional expenses or agency fees?
- How can I pay for my policy?
- How do I renew my policy?

For questions about your credit union loan or other member accounts, please contact your credit union.

Changing weather patterns

You can't control the weather, but you can prepare for it.

- Storms are becoming more frequent, severe and destructive.
- Combating the damage of intensifying, frequent storms requires increased awareness and mitigation.
- New land use and community development are constantly affecting how water flows and drains.

As long as your community participates in the National Flood Insurance Program, you can buy flood insurance. Waiting for a disaster to strike is too late. Be aware and prepared.

To learn more about flooding and the National Flood Insurance Program, go to www.floodsmart.gov.

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