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Six Myths of Flood Insurance

(Salem) — Floods are the most common and costly natural disaster in the United States. As the spring flooding season arrives in Oregon, it may be time to revisit flood insurance.

“Coastal residents will certainly want to consider flood insurance as part of their tsunami preparedness,” Insurance Division Administrator Teresa Miller said.

In recognition of Flood Safety Awareness Week this week, here are some common misunderstandings around flood insurance:

1. Floods are covered by my homeowner policy

Most homeowner/renter and business policies do not cover flooding. It is available for purchase, however, through the National Flood Insurance Program (NFIP). Tsunami losses are covered by flood insurance, as well.

2. Only people in high-risk areas need this coverage

Between 20 and 25 percent of flood insurance claims come from outside high-risk areas.

3. I should buy a policy from the federal government

You cannot buy insurance directly from the government; you can only buy coverage through an insurance agent. Find an [agent serving your area](#); or contact the NFIP at 888-379-9531 for an agent referral.

4. Premiums are expensive

Costs vary depending on how much insurance is purchased, what it covers, and the property's flood risk. The *average* flood policy costs less than \$570 per year.

5. If something really bad happens, I'll get federal disaster assistance

Federal disaster assistance will not always pay for flood damage. The president must declare a major disaster before most forms of assistance can be offered. Also, most forms of assistance are loans that must be repaid with interest. The premium for a flood policy can be less expensive than the monthly payment on a disaster loan.

6. Coverage starts immediately

Generally, coverage takes effect 30 days *after* the purchase of flood insurance. Exceptions are if your policy is purchased in connection with a mortgage or you purchase within a set time period following the revision or update of a Flood Insurance Rate Map.

The federal program covers up to \$250,000 in property damage to a home and \$100,000 for contents. However, excess flood insurance is available from private insurance companies.

Other information on flood insurance and/or tsunamis:

- The Federal Emergency Management Agency (FEMA) issued [tips](#) for protecting property in recognition of Flood Safety Awareness Week this week.
- Visit www.floodsmart.gov for detailed information on flooding and flood insurance.
- Oregon has its own [clearinghouse](#) for tsunami information.
- The Oregon Insurance Division offers flood coverage tips [here](#).

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