



VFW Post Insurance Program

Loss Control Article

Flood Insurance and Your Post

As flood waters rip through the nation's Midwest, many Posts have expressed concern about the potential threat of flooding in their areas. Their concerns are justified, too: according to the National Flood Insurance Program (NFIP), floods represent the most common type of national disaster in the United States. The NFIP reports that nearly \$24.5 billion has been spent on flood losses during the last decade.

Typical property or homeowners insurance policies **will not cover floods**. Almost no standard insurance policy will allow flood damages to be covered and usually have an explicit exclusion on the policy. It's important to remember, too, that "flood" doesn't just mean a river overflowing – a flood is any event where water covers over 2 acres of normally dry land and affects more than one property. This means that your Post could just as easily be flooded if a water main bursts, as when a creek or river breaks its banks. To protect your Post, you need to purchase a separate single peril policy that specifically covers floods...and only floods.

Contrary to popular belief, it is possible to purchase flood insurance whether or not your building is on a flood plain; there are just different programs in place depending on the building's location. The NFIP's Standard Flood policy provides coverage only to businesses and homeowners in "high risk" flood regions: areas with a 26% chance of flooding during a standard 30 year mortgage. Flood insurance for buildings in low to moderate risk areas can get

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- Buildings outside normal flood regions can often get coverage through Preferred Risk programs at a lower cost.

coverage through Preferred Risk Programs. These lower cost programs are a good deal for businesses with limited risk, especially considering that roughly 30% of all flood damages occur in these areas. Both options require that your community participates in the National Flood Insurance Program to get coverage. To find out if your community participates you can contact your VFW Post Insurance Program representative at 1-800-829-8390. When evaluating your Post's need for flood insurance, take into consideration that just a few inches of water can mean thousands of dollars in damages and repairs. The addition of a flood policy to your insurance plan could be the simple solution that ensures your Post remains an active and important part of your community.

For more information about flood insurance, visit the National Flood Insurance Program website at floodsmart.org. If you'd like to discuss flood insurance options for your Post, please call **The VFW Post Insurance Program** at 1-800-829-8390 for more details.

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