

6 Common Questions About Commercial Flood Insurance



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For More Information

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*Almost 40% of small businesses never reopen their doors following a disaster.**

*In addition, from 2006-2010, the average commercial flood claim amounted to just over \$85,000.**

So what's the best way to protect your business from this kind of devastating financial loss?

Flood Insurance.

Here's what you need to know about it.

*Source: Floodsmart.gov

1. My Business Policy Provides Protection in Case of a Flood, Right?

Probably not. The typical Commercial Property policy has a standard flood exclusion.

2. Don't You Need Flood Insurance Only if You Do Business in a High-Risk Area?

No. Businesses that operate in high-risk areas aren't the only ones that experience flood damage. In fact, 20-25% of all Flood Insurance claims come from medium- or low-risk areas.

3. Is Federal Disaster Assistance Available in the Case of a Flood?

It is...only if the disaster is Federally declared. If it's not, then you are on your own. However, with a Flood Insurance policy, you can be reimbursed for your losses, even if a Federal disaster has not been declared.

4. Am I Required to Purchase Flood Insurance?

Some lending institutions require it as a condition of securing a commercial loan. It is also a requirement for receiving disaster assistance when a property is located in a Special Flood Hazard Area.

5. How Much Does Flood Insurance Cost?

Flood Insurance is likely more affordable than you think. In fact, the average premium for \$100,000 worth of coverage is about \$350 a year, with coverage available up to \$500,000 for businesses. Compare that with a \$50,000 disaster assistance loan that takes 20 years to repay and averages a monthly payment of just over \$300.

6. How Can I Get Coverage?

By contacting our agency. We have the knowledge and information to help you determine if you do, in fact, need Flood Insurance coverage.

In addition, more than 20,000 communities participate in the Federal Emergency Management Agency's National Flood Insurance Program (NFIP), which offers Flood Insurance protection. Policies typically include coverage for:

- Damage to structures and contents from flooding
- Sandbagging to reduce damage
- Clearing away debris and mud
- Flood-related erosion
- Flood-caused mudslides

You can learn more about NFIP, by going to www.fema.gov/national-flood-insurance-program.