

The Preferred Risk Policy

Complete Flood Protection For Just Pennies A Day

Floods can occur almost anywhere: on mountains, in deserts, and in areas where there are no rivers or streams. Changing weather patterns are increasing your chance of experiencing a flood, even if you live in an area not considered to be high risk. About one out of four flood insurance claims is paid on homes located in low- to moderate-risk areas. Yet, thousands of people who experienced flood losses in recent years had no flood insurance because they never thought they would need it. Are you willing to take that risk? With the National Flood Insurance Program's low-cost Preferred Risk Policy, you don't have to.

Doesn't Homeowner's Insurance Cover Flood Damage?

Flood damage is not covered under most homeowner's policies. But National Flood Insurance policies, including the special Preferred Risk Policy, do cover flood damage. And you can have this protection with the Preferred Risk Policy, if your home is outside of a high-risk flood area, for as little as \$106 a year.

Who Is Eligible for the Preferred Risk Policy?

This inexpensive policy is available for homeowners with a 1- to 4-family residential building located in a low- to moderate-risk area, which is indicated by a B, C, or X zone on the current Flood Insurance Rate Map.

The PRP is not available in the Emergency Program or in Special Flood Hazard Areas. Condominium units, except for townhouse/rowhouse type buildings, are not eligible under the PRP.

However, should any of the following conditions exist, based on the building's flood loss history regardless of ownership, a Preferred Risk Policy cannot be written:

- 2 loss payments, each more than \$1,000
- 3 or more loss payments, regardless of amount
- 2 Federal Disaster Relief payments, each more than \$1,000
- 3 Federal Disaster Relief payments, regardless of amount
- 1 flood insurance claim payment and 1 flood disaster relief payment (including loans and grants), each more than \$1,000

What Is Covered:

The Preferred Risk Policy provides the same coverage as the standard flood insurance policy:

- Your building's structural elements can be insured up to \$250,000
- The contents of your home can be insured up to \$60,000
- Replacement cost coverage is also available for a single-family, primary residence.

What About Federal Disaster Assistance?

Of all natural disasters that have occurred in the last 5 years, floods caused 61 percent of all property damage. When a flood occurs, there is no guarantee that Federal assistance will be available or that you will qualify for it. Before any flood victim is eligible to receive Federal disaster assistance, the President must declare a Federal disaster. Even then, disaster relief is often a low-interest loan that must be repaid, in addition to your mortgage and other debts. And, you may be required to purchase a flood policy as a condition of receiving Federal assistance. Your best financial protection from floods is a National Flood Insurance policy.

Protect Yourself Today with a Preferred Risk Policy

No matter where you live, floods happen. And they can happen to you. Just ask one of the thousands of victims each year who thought it would never happen to them. Don't put your most valuable possessions-your home and belongings-at risk. Take advantage of the low-cost Preferred Risk Policy today. Call the National Flood Insurance Program at **1-888-FLOOD29, TDD# 1-800-427-5593**, or ask your insurance agent about the Preferred Risk Policy.

How much will it cost?

The Preferred Risk Policy is available for as little as \$106 a year for \$20,000 of building coverage and \$5,000 of contents coverage for a building without a basement. The charts below provide details about premiums for different amounts of coverage both for buildings without basements and those with basements.

Buildings Without Basement	Contents	Premium
\$20,000	\$5,000	\$106
\$30,000	\$8,000	\$131
\$50,000	\$12,000	\$171
\$75,000	\$18,000	\$196
\$100,000	\$25,000	\$221
\$125,000	\$30,000	\$236
\$150,000	\$38,000	\$251
\$200,000	\$50,000	\$281
\$250,000	\$60,000	\$301

Buildings With Basement	Contents	Premium
\$20,000	\$5,000	\$131
\$30,000	\$8,000	\$156
\$50,000	\$12,000	\$196
\$75,000	\$18,000	\$221
\$100,000	\$25,000	\$246
\$125,000	\$30,000	\$261
\$150,000	\$38,000	\$276
\$200,000	\$50,000	\$306
\$250,000	\$60,000	\$326

Building deductible: \$500
Contents deductible: \$500
Deductibles applied separately

Premium includes Federal Policy Fee and ICC Premium
Rates effective 6/1/98.

The National Flood Insurance Program (NFIP) makes National Flood Insurance available in communities that adopt and enforce floodplain management ordinances to reduce future flood damage. The flood insurance component of the NFIP is administered by the Mitigation Division, part of the Federal Emergency Management Agency. More than 19,000 communities participate in the NFIP.

"Life is not waterproof-Be flood alert."

For more information, call **1-888-FLOOD29**,
TDD# 1-800-427-5593