

ROBERT L. EHRLICH, JR.
Governor

MICHAEL S. STEELE
Lt. Governor



R. STEVEN ORR
Commissioner

JAMES V. MCMAHAN, III
Deputy Commissioner

DARLENE K. FRANK
Director of Public Affairs

525 St. Paul Place, Baltimore, Maryland 21202-2272
Direct Dial: 410-468-2004 Fax: 410-468-2005
Email: dfrank@mdinsurance.state.md.us
1-800-492-6116 TTY: 1-800-735-2258
www.mdinsurance.state.md.us

FOR IMMEDIATE RELEASE

INSURANCE COMMISSIONER REMINDS MARYLANDERS TO CONSIDER FLOOD INSURANCE

Make a Decision for Your Own Protection

Baltimore, MD (July 11, 2006)...On Sunday, July 2, Governor Robert L. Ehrlich, Jr. successfully secured a federal disaster declaration for Caroline and Dorchester Counties. These two counties were hardest hit by late June's heavy rains and flooding.

This federal disaster declaration will provide funding for roads, bridges and other government infrastructure to expedite necessary repairs and to provide local and state government services as needed. The declaration will also provide funding for certain long-term projects to help alleviate risk of flooding in the future.

Maryland Insurance Commissioner R. Steven Orr again advises all Marylanders to consider purchasing flood insurance and to be prepared for natural disasters. Flooding can happen to anyone and coverage is available, regardless of where you live, to help offset the financial devastation of a property loss.

Based on past loss statistics, the following localities are most prone to flooding: Baltimore County, Anne Arundel County, Baltimore City, Dorchester County, Queen Anne's County, Talbot County and St. Mary's County. However, according to the National Flood Insurance Program's (NFIP) website, "Everyone lives in a flood zone." Consumers do not need to live in high risk areas to purchase flood insurance.

Orr added, "After these recent rains, I continue to remind every Marylander that homeowners insurance *does not* cover damage from rising water. Only a separate flood policy, underwritten by the Federal government, protects homeowners against this kind of loss. Residents should not wait until the next storm or hurricane. They need to make these decisions about protecting their families, property and financial security well in advance of having a claim."

Federal flood statistics show that 25-30% of all floods occur in low to moderate risk areas. To find out whether your home is located in a high, moderate or low risk area, go to www.floodsmart.gov. This federal site will also explain the basic coverages of Structure and Contents policies, help consumers get a quote and find an agent to make a purchase.

Additionally, FEMA tells us:

- Flood insurance is affordable and available to everyone.
- There is a 30-day waiting period before the coverage goes into effect.
- You may buy it from private insurance companies as well as agents.

--more--

Consider Flood Insurance...add one

- In addition to the obvious storms and hurricanes, floods may be caused by melting snow or water backup due to inadequate or overloaded drainage systems, dam or levee failure, etc.
- Just an inch of water can cause costly damage to your property.

As of February 2006, only 59,441 flood policies or 3% of Maryland's households have flood insurance. All 23 counties and Baltimore City participate in the National Flood Insurance Program. To date, some 13,500 Marylanders have recovered \$226 million in NFIP claims.

Flood insurance is available to homeowners, business owners and renters. Policies offer up to \$250,000 of coverage for homeowners and up to \$500,000 for business owners. An additional \$100,000 of coverage for contents can be purchased as well. Policies average \$450 per year. The cost is substantially less in low and moderate flood risk areas.

The 2006 outlook by Max Mayfield, Director of the National Hurricane Center, calls for "a very active season, with 13-16 named storms, 8-10 hurricanes, and 4-6 major hurricanes". He added that Maryland is most prone to flooding from storm surge, wind whipping up the sea level to abnormal highs. Well-known hurricane forecaster William M. Gray of Colorado State University found a 64% chance that a major hurricane, Category 3 or higher, will hit the East Coast this year. The average for the previous century was 31%.

For additional information, consumers may download a MIA brochure entitled: *An Insurance Preparedness Guide for Natural Disasters*, as well as other helpful information. Go to www.mdinsurance.state.md.us, click on *Insurance Preparedness for Natural Disasters*. For Marylanders without web access, the brochure and other materials may be ordered by calling 1-800-492-6116.

Other helpful State and Federal websites: www.mema.state.md.us; www.nhc.noaa.gov; www.floodsmart.gov; <http://tropical.atmos.colostate.edu/forecasts/>

**Maryland has over 1.9 million households, according to the latest census data.*

The Maryland Insurance Administration, founded in 1872, is an independent State agency of 300 employees located in downtown Baltimore. The regulatory agency ensures that companies offering life, health, auto, homeowner's and property insurance operate in accordance with Maryland law. It also protects consumers by ensuring that these companies remain solvent.