Personal Property Coverag

Insuring your possessions is just as important as financially protecting the structure of your home or business. Even a few inches of water can cause thousands of dollars in damage to your belongings. Without flood insurance to cover those losses, your financial security may be at risk.

Personal property coverage, commonly know as contents coverage, is an important option to consider because it is not automatically included in your standard flood insurance policy. Currently, only one in four homeowners with a standard flood insurance policy is covered for damage to their contents. However, contents coverage is available to homeowners, business owners, and renters to protect valuable belongings from potential flood damage.

CONTENTS COVERAGE IN HIGH-RISK AREAS

Property owners who live in high-risk areas with a mortgage from a federally regulated lender are required to purchase flood coverage for their building, but the requirement does not automatically extend to contents coverage. For a homeowner to protect their personal property, contents must be purchased. Coverage up to \$100,000 is available.

For example, a home owner living in Zone AE (high-risk area), can purchase \$100,000 of building coverage at an annual premium of about \$580. For as little as \$60 more, a homeowner can include \$40,000 of coverage for their personal property.

Personal property coverage up to \$100,000 is also available for renters in high-risk areas. Business owners can purchase up to \$500,000 of coverage for contents in their building.

LOWER COST FLOOD INSURANCE OPTIONS

If your property is located in a low- to moderate-risk area, your flood risk is reduced, but not removed. You may be eligible for a lower cost Preferred Risk Policy (PRP) that provides both building and contents coverage or contentsonly coverage.

A PRP offers the same coverage to homeowners, business owners and renters for less than half the price of a standard policy. PRP yearly premiums for building and contents can start as low as \$112, and \$39 for contents-only coverage. The premium for \$100,000 in building and \$40,000 in contents coverage would only be \$233.

INSURANCE PROGRAM

Visit FloodSmart.gov or call 1-800-427-2419 to learn more about how to prepare for floods, how to purchase a flood insurance policy and what the benefits are of protecting your home and property against flooding.

WHAT COULD YOU LOSE IN A FLOOD?

- Personal items like a television, DVD/VCR, computer, clothes, shoes and toys
- Couch, dining room table, entertainment center, and other furniture and fixtures
- Portable and window air conditioners
- Portable microwave ovens and portable dishwashers
- Clothes washers and dryers.
- Food freezers and the food in them
- Certain valuable items such as original artwork and furs (up to \$2,500)
- Stock or inventory (non-residential contents)
- Machinery and equipment (non-residential contents)

Without personal property coverage included in your flood insurance policy, you could end up paying for all of these losses.

A thorough home inventory to document your belongings will help if you need to file a flood insurance claim. For more information and tips, visit www.knowyourstuff.org.

