

# Property – Flood Endorsement

Floods are among the nation’s most common and costly natural disasters and cause billions of dollars in damage every year. Typical property insurance policies exclude the peril of flood. Some mistakenly assume that purchasing flood insurance is only necessary in high-risk flood zones; however, Chubb’s claim history indicates that over 50% of claim dollars paid for flood-related losses come from properties located outside of a high-risk flood zone<sup>1</sup>.

## Flood-Related Losses



**National Flood Insurance Program (NFIP) data indicates that in 2018 alone, over \$8.7B was paid in flood-related losses<sup>2</sup>.**

2018



**This is up nearly 2,300% from the \$380m that was paid in 2014<sup>2</sup>.**

Average Cost per Claim<sup>1</sup>

2014 – \$50k	
2018 – \$290k	

Chubb’s claims history indicates that the average cost of a flood claim has increased by over 550% in the last five years, increasing from \$50k to about \$290k per claim<sup>1</sup>.

**In addition to property damage, flooding often results in lost business income and extra expense. Inadequate protection can be devastating for your business.**

At Chubb, we offer an endorsement with specific flood limits of insurance, that can be integrated with our property product that can be used to help protect you against losses caused by flooding, such as:

- Replacement cost for damaged property
  - Rebuilding to code
  - Loss of Income during restoration period
  - Extra expenses associated with continuing operations
  - Costs associated with debris removal
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## Contact Us

Contact your agent or broker and ask if you are adequately protected against the perils of flooding.

<sup>1</sup> Chubb proprietary claims data  
<sup>2</sup> National Flood Insurance Program

## Chubb. Insured.<sup>SM</sup>

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## Claims Scenarios

**A technology business** in Iowa experienced a flood that caused damage to drywall, flooring, and ceiling tiles and destroyed all business personal property. The exterior of the building was largely undamaged, but the interior damage was so severe it was condemned and needed to be demolished and rebuilt. Chubb’s Customarq policy (with the flood endorsement) responded to the property damage.

**A law firm** leased space in a 9th floor office but kept some items in a storage unit on the first floor. A flood occurred and files and original client documents were destroyed. There was no power to the building and access was prohibited for over two weeks following the flooding event. Fortunately, the law firm’s Chubb Customarq policy included the flood endorsement and responded to the cost of recreating documents and replacing damaged property, the income the insured lost as a result of not being able to operate with access to their building, and extra expenses that were incurred to move and store salvageable property until a new space could be secured.

**A manufacturer of musical instruments** property was damaged when flood water flowed into a shipping/receiving area where stock was stored. Damage included equipment, floor and wall coverings, and shipping materials. Affected inventory had to be unpacked, inspected and repacked in dry containers. Chubb’s Customarq policy (with the flood endorsement) responded to the claim.