

Why flood insurance is important, even if you don't live near the water

At Chubb, we look for ways to do more for our clients, like providing comprehensive, customized coverage and advice to suit your unique needs and help you prevent issues from happening in the first place. The following **actual claim example** illustrates the need for flood insurance.

Our clients own a home in an inland, low-risk flood zone. They bought a flood policy because they know floods are the most common and expensive natural disasters.

Rainfall causes damage.

One afternoon, while our clients were out of town, they received a call from their housekeeper. She frantically explained that heavy rainfall had caused water to run down the hill they lived on and enter their home under the doors in their living room. Up to four inches of water accumulated and damaged several rooms, including their living room, bedroom, bathroom, and hallways, resulting in damage to almost 2,000 square feet.

A Chubb claims adjuster went to their home to perform an appraisal. They accessed the Chubb network of providers to find a restoration company to quickly assist with remediation and drying out the client's home.

Here's what the adjuster and restoration company found:

- Their home needed extensive water removal and demolition, damaged items needed to be removed, and the slab foundation dried.
- Mitigation expenses that include the cost of water extraction, demolition and removal of damaged items, and drying out the slab foundation totaled \$17,000.
- Debris removal and cleanup costs totaled over \$10,000.
- There was extensive damage to the home including baseboards, rugs, drapes, and furniture such as couches, end tables, desks, dressers, and bedframes.
- While some areas of the home did not experience any damage from flooding, the hardwood floors needed to be replaced throughout the home to maintain continuous flooring.

Chubb Flood coverage to the rescue.

The clients were able to repair their home and replace its contents for a \$5,000 deductible on their flood policy. **If they didn't have this flood coverage, their out-of-pocket cost would have been \$180,500.**

Even if you own a home far away from a major waterway, it is still wise to purchase a flood policy, as surface water events can happen to anyone and may not be covered by a homeowner's policy.

Anywhere it rains, it can flood.

\$1.5 million

Replacement cost

\$540/year

Cost of Chubb Flood policy

\$500,000

policy building limit, a \$200,000 contents limit, and \$5,000 deductible

4 inches

of rain

\$175,500

in covered costs (after a \$5000 deductible)