

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 TO MARYLANDERS: GIVE SERIOUS THOUGHT TO FLOOD INSURANCE

Counties of Baltimore, Anne Arundel, Dorchester, Queen Anne's AND Ocean City and Baltimore City Most Prone to Flooding

Baltimore, MD (June 6, 2006)...Now that the six-month hurricane season is officially upon us (June through November), Maryland Insurance Commissioner R. Steven Orr advises Marylanders to consider purchasing flood insurance. Based on past loss statistics, the following localities are most prone to flooding: Baltimore County, Anne Arundel County, Ocean City, Dorchester County, Queen Anne's County and Baltimore City. However, according to the National Flood Insurance Program's (NFIP) website, "Everyone lives in a flood zone."

Orr added, "I want every Marylander to be made acutely aware that homeowners insurance *does not* cover damage from rising water and that 25-30% of all floods occur in low to moderate risk areas. Only specifically secured flood insurance, underwritten by the Federal government, protects homeowners against this kind of loss." To find out whether your home is located in a high, moderate or low risk area, go to www.floodsmart.gov.

As of February 2006, only 59,441 flood policies or 3% of Maryland's households have flood insurance. Maryland has 119 communities participating in the National Flood Insurance Program. To date, some 13,500 Marylanders have recovered \$226 million in NFIP claims.

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%.

Additionally, FEMA tells us us:

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

Flood insurance is available to homeowners, business owners and renters. Policies offer up to \$250,000

--more--

Give Serious Thought to Flood Insurance...add one

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.

According to a recent article in *Best's Insurance News*, only 39% of New Orleans residents had flood insurance when Hurricane Katrina struck in 2005.

For additional information, consumers may download a newly produced MIA brochure entitled: *An Insurance Preparedness Guide for Natural Disasters*. Go to www.mdinsurance.state.md.us, click on *Consumer Information* then *Publications*. For Marylanders without web access, the brochure 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.