



Personal Property Insurance - Preferred Risk Policy

Floods can happen anywhere at anytime

Each year, many homeowners and renters experience devastating flooding events, even though they don't live near a river, coastline or major waterway. In fact, floods are becoming more common in urban areas, and flooding disasters are costly to homeowners and renters who do not have flood insurance. The National Flood Insurance Program (NFIP) is administered through the Federal Emergency Management Agency (FEMA), and the NFIP defines a flood as: an excess of water on land that is normally dry, affecting two or more acres of land or two or more properties.

A Few Flood Insurance Facts:

- Flood insurance is NOT typically included in most homeowners or renters insurance policies.
- Any homeowner or renter in a participating community can purchase flood insurance. You do NOT need to live or own a structure "in a floodplain." Listed here are participating and known non-participating communities: <https://www.fema.gov/cis/IL.pdf>
- More than 20 percent of flood insurance claims come from outside high-risk flood areas.
- Most consumers in designated low-risk and moderate-risk areas can purchase a Preferred Risk Policy (PRP) through the NFIP.

Understanding the Preferred Risk Policy (PRP):

The NFIP offers a lower-cost Standard Flood Insurance Policy (SFIP) called a Preferred Risk Policy (PRP) which is written using the Dwelling Form. PRPs offer the same quality of coverage as a Standard Flood Insurance Policy (SFIP) to cover your home and its contents.

- PRPs can be purchased for as little as \$325 per year.
- It offers fixed combinations of building/contents coverage limits or contents-only coverage.
- Only 1 building can be insured per policy, and only 1 policy with building coverage can be written on each building except in the case of a Residential Condominium Building Association Policy (RCBAP) and a condominium unit owner dwelling policy.
- For 1-4 family dwellings, the maximum coverage combination is \$250,000 building and \$100,000 contents.
- For other residential buildings, the maximum coverage combination is \$500,000 building and \$100,000 contents. Up to \$100,000 contents-only coverage is available for all residential properties.

Coverage summary – What is covered

- **Building coverage**
 - Detached garages
 - Electrical and plumbing systems
 - Foundation walls, anchorage systems, and staircases.
 - Fuel tanks, well water tanks and pumps, and solar energy equipment
 - Furnaces and water heaters
 - Permanently installed carpeting
 - Permanently installed cabinets, paneling, and bookcases
 - Refrigerators, cooking stoves, and built-in appliances like dishwashers
 - Window blinds

- **Contents coverage**
 - Carpets not included in building coverage (e.g., carpet installed over wood floors)
 - Curtains
 - Microwave oven
 - Personal belongings such as clothing, furniture, and electronic equipment
 - Portable and window air conditioners
 - Valuable items such as original artwork and furs (up to \$2,500)
 - Washer and dryer

Coverage Summary – What is NOT covered:

- Any damage caused by seepage, or any sub-surface water flow, a condition of flow of water beneath the earth's surface.
- Currency, precious metals, and valuable papers such as stock certificates.
- Damage caused by moisture, mildew, or mold that could have been avoided by the property owner.
- Financial losses caused by business interruption or loss of use of insured property.
- Living expenses such as temporary housing.
- Most self-propelled vehicles such as cars, including their parts.
- Property and belongings outside of a building such as trees, plants, shrubs, wells, septic systems, walks, decks, patios, fences, seawalls, hot tubs, and swimming pools.

PRPs are sold by nearly 70 insurance companies through the NFIP, all for the same low price. Please note that flood insurance typically goes into effect 30 days after your purchase.

For more information and eligibility about PRPs, call your agent or contact FEMA's Flood Mapping and Insurance Exchange at 1-877-366-2627 or at: www.floodsmart.gov

To find an agent, visit <https://www.floodsmart.gov/flood-insurance/providers>

If your community is not eligible for the National Flood Insurance Program (NFIP), consider purchasing private flood insurance. More information can be found at <https://insurance.illinois.gov/Main/FloodPrepFactSheet.pdf>

Contact the Illinois Department of Insurance if you have questions or complaints about a flood insurance claim at <http://insurance.illinois.gov/> or (866) 445-5364