



The Changing Tides of Flood Insurance

By Pat Long

After Hurricane Katrina in 2005, flood insurance was elevated to a national topic. One because of the disastrous response to the devastation in New Orleans and surrounding areas and two, because of the \$20 Billion deficit in the program.

Making people more aware that flood insurance is not covered under a homeowner policy became a focus at Eldredge & Lumpkin. We have reviewed every property that we insure and informed every property owner of their flood options.

Our government, in an attempt to redress the enormous deficit, signed into law the [Biggert-Waters Flood Insurance Reform Act of 2012](#) (BW-12) on 7/6/2012. The problem was it only took into consideration balancing the budget – not the hardship this would cause to those it affected. In true revolution fashion, the uproar was heard. To reverse and/or delay much of the BW-12, The Homeowner Flood Insurance Affordability Act of 2014 (HFIAA) was then signed into law on 3/21/14.

As this new law is being rolled out in stages, some of the BW12 rules will still apply and some of the HFIAA rules apply. We do not yet have a definite timeline of when or what changes will be enacted. To further complicate matters, on 7/16/14, several counties in MA underwent flood map revisions including Barnstable County. These changes also muddy how the legislation being rolled out will respond.

We will keep you abreast of the latest changes to the program as we learn them. If you currently have a policy, one change you will see prior to your renewal is a request for information to determine if the home is a primary or secondary home. This difference has a two-fold meaning:

-Primary home claim settlements are settled on a replacement cost basis; an insured must reside in the home 80% of their time for it to be considered primary from a claim stand point. All non-primary claim settlements are paid on an actual cash basis.

-From a policy stand point, if you live in the home more than 50% of the time, it will be considered a primary home. These policies at some point in the rollout of coverage will be charged a \$25 fee + a 5% reserve fee until the budget is balanced. Non-primary properties will be charged a \$250 fee each policy period + a 5% reserve fee until the budget is balanced.

Hurricane Season Be Prepared!

With hurricane season upon us, it is extremely important to be prepared. We've excerpted a checklist from the Red Cross website, "Hurricane Preparedness".

- Listen to a NOAA Weather Radio for critical information from the National Weather Service (NWS).
- Check your disaster supplies. Replace or restock as needed.
- Bring in anything that can be picked up by the wind (bicycles, lawn furniture).
- Close your windows, doors and hurricane shutters. If you do not have hurricane shutters, close and board up all windows and doors with plywood.
- Turn your refrigerator and freezer to the coldest setting. Keep them closed as much as possible so that food will last longer if the power goes out.
- Fill your car's gas tank.
- Create a hurricane evacuation plan with members of your household. Planning and practicing your evacuation plan minimizes confusion and fear during the event.
- Find out about your community's hurricane response plan. Plan routes to local shelters, register family members with special medical needs and make plans for your pets to be cared for.
- Obey evacuation orders. Avoid flooded roads and washed out bridges.

Standard homeowners insurance doesn't cover flooding. It's important to have protection from the floods associated with hurricanes, tropical storms, heavy rains and other conditions that impact the U.S. For more information on flood insurance, please visit our website at www.elinsurance.com

Stay Tuned...



Did you know Flood Maps have changed in Massachusetts?

If your lender is requiring flood insurance, or if flood coverage is a concern for you, contact E&L. We will help to determine your flood zone, what type of policy you qualify for and what the premium will be. We can advise if an elevation certificate will benefit your circumstance and direct you to resources to help mitigate the cost.

For more information, please check out our website, www.elinsurance.com. Also, please feel free to email us at flood@elinsurance.com or call us at 508-945-0393.

Preparing for College

Now that your son or daughter is off to college, it's a good time to review their auto insurance coverage. E&L Vice President Pat Long advises that students with good academic records – in college or high school – can qualify for special premium discounts. To start, simply submit a copy of their grades or transcript to your E&L customer service representative. They'll advise if your family qualifies.

If the school your child is attending and residing at is more than 100 miles away and the vehicle is remaining at home, your auto company may have an "Away at School" endorsement.

Important! If your son or daughter is taking a vehicle to college with them, we need to change the garaging to either the town/city in state or to an "out-of-state" territory. This is an increase in premium. However, if not endorsed, it can put a claim at risk of not being covered.

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