



HOME BUSINESS INSURANCE

## THE EVENT OF AN INLAND FLOOD

With changing weather patterns causing more severe and frequent rainstorms, and snowstorms with significant snowmelt, the threat of costly flood damage is growing. Today, even home-based business owners in normally low to moderate flood risk areas need coverage. Insurance options have been limited and costly—until now. RLI has partnered with Munich Re to provide affordable, inland flood insurance to cover the most common flood exposures.

### ONE SIZE DOES NOT FIT ALL

National Flood Insurance Program (NFIP) policies are designed to meet federal regulations for homes in high-hazard flood zones.

With higher limits, surcharges and exclusion of common exposures, NFIP policies are not a good fit for home-based business owners in low-to-moderate flood risk areas.

While the NFIP take-up rate in low-to-moderate flood risk areas is around 1%, the number of claims from these areas

is high and accounts for 20% of the total NFIP claims. With inland flood losses averaging \$27,000, it's clear that inland home-based business owners need protection and this market is underserved.

### NEW, AFFORDABLE COVERAGE

We offer Inland Flood Coverage as an endorsement to our Home Business Insurance policies.

Designed specifically for home-based business owners in lower flood risk areas, this coverage is affordable and insures the most common flood exposures.

### WHAT IS AN INLAND FLOOD?

- When inland waters, such as streams or rivers, overflow and partially or completely cover normally dry land
- Unusual, rapid rain accumulation, runoff, or snowmelt that doesn't drain away or soak into the ground
- When water carries mud and becomes a mudflow

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Rated A+ by Standard & Poor's  
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## INLAND FLOOD COVERAGE HIGHLIGHTS

### The endorsement covers:

- Business Personal Property
- Business Income and Extra Expense
- Business Personal Property Removed to Safety
- Limited Fungi, Wet Rot or Dry Rot.

### Exclusions include, but are not limited to, damage to:

- Business Personal property not inside the home
- Sump pump discharge or overflow, or back up of sewers or drains, unless caused by flood

### Eligibility includes single and multiple family dwellings (1–4 condo units) in all FEMA Flood Zones:

- Except those beginning with A and V prefixes
- Does not satisfy federally regulated mortgage lender requirements

## LEARN MORE

Find out how our new Inland Flood Coverage fills a growing coverage gap and protects home-based business owners against serious losses that can come with a damaging flood.

## A CLAIM EXAMPLE

A creek behind a home overflows, inundates normally dry land and causes damage. Water enters the basement through its windows. The sump pump in the basement cannot handle the excess water from the flood. There is a clear watermark on the outside of the home.

Insured has \$15,000 of Inland Flood Coverage Limit with a \$500 Deductible

### DAMAGE COSTS

|   |                 |
|---|-----------------|
| Business personal property in the basement is damaged | \$10,200        |
| Business interruption results in lost revenues        | \$5,700         |
| <b>Total Damage:</b>                                  | <b>\$15,900</b> |

### HOW COVERAGE APPLIES

|                                 |                 |
|---------------------------------|-----------------|
| Covered loss                    | \$15,900        |
| Deductible                      | \$500           |
| <b>Loss payment to insured:</b> | <b>\$15,000</b> |

FOR MORE INFORMATION:

