

# **Flood Insurance Facts: An Inch, Two Feet and a Loan that Must be Paid Back With Interest**

Floods and flash floods happen in all 50 states. Last year, one-third of all claims paid by the National Flood Insurance Program were for policies in low-risk communities. Here are some other things you should know about floods and flood insurance.

- Just an inch of water can cause costly damage to your property.
- A car can easily be carried away by just 2 feet of flood water.
- New land development can increase flood risk, especially if the construction changes natural runoff paths.
- Federal disaster assistance is usually a loan that must be paid back with interest.

For more policy and claim statistics, visit the [National Flood Insurance Program](#)

## **Water in the basement is often not a “flood”**

Note that many times water in your basement will not be a covered loss under a flood policy. A flood is defined as a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is the policyholder’s property) from overflow of inland or tidal waters, unusual and rapid accumulation or runoff of surface waters from any source, or mudflow.

If your loss is caused by a flood, and the flood is the proximate cause of the backup or seepage into your basement, your NFIP policy will cover many of your most critical items in the basement, like central air conditioners, drywall, electrical junctions, circuit breakers and switches, fuel tanks, furnaces, hot water heaters, sump pumps and more.

Source: [MiddleOak.com](http://MiddleOak.com)

[Visit our Flood Insurance web page.](#)

---

## How Much Home Insurance is Enough?

Based in Rockland, Camden, Belfast and Southwest Harbor, Maine, Allen Insurance and Financial understands the home insurance needs of our customers. We'll work with you to estimate the replacement cost for your home and to adjust your policy limits from time to time as needed.

It is critical that you provide us with accurate, updated information about your home and contents. If your dwelling limit accurately reflects your home's true replacement cost, some companies will pay more than the limit if a covered loss is greater than the limit on your policy.

Once a review of your home and possessions indicates you are properly insured, it's a good idea to reexamine your coverages and limits from time to time, especially whenever you make additions or improvements. Allen Insurance and Financial can help you re-evaluate your insurance needs, just give us a call at 800-439-4311 to speak with one of our agents.

## Be Sure You Have Enough Homeowners Insurance

Here are some steps you can take to reduce the danger of being seriously underinsured:

1. **Call Allen Insurance and Financial.** If you have questions or concerns about the limits in your policy, ask us to show you how those amounts were calculated. This will also give you an opportunity to make us aware of any overlooked information.
2. **Read your policy.** Certain property, such as jewelry, and certain perils, such as earthquake or flood, is better insured separately. Knowing what is covered and for how much will help you insure properly. If there is anything in your policy you don't understand, call your insurance agent and ask for an explanation.
3. At each annual renewal of your policy, you receive a new Policy Declarations page showing limits of coverage and optional coverages. **Review this information.** If you do any significant remodeling or add a family room, extra bedroom or bathroom, etc., tell us about these changes so your coverage limits can be adjusted to cover the improvement.
4. **Consider** carefully whether your policy provides all the protection you need. Does it provide coverage for extra costs resulting from building code changes? Does it automatically increase coverage limits annually to keep pace with inflation? Does it provide additional funds if the cost of rebuilding your home exceeds the policy limits?

### Make sure you know:

- Will your insurance company stand behind agreed upon repairs after a claim? Some companies are willing to put this guarantee in writing.
- Does your policy include replacement cost coverage for

contents (clothing, furniture, appliances, and other personal property inside your home)? If not, you can add it by endorsement. The cost is small, the protection valuable. Replacement Cost Coverage pays for losses to your possessions at the cost of brand new items. Without this option, a covered loss to your personal possessions would be depreciated by their age and condition, reducing the size of your claim settlement.

If you have an art collection, antique furniture, jewelry, or other valuable possessions, talk to your agent about supplemental coverages, such as fine arts or scheduled property endorsements, to adequately protect your investment in these items. The cost is modest for the extra protection, and often the deductible is waived.

Consider whether you should have more coverage for personal property (contents) than your policy provides. **Personal property coverage is usually 70% of the coverage limit for the structure.** Your limit may be lower than 70%. Supplemental protection is available for a small additional premium.

[Inventory your home](#). Prepare an inventory of personal property items, update it periodically, and keep it in a safe place outside your home, such as a safe deposit box at your bank. It will save you hours of time trying to list everything damaged or destroyed if you need to make a claim. It will also help ensure you don't forget some items. Allen Insurance and Financial can advise you on ways to simplify the job of preparing a personal property inventory such as videotaping each room with descriptive information on the sound track.

## **Personal Liability**

Besides making sure you have enough protection to cover possible damage to your own home and contents, you should also evaluate your exposure to liability risks. These result from damage to

the property of another, or injury to a person, not a member of your household, for which you can be responsible.

In recent years it's become common for homeowners to be sued for injuries or damages to others, even when there is no evidence of negligence by the homeowner. The reality today is if you have any appreciable assets, you are exposed to the risk of being sued. Even if you ultimately prevail in court, your legal fees and the months or years of worry and uncertainty can be a terrible burden on you and your family.

The Personal Liability coverage provided by your Homeowners Policy usually provides a limit of \$100,000 or \$300,000. You can increase this protection with a personal umbrella policy. Not only will it increase your personal liability, but also your auto liability. Limits are available from \$1 million to \$10 million and beyond. The cost of this coverage is usually very reasonable.

Keep in mind that certain states can require certain minimum levels of coverage. The right coverage for you is unique – talk to Allen Insurance and Financial today to find out how to get the best price and value on home insurance for you.

---

## **Did You Get a Health Insurance Subsidy in 2014? Watch Your Mail for Form 1095-A**

From our health insurance team: Anyone who obtained their health insurance through the marketplace in 2014 should receive a Form 1095-A (Health Insurance Marketplace Statement) in the mail

by Jan. 31. If you opted (as many have done) to receive an advance premium tax credit (subsidy) to help pay your monthly health insurance premiums, that information will be reported on Form 1095-A and must be included on Form 8962 (Premium Tax Credit) as part of the calculation of your premium tax credit and included with your 2014 federal income tax return.

Be sure to discuss questions with your tax preparer or accountant.

[Here is a link to the taxes page at healthcare.gov.](http://www.healthcare.gov)

```
[button name="Visit Our Affordable Care Act Web Page"
url="http://www.alleninsuranceandfinancial.com/insurance-service
s/health-life/health-insurance/affordable-care-act/"
target="_blank"]
```

---

## **Valuable Info about Health Insurance for Small Business & Self-Employed Individuals**

The insurance industry has changed! Take advantage of a free informational meeting to learn what your options really are.

The Small Business Administration, Belfast Area Chamber of Commerce, Allen Insurance and Financial, and the Center for Medicare and Medicaid Services invite you to attend a breakfast event on Jan. 21, from 7:30 to 9 a.m. at the Fireside Inn in Belfast.

Informational presentation followed by a question and answer session with:

- Seth Goodall, Region 1 Administrator SBA

- Dan Wyman, Health Insurance Insured Benefits Manager with Allen Insurance and Financial

- Jennifer Syria, Center for Medicare & Medicaid Services

They will explain some of the ins and outs of the Affordable Care Act, The Marketplace, and SHOP as well as options for small business people and self-employed individuals when seeking affordable health insurance.

A light breakfast, sponsored by SCORE Maine, will be served; thus, registration is required.

To register call 207-622-8551. Space is limited and registration closes on Wednesday, Jan. 14.

---

## **Maine Community Health Options and Community Pharmacies Working Together for \$0 Copays**

Maine Community Health Options, the nonprofit health insurance co-op, has entered into an agreement with Maine-based Community Pharmacies to provide MCHO members with a \$0 copay for all generic medications.

Community Pharmacies is located in 10 towns in Maine: Blue Hill, Bucksport, Corinth, Cornish, Dexter, Gorham, Newport, Saco, Randolph and Waldoboro.

Starting Jan. 1, a member in Maine or New Hampshire can fill their generic medications prescription at any of the 10 Community Pharmacies with a \$0 copay, provided the medication is on the MCHO formulary.

---

# Maine Community Health Options ID Cards for Jan. 1 are Delayed

Maine Community Health Options has had a delay in printing and mailing ID cards for Jan. 1 effective members – this has affected MCHO customers who have purchased health insurance both via the federal marketplace and directly from MCHO.

MCHO members who have questions or concerns about this can call MCHO directly at 855-624-6463. It is important to note that given the number of people impacted by this, the hold time may be quite high. Members can also set up an account on the member portal at [www.maineoptions.org](http://www.maineoptions.org) and print a temporary ID card.

---

# Rate Increases for Certain Anthem Individual Health Plans

The Maine Bureau of Insurance has approved a rate increase of 13.4% which is effective on Jan. 1, 2015 for certain Anthem individual health insurance customers in Maine – those who have individual grandfathered and grandmothered health benefit plans.

The grandfathered plans were purchased prior to the law passing and people can not be kicked off these plans. The grandmothered



plans are those purchased after the law passed and people will lose these plans by 2016, but currently have an extension.

**[Visit our health and life insurance page.](#)**

**[If](#)** you have questions or need help with health insurance under the Affordable Care Act, you can call our special health insurance line: (855) 710-5700.

---

## **Saving on Car Insurance**

It can be easier than you think to put the brakes on high car insurance rates. As an independent agency, we can help by reviewing your car insurance policy and possibly helping you find a variety of illuminating ways to save money. Here are some things you may want to consider:

- Ask us to check several companies' rates. This is the single most important thing you can do to get the best possible rate—and we can do it for you quickly and easily. The difference between the highest and lowest rate available to you from different companies could vary by hundreds of dollars.
- Reduce or drop physical damage coverage on an older car. Depending on your car's age and where you live, comprehensive and collision coverage may not be worth keeping. We can give you advice on whether it makes sense to reduce or drop this coverage altogether.
- Raise your deductible. According to the Insurance Information Institute, raising your deductible from \$200 to \$500 could reduce your collision and comprehensive cost

by 15 to 30 percent. In addition, because the average driver files a collision claim only once every ten years, odds are that over the lifetime of your car, a higher deductible will save you money. We can show you how raising your deductible will lower your premium.

- Look for discounts. Many insurance companies reduce premiums for certain driver traits or car features. For example: being a homeowner for more than three years, nonsmoker, nondrinker, students with good grades, senior citizens who have taken an approved defensive driving course, people who only drive for pleasure, cars kept in garages, antilock brakes, antitheft devices, air bags, etc. Ask us to check.
- Don't assume having your car and home insured by the same company is the best option. Because auto insurance rates vary so much from company to company, it may make sense for you to have your car and home insured by separate companies.

Source: Progressive.com

---

## **Know Your Cyber Risks**

Cyber crime is booming. And most businesses don't have the protection they need for the time when their systems are breached. This protection comes in two basic forms: the firewalls and other technology needed to keep hackers out and

insurance coverage for what happens after they make their way in.

[A new report by the Zurich Insurance Group and Atlantic Council](#) highlights seven different aggregations of cyber risk.

1. Internal IT: The cumulative of an organization's IT. Examples: Hardware, software, servers, related people and processes.

2. Counterparties and partners: Dependence on or direct interconnection with an outside organization. Examples: Research partnerships, relationships between competing or cooperating banks, industry associations and joint ventures.

3. Outsourced and contract: External suppliers of services, including HR, IT and legal. Examples: IT and cloud providers, HR, legal and accounting consultancy, contract manufacturing.

4. Supply chain. Examples: Exposure to a single country, counterfeit or tampered products, risks of disrupted supply chain.

5. Disruptive technologies: Unseen effects of disruptions either to or from new technologies. Examples: Internet of Things, smart grid, the largely automatic digital economy.

6. Upstream infrastructure: Electricity, financial and telecommunications systems. Examples: Internet exchange points, submarine cables, key companies and protocols used to run the Internet.

7. External shocks: Outside of the control of most organizations and likely to cascade. Examples: Major international conflicts, malware pandemic.

For more information about how cyber risk insurance can help your business, call [Joanne Billington](#) at 236-4311.

---

# Confused About Health Insurance? Find Answers Here

Open enrollment for many employers is in full-swing and open enrollment for individuals in the Affordable Care Act marketplace starts Nov. 15. A new [Kaiser Family Foundation study](#), released this week, shows that many consumers do not understand the basic terms and concepts of health insurance.

For example, nearly 40% of uninsured consumers don't understand basic health insurance terminology and even fewer understand how to calculate the out-of-pocket costs of a hospital stay or out-of-network lab test.

The work of an independent insurance advisor is more valuable to the consumer than ever, said [Dan Wyman](#), manager of the insured benefits division at Allen Insurance and Financial.

"Our staff specializes in health insurance. We can explain the differences in plans, right down to the smallest of details. We work with businesses, families and individuals every day to help them pick the insurance plans that best serve their needs," said Wyman.

It doesn't cost the consumer anything additional to have the advice of an insurance professional. And working with Allen Insurance and Financial means that when it comes to claims issues or questions during the plan year, an Allen advisor will be available to answer those questions, said Wyman.

[Take the Kaiser Family Foundation's health insurance quiz.](#)

—

[button name="Visit Our Affordable Care Act Resource Center"  
url="http://www.alleninsuranceandfinancial.com/?p=4456"]