

Merrill, Hannah

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Sent: Saturday, April 28, 2012 12:43 PM
To: zSMP; Miller, Sheila Roark; Gray, Steve; earnest spees; Lois Perry; harry bell
Cc: manager@crescentwater.com; marv chastain
Subject: FEMA AND OTHER POLICY SPECIFIC INSURANCE COVERAGE

I submit this as my SMP comment
Pearl Rains Hewett Trustee
George C. Rains Sr. Estate
Member SMP Advisory Committee

FEMA AND OTHER POLICY SPECIFIC INSURANCE COVERAGE

- Taken out of context
- Some documentation is from MARCH 15, 2011, 6:57 P.M. ET
- **1. FEMA flood specific**
- **2. Earthquake specific**
- **3. DIC INSURANCE COVERAGE**
- **4. Generic specific homeowners insurance**

Read on if you are interested

1. FEMA flood specific

The Federal *Insurance* and **Mitigation** Administration (FIMA) manages the NFIP. National Flood Insurance Program (NFIP).

Flood coverage costs an average of \$570 a year, up 4% from 2009. And those costs are expecting to keep rising, says Drew Woodbury, an equity analyst covering insurance at Morningstar.

Over 10 years, flood insurance premiums could cost up to \$27,340, for a high-risk home with \$250,000 in coverage to rebuild the house and \$100,000 to cover the contents, according to the Federal Emergency Management Agency

Drew Woodbury, an equity analyst covering insurance at Morningstar.

On top of that, a proposal in Congress could also boost annual premiums by as much as 20% as part of a plan to overhaul the federal government's flood insurance program, itself

(FEMA) underwater by \$18 billion.

My comment is, **the wider the DOE SMP Clallam County flood plain**, the more private property owners will be **required** to pay for this.

If **MITIGATION** is your middle name? You are probably a government agency.

2. Earthquake specific

Earthquake insurance premiums jumped by as much as 58% in some regions, says Mike Chaney, commissioner of insurance for Mississippi.

Washington State Office of the Insurance Commissioner.

taken out of context

Home policies typically **don't cover quakes**

While insurance policies with **earthquake coverage** are fairly easy to obtain, **they have extremely high deductibles, high premiums and offer relatively little coverage**, leaving some to wonder whether earthquake insurance is actually worth the price.

“There is widespread belief among **homeowners that earthquake insurance is included in their policy, but it almost never is. It's an add-on that you have to buy.** Most homeowners are just not covered,” says Rich Roesler to Insurancequote.com. Roesler is a spokesman for the **Washington State Office of the Insurance Commissioner.**

taken out of context

California Earthquake Authority (CEA)

CEA Premiums based on science, not profit.

Per my research consultant, **earth quakes are policy specific insurance.**

Earth movement, like slides, mud slides, caused by water or erosion, or your home sliding off of a Clallam County priority feeder bluff (PFB), are NOT Covered. See DIC insurance below.

3. DIC INSURANCE COVERAGE

(Difference in Conditions Coverage)

Per my research consultant, DIC insurance covers devastating, catastrophic damage to your private property. DIC gives you insurance coverage, **that is not** covered on any of your other policy specific insurance policies.

EXAMPLE OF DIC INSURANCE POLICY COVERAGE ON A CLALLAM COUNTY PRIORITY FEEDER BLUFF

The insured house is on a Clallam County Priority Feeder Bluff

The house is valued at \$700,000.00

The yearly premium for DIC insurance coverage on that property is \$2600.00

This DIC insurance policy DOES cover earth movement, like slides, mud slides, caused by water and/or erosion, AND it DOES insure your home if it slides off of a Clallam County Priority Feeder Bluff (PFB)

4. Generic specific homeowners insurance

My research consultant , advises you to read your homeowners policy, you will never know what is covered if you don't read your policy.

- **MARCH 15, 2011, 6:57 P.M. ET**
- **Do You Need Disaster Insurance?**

By [ANNAMARIA ANDRIOTIS](#)

The earthquake and tsunami in northern Japan has prompted homeowners everywhere to double-check their coverage. But those who decide that more coverage will help them sleep better may find an unpleasant surprise: Premiums are expected to spike.

The costs of earthquake insurance and flood coverage were already climbing, even before the disaster in Japan (and that, analysts say, won't help pricing either). Earthquake insurance premiums jumped by as much as 58% in some regions, says Mike Chaney, commissioner of insurance for Mississippi. They now cost anywhere from \$100 to \$3,000 annually depending on where you live. Flood coverage costs an average of \$570 a year, up 4% from 2009. And those costs are expected to keep rising, says Drew Woodbury, an equity analyst covering insurance at Morningstar.

What's driving the uptick? Insurance premiums move up after more claims are filed, and over the past few years U.S. homeowners have filed thousands of claims related to the series of hurricanes in the South and Midwest, says Chaney. Another jump in claims is expected next year if more devastating hurricanes and other natural disasters occur. On top of that, a proposal in Congress could also boost annual premiums by as much as 20% as part of a plan to overhaul the federal government's flood insurance program, itself underwater by \$18 billion.

These higher premiums come just as natural disasters are happening more frequently, says David Neal, director at Oklahoma State University's Center for the Study of Disasters and Extreme Events. There is now a 50% chance that at least one major hurricane will hit the East Coast this year, up from 31% historically, according to a study from Colorado State University. Earthquakes are also becoming more common: On average, 15 magnitude-7 earthquakes occur worldwide each year, says Dr. Harley Benz, a seismologist at the U.S. Geological Survey. But in 2010, that number spiked to 21, and already this year there have been seven, according to the USGS.

Not every homeowner needs the extra coverage. But while basic homeowners' insurance usually protects against fire and lightning, it often doesn't cover floods, earthquakes and other natural disasters. Consumers instead need to purchase additional policies. One thing to consider, say experts: Do you stand to lose more paying premiums every year or saving that money to possibly pay for repairs should a disaster occur? **Over 10 years, flood insurance premiums could cost up to \$27,340, for a high-risk home with \$250,000 in coverage to rebuild the house and \$100,000 to cover the contents, according to the Federal Emergency Management Agency,** which runs the National Flood Insurance Program. The typical cost to repair a basement after a flood of six inches is about \$25,000, not including the cost of replacing furniture, appliances or belongings, according to FEMA.

Of course, homeowners can also avoid these expenses by moving to less disaster-prone areas. Individuals can research the country's [earthquake](#) and [flood zones](#) for safer places to live. Also, before moving, check with a lender; most will tell borrowers they're moving into a high-risk flood zone and make sure they sign up for flood insurance.