



## Residential Contents Coverage: Protecting Personal Property With Flood Insurance

### Full Mitigation Best Practice Story

#### *Lewis County, Washington*

**Chehalis, WA** - Karen McGhee and her husband Terry have rented multiple homes in the City of Chehalis, Washington over the years. In 1990, they sat in their hilltop house and watched as floodwaters rose throughout the town below them.



Years later, in 1996, after having relocated to a new rental property, the McGhees had a much closer look at the water as their home was inundated by record flooding. They were forced to evacuate the property for seven days and suffered significant damage and loss of many of their belongings. Following this event, the McGhees purchased renter's flood insurance to protect the contents of their home.

There are several common myths surrounding flood insurance. Many people assume that it is only available to homeowners and that only those living within high flood-risk areas truly need it. In truth, approximately one-quarter of flood insurance claims are made in areas of low-to-moderate risk.

Flood insurance is provided under a separate policy from that of regular homeowner's or renter's insurance and made available through the National Flood Insurance Program (NFIP), overseen and managed by the Federal Emergency Management Agency (FEMA).

Only insurance companies within communities participating in the NFIP can provide this federally subsidized coverage. Following the flooding of 1996, the McGhee's landlord chose to elevate all his rental properties to at least one foot above the Base Flood Elevation (BFE), which is defined as flood levels having a one percent chance of being equaled or exceeded in any given year.

With their home damaged in the flood, the McGhees elected to move to another of the landlord's properties, which had a bigger house that had also been elevated and more land for them to grow a garden and raise various animals.

Even after moving to their new home, the McGhees chose to maintain their flood insurance policy, transferring it to the new rental property. Mrs. McGhee reported that establishing the policy and making changes to it was easy and convenient.

"When we set up our policy, we did most of it over the phone," said Mrs. McGhee. "Our agent did all the legwork and almost all the paperwork. All we had to do was go into the office, sign the forms and hand him our check. How difficult is that? It's a no-brainer, if you think about it."

One of the advantages of the NFIP is that the financial risk is spread across the country, making insurance policies available to residents of participating communities at extremely reasonable rates, especially for those people living outside the Special Flood Hazard Area (SFHA).

"We pay \$88 a year," she added. "That's dirt cheap, especially for what we had to insure. We were in a large, three bedroom house, and we had many belongings. A lot of people seem to have issues spending \$100 a year on insurance, but I watch them spend more than that in a month on things that are much less important."

In December 2007, when weather conditions once again resulted in record flooding throughout Lewis County, the McGhee's house came under threat of inundation. With an hour's warning, they were forced to grab what they could and flee their home.

Upon returning once the water had receded, they learned that despite their house having been elevated above the BFE, there had been three feet of water in their house, and that at least three inches of mud was left behind. Sadly, many of their animals were lost to the high water, and their gardens were ruined.

Packing up what they could salvage, the McGhees once again relocated, moving back to the home they had lived in prior to the 1996 flood. They filed their claim with the insurance company and went through the process of filling out paperwork and getting their inspection. Mrs. McGhee stressed the importance of preparation both before and during this period.

“We took photos of everything,” she said. “We had pictures of all our things prior to the flood and after the water was gone; during the clean up, we took a couple of disposable cameras worth of pictures showing all the damage.”

Since filing with their insurance company, the McGhees have learned that they are being covered for the depreciated value of their damaged property. For an investment of less than \$100 a year, they are receiving over \$10,000 in coverage.

“Even if you live in the desert, it’s obvious that things are changing,” concluded Mrs. McGhee. “People have got to be prepared. If it means you have to pay a little every year for flood insurance, so be it. It’s not a question of whether there will be another flood, but when it’s going to happen. And we all know it’s going to happen again. And again...and again. But you just have to square up and keep on going. I’m still here. I’m not going to let a flood ruin my life. But you have to protect yourself.”

### Activity/Project Location

Geographical Area: **Single County in a State**

FEMA Region: **Region X**

State: **Washington**

County: **Lewis County**

City/Community: **Chehalis**

### Key Activity/Project Information

Sector: **Private**

Hazard Type: **Flooding**

Activity/Project Type: **Flood Insurance**

Activity/Project Start Date: **03/1996**

Activity/Project End Date: **Ongoing**

Funding Source: **Homeowner**

### Activity/Project Economic Analysis

Cost: **Amount Not Available**

## Activity/Project Disaster Information

Mitigation Resulted From Federal Disaster? **Yes**

Federal Disaster #: **1100 , 02/09/1996**

Federal Disaster Year: **1996**

Value Tested By Disaster? **Yes**

Tested By Federal Disaster #: **1734 , 12/08/2007**

Repetitive Loss Property? **Unknown**

## Reference URLs

Reference URL 1: <http://www.floodsmart.gov>

Reference URL 2: <http://www.fema.gov/business/nfip/>

## Main Points

- The McGhees have rented several homes in Chehalis, WA, in most of which they have experienced flooding.
- Due to the flooding that seemed to occur in every house they lived in, regardless as to how high it was elevated, they decided to get flood insurance.
- They obtained renter's flood insurance through the NFIP, a program overseen by FEMA.
- Even when they moved from home to home, they transferred their policy.
- Since filing with their insurance company, the McGhees have learned that they are being covered for the depreciated value of their damaged property. For an investment of less than \$100 a year, they are receiving over \$10,000 in coverage.



Above are some of the FEMA publications concerning the NFIP.