



## SCHOOL INSURANCE NEWSLETTER

May 2016

### **Going to Bid for September 1?**

Prepare a calendar schedule now. For an example go to: <http://www.robertreim.com/wp-content/uploads/pdfs/calendar-for-bidding.pdf>

### **FLOOD DAMAGE TO SCHOOLS**

**Never had a flood? Then read this.** When purchasing Property insurance few Districts give much thought to Flood insurance, if they have never had a flood.

Tropical Storm Allison was not a hurricane, yet it caused extensive damage in the Houston area. One district lost two schools because of resulting mold; the schools had to be demolished. The schools had not previously been damaged by flood.

Deweyville ISD's recent loss points to the general lack of knowledge of Flood insurance coverage, leaving that district with millions of dollars of uncovered flood damage. *Beaumont Enterprise, April 4, 2016*

**FEMA** has identified areas by "floodability". A & V Zones are those areas within the 100 year flood plain. B Zones (including X shaded) are those areas outside of the 100 year Flood plain but within the 500 year flood plain. C & X (unshaded) Zones are areas outside of the 500 year flood plain. Maps are revised periodically. Be certain that you have your area's most recent Flood Hazard Boundary Map or FIRM (Flood Insurance Rate Map). <https://msc.fema.gov/portal>

We recommend that a district's Statement of Values (Property Schedule) include a column showing the Flood zones for each building.

**Most risk pools (interlocals) specifically exclude** coverage in Zone A. Some even exclude coverage for Zone B properties. Others exclude flood and rising water entirely. The NFIP (National Flood Insurance Program) offers protection up to \$500,000 building and \$500,000 contents through independent agents. Additional limits can be purchased.

**Beware.** Some buildings are outside of the 100 year flood plain, but a portion of the land may be within the 100 year flood plain. Some policies would consider such a building as being in Zone A.

**Changes in exposures.** It is not unusual for property to flood that never did before due to increased impervious cover, drainage due to construction or alteration of terrain and upstream or downstream changes in waterways.

**Understand your policy's limits and deductibles.** Deweyville's policy only provided \$1,000,000 coverage. Another risk pool only provides a \$2,000,000 with a \$50,000 deductible for Zone B or X shaded in addition to the NFIP deductibles, whether or not purchased (not shown on their Contribution & Coverage Summary). Do the limits and deductibles apply per occurrence or location? Most risk pools provide per occurrence coverage while NFIP (& TWIA) provide coverage on a location basis.