



## Spring Showers Raise Flood Coverage Questions

ERIE, Pa. --- March 1, 1999 --- Showers, flowers and floods? Sometimes it seems like an unfortunate spring ritual . . . welcoming the warmer temperatures and milder weather while checking to see if the flood waters are coming.

Flooding can cause a great deal of damage. It can be devastating for property owners. It's bad enough to lose personal belongings to rising water. It's worse to learn the loss is not covered by insurance. According to Erie Insurance Group, one of the nation's largest property casualty insurance company, often it is too late before people realize that the standard property insurance policy does not cover flooding.

So how do you get flood insurance? It is only available through a federal program. The national Flood Insurance Program (NFIP) was created in 1968 to provide affordable flood insurance to people living in flood-prone areas.

You do not have to live in a flood-prone area to own flood insurance, however. The NFIP has Preferred Risk Policies available for residential property located in low-to-moderate flood risk zones. Nearly one-third of flood damage occurs in locations not considered flood prone.

Flood insurance is not restricted to homeowners, but also is available to protect apartments, condominiums, and commercial structures with certain maximum limits. The only qualification for flood insurance is the property must be in a community that agrees to land use control measures that reduce future flooding. More than 18,000 communities are participating in the program throughout the United States.

Premiums for flood insurance can be as low as \$80 per year, depending on the value of the home and the flood zone. The average premium is \$300 with coverage for both building and contents. Erie Agents can provide you with information you need on how to purchase flood insurance for your home or business. They can assist your purchase of flood insurance as they would your other insurance needs.

There are some water-related damages that are covered by ERIE's homeowners' insurance policies. The accidental discharge or overflow of water or steam from within the home's plumbing system is covered, as is water damage sustained as a consequence of another covered form of loss. For example, interior water damage that has occurred because water entered a building through a hole caused by a fallen tree would be covered. ERIE also has a policy option available to cover damage caused by sewer backup.

With more than 2.5 million policies in force, Erie Insurance Group is the 17th largest property/casualty insurance group and the 12th largest auto insurer in the United States. Erie Insurance Group includes seven companies operating in 10 states and the District of Columbia. Erie Indemnity Company (NASDAQ - ERIE) is the management company for Erie Insurance Group.