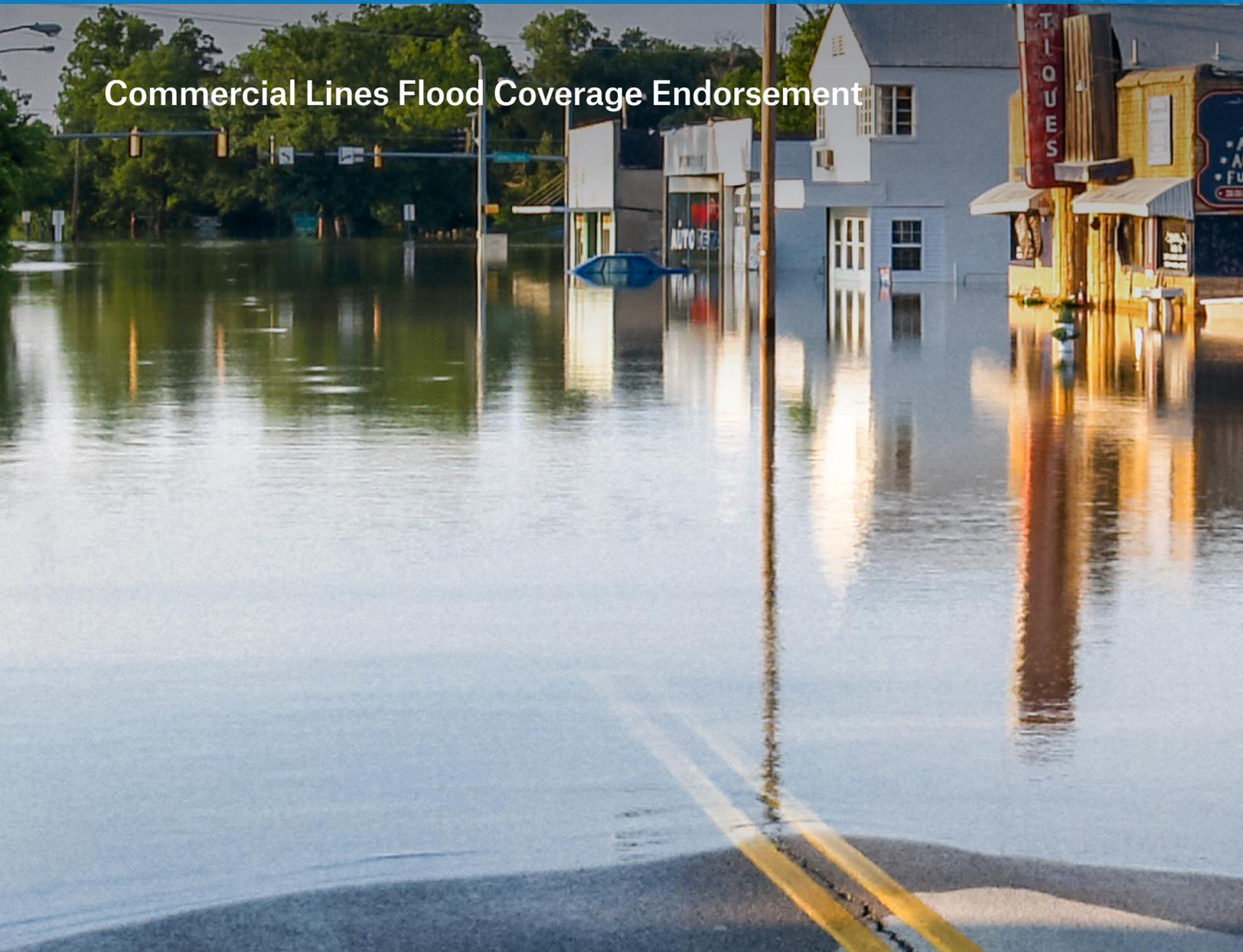


NOT IF, BUT HOW

Munich RE 

# Floods are on the rise. Is your business protected?

Commercial Lines Flood Coverage Endorsement



Extreme weather patterns highlight the need for more effective insurance products. In 2016, the federal government identified 36 disasters involving floods or hurricanes. The damages from four major flooding events was estimated to exceed \$1 billion—each<sup>1</sup>.

According to a Munich Re survey, 70% of business owners, with annual revenue below \$500,000, go without any flood insurance coverage.<sup>2</sup> We developed this commercial lines policy endorsement to help insurance companies provide more flexibility to better suit the needs of your agents and policyholders.

## By the numbers

1st



Flood is the most frequently occurring natural disasters in the US<sup>3</sup>

4



Floods topping \$1 billion in damages in 2016<sup>1</sup>

40%



Small businesses close or never reopen after destructive events<sup>4</sup>

50



States have experienced flood events in the past 5 years<sup>5</sup>

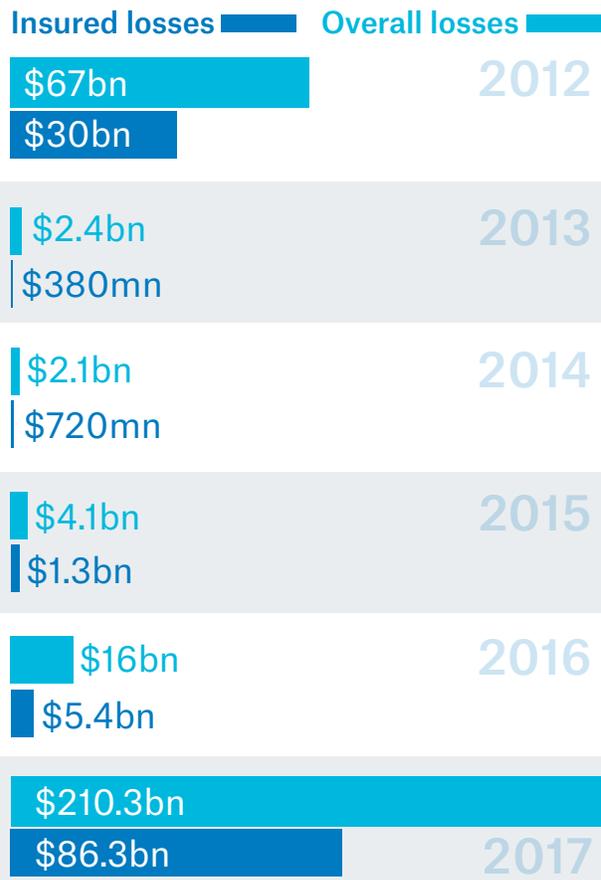
\$89k



Average commercial flood claim from 2011-2014<sup>6</sup>

### Overall and insured losses in US\$

Relevant flood/flash flood events in the United States 2012-2017



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- As of March 2018

1. NOAA National Centers for Environmental Information, "U.S. Billion-Dollar Weather and Climate Disasters: Overview," accessed June 2017.  
 2. <https://www.insurancebusinessmag.com/us/news/catastrophe/majority-of-harvey-victims-did-not-have-flood-insurance-experts-88416.aspx>  
 3. Federal Emergency Management Agency, "The National Flood Insurance Program," accessed June 2017.  
 4. Federal Emergency Management Agency, "Protecting your Businesses," accessed June 2017.  
 5. Federal Emergency Management Agency, "Flooding in the Past 5 Years," accessed June 2017.  
 6. Federal Emergency Management Agency, "Business and Other Non-Residential Flood Insurance Policies: What Insurance Agents Should Know," July 2016.

# The Commercial Flood Coverage Endorsement

A majority of business owners remain uninsured, if not completely unprotected against the most frequently occurring natural disaster in America. Insurance companies can now provide their policyholders with our economically priced, commercial flood endorsement.

## Product overview

- Offered as a private-labeled endorsement
- Off-the-shelf ready for ISO participating companies
- Customization available for non-ISO companies
- Coverage is written on a first dollar basis
- Covers the building, business personal property, business income, extra expense, and debris removal
- Up to 100% quota share treaty reinsurance for the endorsement

## Scheduled limits

- Maximum policy limits of \$250,000 for buildings, \$250,000 for contents, and \$50,000 for business income/extra expenses per occurrence and in the aggregate. Higher limits available via special acceptance.

## Blanket limits

- Maximum policy limits of \$250,000 for buildings, contents, and for business income/extra expenses per occurrence and in the aggregate. Higher limits via special acceptance.

## Unique advantages



### InDepth® flood rating engine

- All locations rated on individual property's unique risk score
- Advanced flood modeling science with 10-meter grid resolution
- Custom Application Programming Interface (API) developed for agents
- API delivers fast and seamless eligibility and pricing determinations
- Flood hazard calculations include riverine and surface flooding



### Munich Re implementation services

- Turn-key full implementation services
- Expert advice in product development, pricing, and risk assessment



### Extra coverage

- Flood-induced sewer backup or overflow is covered if it occurs within 72 hours after the flood recedes

## More information

[munichreus.ly/flood](https://munichreus.ly/flood)

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## Munich Re

For over 40 years, Munich Re has focused on the risks associated with climate change. Our extensive expertise on reinsurance products positions us as an ideal partner to extend your product offering to homeowners in need of an accessible alternative to government-provided flood insurance.

Product and services provided by Munich Reinsurance America, Inc. ("Munich Re") and its affiliates.

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