



# FLOODING FAQ

The June 25/26 “flooding” was due to aging infrastructure in Detroit. The circumstances that led to this event will continue to be a problem for Detroit homes and commercial properties until the infrastructure is replaced. Below you will find FAQ and Answers to how you can best prepare for another “flooding” event in the future.

**DID YOU KNOW THAT WHEN YOU USE THE WORD “FLOODING” IN YOUR INSURANCE CLAIM, YOU COULD BE DENIED A CLAIM AS IT RELATES TO YOUR INSURANCE POLICY? TO HELP YOU AVOID THAT, SEE THE DEFINITIONS BELOW!**

## SEWERAGE BACK UP

**Sewerage Back Up and Drain Coverage is defined as:**

- Water entering the property from the sewerage drain in the basement as it relates to water overflow on the street due to infrastructure challenges.

**What does the Sewerage Back Up and Drain policy add-on cover?**

- Any damage to an insured property that results from sewers or drains backing up with water including but not limited to appliances, storage items, construction materials, and professional cleaning services. The final coverage will depend on the policy and provider. Please verify with your insurance agent.

**How can I, a Detroit Small Business Owner, obtain coverage?**

- To be insured by a local branch you will need to provide:
- Name of your business
- Type of Business
- Legal Information such as formation documents (EIN and/or LLC Status)
- 2 year history of insurance proof for your commercial policy except for some industries\*

**What is a ballpark cost for coverage?**

- Sewer back up and drain coverage add on can cost anywhere between \$50-150 annually but may vary depending at the risk at your individual business. Flooding insurance policies vary by industry, location, company and agent.

\*\* 204 - Carpentry - Interior Work; 226 - Door, Window, or Assembled Millwork; 232 - Electrical Work - Within Buildings; 234 - Fence Erection; 236 - Floor Covering Installation; 238 - Heating/Air Conditioning - Dealers or distributors excluding Liquefied Petroleum Gas (LPG); 240 - Heating/Air Conditioning - Dealers or distributors including LPG; 241 - Automatic Lawn Sprinkler Installation; 256 - Plumbing - Commercial and Industrial; 258 - Plumbing - Residential or Domestic; 262 - Tile, Stone, Marble, Mosaic; 326 - Septic Tank Installation, Service and Repair; 404 - Carpet, Rug, Furniture etc. Cleaning - on customers premises; 410 - Interior Decorator; 466 - Lawn Care

## FLOODING

**Flooding is defined as:**

- Acts of God like rivers or lakes overflowing their banks and causing floods.

**How do I obtain additional flood insurance?**

- FEMA provides the [National Flood Insurance Program](#) which is typically offered as an individual policy for areas traditionally affected by acts of God like rivers or lakes overflowing their banks and causing floods
- According to the [National Risk Index](#), Wayne county has a relatively high-risk index with a very high possibility for riverine flooding.
- There are two types of coverage, building coverage and contents coverage. You can find all the details on what is covered at <https://www.floodsmart.gov/how/what-is-covered>
- For more information, please visit <https://www.fema.gov/flood-insurance> and <https://www.floodsmart.gov/>
- Consult your private insurance agency to see if they offer flooding insurance and if that policy is right for your business.

**How can I get support within the claim process if I have appropriate insurance coverage?**

- When businesses have the appropriate insurance, claim adjusters serve as their representation to maximize what they receive from something that is covered. The insurance company will always assign their own adjuster, which leaves the policy holder at a disadvantage because the claim adjuster will look at the damage from the perspective of the insurance. However, each business owner can hire their own independent adjuster.

**If I hire an Independent Claim Adjuster, what would that look like?**

- Business owners would file a claim, then reach out to an independent claim adjuster to request services. Then all planned correspondence would go through the claim adjuster instead of the policy holder. The independent claim adjuster provides all the requested documentation to the insurance provider allowing the business owner to return to day-to-day operations.
- Independent claim adjusters can negotiate with the insurance company on behalf of the small business to ensure that the insurance holder obtains the maximum benefits they're covered for. Additionally, this service is paid as a percentage of the final settlement and the payment comes directly from the insurance payment.



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