

Press Release

Fireman's Fund Insurance Company Reminds Washington Homeowners that Nearly One-Third of Flood Claims Occur in Low-Risk Flood Zones

Fireman's Fund Surface Water and Flood coverage goes beyond typical homeowner's insurance

SEATTLE, Wash. (June 18, 2009) –Intense storms over the Pacific Ocean bring heavy rains to Washington each winter and spring. Weather conditions indicate that the risk of damage from surface water and flood is becoming more prevalent in even low to moderate flood zones.

Fireman's Fund Insurance Company is now offering the Surface Water and Flood endorsement to its Prestige[®] Home Premier policyholders in Washington. This is one of the few surface water and flood coverages available to homeowners in Washington from a private insurer.

"There are surface water and flood risks in every region, terrain and climate," said Don Soss, vice president of Fireman's Fund Personal Insurance. "In fact, flood risks occur in all 50 states and with annual snow and rainfalls increasing, the threat of water damage is increasing as well. Last year 'The Great Coastal Gale' flooded inland Washington and its coast."

The Federal Emergency Management Agency (FEMA) calls flood the No. 1 natural hazard occurring in all 50 states. And according to the National Flood Insurance Program (NFIP), a home is at greater risk for flood than fire. A typical home has a 26 percent chance of being damaged by a flood during the course of a 30-year mortgage, compared to a nine percent chance of fire. Washington residents may face an even greater risk of flooding this year due to wildfires. The charred ground where vegetation has burned away cannot easily absorb rainwater.

Flood insurance is rarely available anywhere in Washington except through the NFIP, which has limits of \$250,000 on dwellings and \$100,000 for personal property. And although most homeowners' policies provide some coverage for backup of sewers and drains, surface water and flood is specifically excluded. The Fireman's Fund coverage option contains no such limits and can go as high as the dwelling and contents limits of the Prestige Home Premier policy.

"The limitations of an NFIP policy may not be sufficient for today's finest homes," said Soss. "In addition to providing coverage over and above NFIP, most insurers don't offer surface water and flood coverage as complete in terms of property covered, limits or possible flood zone locations as Fireman's Fund®."

Fireman's Fund coverage also includes \$100,000 for flood damage to any combination of the following:

- o Underground structures and equipment, such as wells and septic tanks
- o Walkways, decks, driveways and patios
- o Fences, retaining walls, seawalls, piers, bridges and docks
- o Hot tubs, spas and swimming pools

Finished basements can easily cost well over \$30,000 and the contents in that basement can also run into the tens of thousands of dollars. This is well beyond the sublimits other carriers use to restrict coverage where the loss is most likely to occur. Fireman's Fund's Surface Water/Flood endorsement has no sublimits for real or personal property in a basement and addresses a critical customer need.

Surface water losses can happen anywhere, and are likely with the significant rain in Washington. The surface water coverage is significant since a flood has to involve two acres being inundated with water to trigger coverage on most other flood policies.

"Our policy provides coverage for needs such as upgrades required by law or ordinance," said Soss. "It includes coverage for possessions such as jewelry, collectibles and business property which are the same as our Prestige® Home Premier policy and much higher than the NFIP limit. And if displaced from a home as a result of a covered surface water/flood loss, Fireman's Fund customers can maintain their lifestyle level with Unlimited Loss of Use coverage of up to one year if the homeowner must rebuild elsewhere."

About Fireman's Fund

Fireman's Fund Insurance Company is a premier property and casualty insurance company providing personal and commercial insurance products nationwide. It is rated 'AA-' by Standard & Poor's Rating Services. Fireman's Fund is a member of the Allianz Group (NYSE: AZ), one of the world's largest providers of insurance and financial services. For additional information, visit www.firemansfund.com.

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