

ABSOLUTE  
INSURANAGENCY, LLC

# Absolute Advisor

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PRIVATE  
DONATIONS  
WELCOME:

Red Cross: 800-Red-  
Cross

Salvation Army: 800-  
SAL-ARMY

FEMA: 800-621-3362

Iowa Concern Hotline:  
800-447-1985

Iowa Disaster Assis-  
tance: dhs.iowa.gov

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## Iowa Floods of 2008

Recent record rainfalls have left most of Iowa reeling from record flood stages that have matched or surpassed that of 1993, which was regarded as the worst in recent history.

Des Moines residents who live in the spillway zone were given several days notice of the likelihood of flooding in their neighborhoods as the emergency spillway was utilized in an effort to keep the dam from breaking.

Others were not given that luxury as levees broke across Iowa from Mason City down to Des Moines, and all along the 380 Corridor of Waterloo, Cedar Rapids, and Iowa City.

Portions of all the eastern cities are still underwater including the University of Iowa.



**Record river levels have lead to the most destructive flooding since 1993 in Des Moines and eastern Iowa.**

While we wait to quantify the damage to the state, the Iowa governor Chet Culver, has already issues State Disaster Declarations for 88 Iowa counties with a Federal Disaster Declaration soon to follow.

These declarations will free up state and federal funds to be dispersed to those who have felt the lasting effects of flood damage.

Unfortunately, Flood coverage is never a part of a home owners policy and many of the homes affected were not in what is considered a high risk zone, which means that flood insurance was not required for the loan.

Depending on the communities participation in the National Flood Insurance Program, individuals can purchase voluntary flood coverage with a 30 days waiting period before the policy takes affect.

If interested in flood insurance, please contact Dan at 515-279-2722.

## Water Back-up, Flooding, Seepage

Over the last 2 weeks, we have received many phone calls regarding water in the basements. There have been 3 ways that the water has been finding its way into the basements. Leading the pack is Water Back-up through the drains or sewers. This is where the water is either coming

through the sewer itself or through a sump-pump that either cannot keep up or malfunctions. This can be covered by an optional home endorsement. The other two avenues are not covered under a home policy and those are flood or seepage. Flood would be if the water

came in through windows or doors and seepage is when the water table is so high that the ground water finds a way in the basement through cracks in the foundation itself. Flood is never covered under home insurance, and seepage would be considered a maintenance situation.

## Birthday Insurance: Gifts to the Kids



*With a little planning and a life insurance policy, you can continue sending those B-day checks to your grandchildren!*

*“Should you ever have any questions regarding your coverage, please contact your Absolute Agent ”*

Do you know grandparents who send checks to their grandchildren every year on each birthday? Most of us do. It might even be an aunt or uncle. Wouldn't it be a wonderful legacy to leave if there was a way for those grandchildren to be able to receive that birthday check every year, even after the death of the grandparent?

We can do just that with a little planning and a life insurance policy. The concept in-

volves setting up a testamentary trust—one that goes into effect once they die—as part of their will. The only purpose of the trust is to receive life insurance proceeds and to distribute a certain amount of money each year to the specified beneficiaries; the grandchildren. A life insurance policy is then purchased naming the trust as beneficiary. Once the trust receives the insurance benefit, it invests the money and uses the interest each year to the distributions.

Everybody has birthdays. This concept works regardless of the number of beneficiaries involved. First, figure out how much money must be generated each year, then use that figure to determine how much life insurance to purchase. Whether the policy be whole life, universal, or simplified issue, the key is to make sure the insurance amount is adequate and that the policy will always be there. For further information, contact your Absolute Insurance Agent.

## What's Covered? Claims Q and A

**Question:** A tree branch fell on my car in the driveway, is this covered under my homeowners?

**Answer:** No. Damage to your vehicle from any peril is never covered under your homeowners insurance policy, regardless of whether or not the vehicle is on the property. In this case, the car would only be covered if it had comprehensive coverage, which is a part of “full coverage” on the auto.

The comprehensive deductible would apply.

**Question:** My tree was blown over by wind and landed on my neighbors home and car. Is this covered under my homeowners insurance?

**Answer:** No, but does depend. In the situation where the tree was living, then when it hits their home, their home insurance would cover the damage, less their deductible. For the car, their auto coverage would be the paying party unless they don't hold full coverage. Now, if the tree was dead, then you have a liability concern and if it fell on the neighbors house or car, then yes, your homeowners insurance would then have to cover that as you could be deemed negligent.

**Question:** My liability only car was hit by an uninsured motorist, will my uninsured motorist coverage cover my damage?

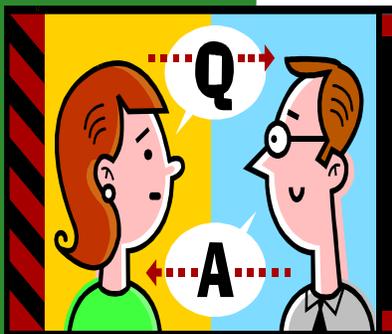
**Answer:** No. Uninsured/Underinsured motorist coverage covers your loss of wages and medical bills

only. Liability coverage will never pay for physical damage to your vehicle.

**Question:** My sump pump failed and water came in and saturated my basement, is this covered under my home insurance?

**Answer:** No. Most standard home insurance policies do not cover water back-up UNLESS it is specifically endorsed on the policy. Most companies have limits on this type of coverage, usually in the \$5,000-\$10,000 amounts. Depending on the company, there could be a separate deductible or the same as the household deductible.

Should you ever have any questions regarding your coverage, please contact your Absolute Agent .



# What is a Flood? Answers from FEMA

Flood insurance covers direct physical loss caused by “flood.” In simple terms, a flood is an excess of water on land that is normally dry. Here is the official definition used by the National Flood Insurance Program:

A flood is “a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is your property) from:

- Overflow of inland or tidal waters
- Unusual and rapid accumulation or runoff of surface waters from any source;
- Mudflow: defined as “a river of liquid and flowing mud on the surfaces of normally dry land areas, as when the earth is carried by a current of water...”
- Collapse or subsidence of land along the shore of a lake or similar body of water as a

result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined above.”

It is important to note that Flood coverage is not covered by your home insurance policy. It is a separate policy that covers one risk and one building per policy. Flood insurance is available to most homes as long as the community participates in the National Flood Insurance Program.

**Personal Property coverage, if purchased, is valued on an Actual Cash Value basis.**

## Flood Insurance Coverage

Flood insurance coverage is limited in areas below the lowest elevated floor (including crawl-spaces) depending on the flood zone and the date of construction and in basements regardless of zone, or date of construction.

What is insured under building property coverage:

- Foundation walls, anchorage systems, and staircases attached to the building.
- Central air conditioners.
- Drywall for walls and ceilings (completely enclosed basements only).
- Non-flammable insulation.
- Electrical outlets, switches, and circuit breaker boxes.
- Fuel tanks and the fuel in them, solar energy equipment, well water tanks and pumps.
- Furnaces, hot water heaters,

heat pumps, and sump pumps.

What is insured under Personal Property (must be purchased separately):

- Washers and dryers.
- Food freezers and the food in them (but not refrigerators).
- Portable and window air conditioners.

What is not covered by either building or property coverage:

- Paneling, bookcases, and window treatments such as curtains and blinds.
- Carpeting, area carpets, and other floor coverings such as tile.
- Drywall for walls and ceilings (Walk-out basements).
- Walls and ceilings not made of drywall.

- Most personal property such as clothing, electronic equipment, kitchen supplies, and furniture.

Flood insurance is not a valued policy. A valued policy the limit of liability in the event of a total loss. Flood insurance pays just the replacement cost or actual cash value of actual damages, up to the policy limit.

Flood insurance is not a guaranteed replacement cost policy. A guaranteed replacement cost policy pays the cost to rebuild your home regardless of the limit of liability. Flood insurance does not pay more than the policy limit.

Flood insurance does not offer replacement cost on personal property if purchased. Personal property is always valued on an actual cash value basis.

# Keep Your Cool While On The Road

(NAPS)—With so many people on the road during peak vacation months, it may be a good time to brush up on what you should do in the event you're involved in a crash.

Here are some tips from The Progressive Group of Insurance Companies.

Preparedness starts before you leave the driveway:

- Put a disposable camera and pen and paper in your glove box. Car insurance claims can be settled faster if there's a good record of what happened. If you can take photographs or collect license plate numbers, or even names and phone numbers of witnesses, these can all help your insurance company establish facts faster.

If you're involved in a crash:

- Move your vehicle out of the roadway, if you can. If your car is able to be driven, move it off of the road a safe distance. By getting off the road, you can help to avoid a sec-

ond collision.

- Turn on your flashers or your lights. You want to be certain your



vehicle is visible to other drivers.

- Check yourself and your passengers for injuries. If someone is injured, call 911 immediately.
- Call local police to report the

crash.

- Call your insurance company to report the crash. The earlier your insurance company knows about the crash, the faster it can get to work to resolve your claim.

- Start documenting what happened, if you can. If you're able to do so safely, take photographs, make notes, ask witnesses for names and phone numbers. If you're not able to do so safely, stand as far from the roadway—and the crashed cars—as you possibly can.

- Exchange only your insurance company name. Don't discuss the details of your coverage with anyone at the accident scene.

- Exchange vital information with the other driver(s). Names, addresses, phone numbers are all useful to your insurance company in settling the claim.



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