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# SC Flood Insurance Sales Riding Wave

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Disaster conscious Santa Cruz County residents are rushing to purchase flood insurance, local agents report.

It is interesting to see what people do following a disaster, says John McCann, regional vice president of the Insurance Information Institute in San Francisco.

McCann recently completed a study on disaster insurance.

"Within the first month or two, people will inquire and buy increased coverage. Then, a year later they will cancel," he said. "Their fear does not remain long enough. It dies off."

Such a tendency is occurring right now in Santa Cruz County.

Betsy Cameron, a customer service representative for the Insurance Center of Santa Cruz, described an "overwhelming response" for its newly-advertised catastrophe insurance campaign.

"We didn't realize when the ad was going to be in The Sentinel," she said.

"We certainly found out in a hurry, though. We had an overwhelming response the very next morning."

Catastrophe insurance is a single policy providing coverage against everything from floods, mudslides and landslides to earthquakes and tidal waves.

While it is only available through a few agents in the area, it has "always been offered," added Lyn Hall, an agent with the Insurance Center of Santa Cruz. "A lot of people just didn't know about it."

They know about it now, though, with the sudden advertising push.

Similarly, the National Flood Insurance Program, a federally-run operation, has experienced a "ten-fold increase" in inquiries since the Jan. 4 flood, according to Peter Phillips, regional manager of the program in San Francisco.

"During the month of January we logged in more than 2,000 calls from agents inquiring about the program," he said.

The insurance program has been available in Santa Cruz County under a so-

called "emergency phase" for several years, said Phillips.

Unfortunately, there were only 281 policy-holders in the unincorporated areas of the county at the time of the storm, said Sue Mooney of the Federal Emergency Management Agency Office in San Francisco.

Those unincorporated areas like Ben Lomond, Felton, Boulder Creek, Lompico and Soquel were the hardest hit.

Annette Marcum, who has seen some 170 San Lorenzo Valley families come through the St. Andrews Episcopal Church Relief Fund since the storm, could not recall one who had flood insurance. Similarly in Soquel, only one business owner of those damaged had insurance to cover it.

The primary difference between catastrophe insurance and the National Flood Insurance Program is both the price and coverage.

Catastrophe insurance averages around \$600 a year, but provides \$125,000 coverage against almost any natural disaster, ex-

plained Hall. There is a flat \$1,000 deductible.

Additionally, it also takes the place of earthquake insurance, which averages around \$200 a year for a \$100,000 house.

The National Flood Insurance Program is much less expensive, costing about \$200 a year, but only covers \$35,000 to private dwellings and \$10,000 in contents. There also is a 5 percent deductible, said Phillips.

He agreed with McCann in citing the public's complacency, as well as the price of the policy, as major reasons more people aren't insured against disasters.

"A complacency has especially set in through Northern California because of the drought in recent years," said Phillips. "Unfortunately, it takes a situation like this for them to realize they are vulnerable."

Added Hall: "I'm not surprised we're seeing more and more people taking it out now. After all, a lot of people could have used \$125,000 had they had it previously."