

## **Lack of insurance an issue after Manitou flood**

The Gazette

Many of the businesses in Manitou Springs that suffered losses in Friday's devastating flood didn't have flood insurance because they couldn't get it for their location or couldn't afford it, said an official from iManitou, the city's chamber of commerce, economic development office and visitor's bureau. More than 20 businesses suffered losses during the flood and will have to rely on government grants or other types of help to recover, said Marcy Morrison, acting chief operating officer of iManitou, which surveyed the establishments Monday, in part to determine what type of losses they suffered and what sort of help they would need to recover. "Eighty percent of the businesses in Manitou are still open for business and operating, but we also need to allow cleanup crews, trucks and haulers enough room to work," Morrison said. "We believe that there will be money and assistance available, but the biggest challenge will be that it will take awhile to get them." Morrison said iManitou has sponsored several workshops on flood insurance and encouraged business owners to seek coverage, but several told her that the cost of policies for their businesses were "exorbitant" - if such coverage was even available to them. Farley McDonough, owner of Adam's Mountain Cafe said flood insurance would have cost \$48,500 a year, and the business could not afford it. She said the restaurant had flood insurance until last year, when a mix-up with its lender resulted in coverage lapsing and her premiums increasing from \$500 to \$48,500 a year. The restaurant was hit by several feet of water, mud and debris in Friday's flood, which damaged walls, equipment, rugs and drapes, and swept away furniture on an outdoor patio. McDonough did not have a dollar estimate on the damage, but much of the damage to walls and mechanical equipment in the Manitou Spa building, where the restaurant is, will be covered by the insurance policy of the building's owner, she said. Much of the damage is expected to be repaired this week, and McDonough said she hopes to reopen the restaurant by the middle of next week, but said the cost of replacing or repairing damaged equipment and other items and the sales lost while the restaurant is closed will make it difficult for her to pay bills. She said she may seek a special loan from the U.S. Small Business Administration if Manitou Springs is declared a disaster area because of the flood. Such loans are available only in federally declared disaster areas. Most of the hardest-hit businesses are along the north side of Manitou and Canon avenues, and are in high-risk flood zones on the most recent maps published by the Federal

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Emergency Management Agency, which administers the National Flood Insurance Program. That means businesses would pay \$1,750 to cover a building worth \$100,000 and having \$50,000 in contents, and \$13,743 for \$500,000 each in coverage for building and contents. Separate coverage also is available for building and contents. Much of the damage to businesses from Friday's flood was to basements below shops on the north side of Manitou and Canon avenues, but since many of those structures would be considered "walk-out" basements, they would have been eligible for flood insurance coverage, said Norman Ashford, an insurance specialist for the agency's Denver office. At the time of Friday's flood, the National Flood Insurance Program had 175 policies in place for buildings or their contents in Manitou Springs, though no breakout is available between residential and business policies. Damage to businesses and residences from Friday's flood and a less-severe one on July 1 would be handled as separate claims and subject to separate damage limits and deductible amounts, Ashford said.