

FLOODING

Know your coverage, understand your risk

The best time to review your flood insurance options is before a flood occurs. Without understanding your risk and insurance options, you might find yourself inadequately covered when you need coverage the most. Just because you don't live near a body of water doesn't mean that you're safe from flooding. According to the National Flood Insurance Program (NFIP), floods are the number one natural disaster in the U.S. They calculate that consumers outside of high-risk flood areas account for more than one in five flood insurance claims. The National Association of Insurance Commissioners (NAIC) offers this information to help you get smart about your flood insurance options.

Flood Insurance

The NFIP defines flooding as a general and temporary condition where two or more properties or two or more acres of normally dry land are inundated by water or mud flow. Although anyone could sustain a loss from flooding, where you live will affect your level of risk.

The NFIP helps communities understand their risk with flood maps. Risk levels are divided into three categories:

- High-risk areas have at least a 1 percent chance of flooding annually. All homeowners in these areas with mortgages from the federally regulated or insured lenders are required to buy flood insurance.
- Moderate-to-low-risk areas have less chance of flooding annually, but the possibility is not completely removed. Flood insurance in these areas is not required, but it is recommended for all property owners and renters.
- Undetermined-risk areas are where flood-hazard analysis has not been conducted, but a flood risk still exists.

The standard flood insurance policy covers direct physical damage to your insured property up to the replacement cost or actual cash value of damages, or the policy limit of liability, whichever is less. It covers structural damage, including damage to the furnace, water heater, air conditioner, flooring and debris clean-up. Coverage for basements, crawlspaces and ground-level enclosures on elevated homes is limited, so talk to your agent about any restrictions in your policy. The contents of your home are not covered under a standard flood insurance policy.

Are you covered?

Generally, homeowners insurance does not offer protection against flood losses. You should check your policy under exclusions. It will probably be listed under "water damage." Contact your agent or insurer to find out more about what your policy currently covers.

Flood insurance is available through the NFIP. It may be purchased through licensed property and casualty insurance agents or through many private insurance companies. Typically, there's a 30-day waiting period from date of purchase before a policy goes into effect. There are eligibility restrictions to qualify for National Flood Insurance. Please contact the NFIP with eligibility questions at (800) 427-4661 or visit the [NFIP's website](#).

Flood damage caused by hurricanes, rivers and tidal waters over at least two acres is generally covered. Flooding from wind-driven rain when rain enters through a wind-damaged window or door, hole in a wall or the roof is typically not covered by a flood policy but is generally included in most homeowners policies. Flood insurance covers overflow, inland or tidal waters and unusual and rapid accumulation or runoff of surface waters of any source. The flood must be a general and temporary condition.

What to do after a flood

You secured flood insurance, underwent a flood, now what?

- After a flood, contact your insurance agent or insurer. They will probably advise you to mitigate your damage as soon as possible. You can prevent mold by removing wet items. You can prevent fungal growth by cleaning and drying wet items.
- Take photos of floodwater in your home and of any damaged property.
- Also make a list of damaged or lost items including the date you purchased them and the value with any receipts.
- Beware of fraudulent schemes after a flood. Protect yourself by getting more than one bid from contractors and requesting at least three references. Ask for proof of necessary licenses, building permits, insurance and bonding. Record the contractor's license plate number and driver's license number, and then check for any complaints with the Better Business Bureau.

More Information

You can find more information on disaster preparedness at [Insure U](#). The NAIC is also offering [tips](#) on what to do before the storm hits and [how to file a claim](#) if you suffer a loss.

The [Kentucky Department of Insurance](#) can also answer questions about flood insurance or severe weather threats in your area.



About the NAIC



[The National Association of Insurance Commissioners \(NAIC\)](#) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S. For consumer information, visit insureUonline.org.