

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.

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 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 may still exist.

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 <http://www.fema.gov/national-flood-insurance-program>.

Flood damage caused by hurricanes, rivers and tidal waters over at least two acres is generally covered. Flooding from wind-driven rain that enters through a wind-damaged window or door, a 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.

For more insurance information please visit the South Carolina Department of Insurance website, <http://www.doi.sc.gov/> or call our Office of Consumer Services' toll-free number, 1-800-768-3467 Mon.-Thurs. 8:00 a.m.-6:00 p.m. and Fri. 8:00 a.m.- 5:00 p.m.