

Document Flood and Fire Damage to Ease Insurance Claims

The New York Times

Victims of the recent flooding in Louisiana and wildfires in California should all do one thing: Document the damage to their property.

Taking photos is crucial to help bolster an insurance claim, said Amy Bach, executive director of United Policyholders, a nonprofit consumer advisory group, particularly with flood damage. Flood coverage is not included in homeowner policies. It must be bought separately, usually from the National Flood Insurance Program, and victims of some previous storms have reported problems getting claims paid.

It is best to promptly remove soggy carpet, bedding and furniture, to help prevent the growth of mold after a flood. But Ms. Bach recommends first taking photographs to avoid the possibility of having damaged property thrown out by cleanup crews before the damage can be recorded.

“No. 1 is definitely to take pictures,” she said, “even though it’s painful and sad.”

In Louisiana, more than 140,000 homes in areas around Baton Rouge may have been affected by heavy rain and flooding that began on Aug. 11. Much of the hardest-hit areas were not considered at high risk for flooding, according to the Federal Emergency Management Agency, so many homes did not carry flood insurance. Homes in high-risk areas must carry flood insurance if they carry a federally backed mortgage, but coverage is optional for lower-risk zones.

In Louisiana, about 42 percent of homes in high-risk areas have flood insurance, but just 12.5 percent of homeowners in low- and moderate-risk areas do, according to FEMA.

A local business organization, Baton Rouge Area Chamber, called the flooding “almost unprecedented” and estimated that no more than 15 percent of homes in the region were insured against flooding.

Unlike flooding, damage or destruction of a home by a wildfire — or any other type of fire — is usually covered by a standard homeowner’s insurance policy, according to the Insurance Information Institute. Cleaning of smoke-damaged property, like furniture, is also covered.

In California, the fast-moving Blue Cut fire forced the evacuation of about 82,000 residents in and around San Bernardino County and damaged more than 100 homes. Residents began returning to their homes this week, but wildfires continued to burn elsewhere in the state. As with flood damage, it is wise to take pictures before cleaning up or removing debris, Ms. Bach said.

United Policyholders has tips on its website for filing insurance claims after a disaster.

Here are questions and answers about insurance coverage for floods and fire:

Should I consider buying flood insurance even if I live in a low-risk area?

“Yes,” Ms. Bach said, noting that in recent years, flooding has occurred in areas that have not been considered high risk.

In a brief telephone interview, Roy Wright, director of FEMA’s flood insurance program, said homes in lower-risk areas are eligible for so-called preferred-risk policies that carry lower premiums. “People who live in moderate- to low-risk areas should buy flood insurance,” he said. FEMA says that more than 20 percent of flood claims come from policies outside high-risk areas.

FEMA says the average flood insurance premium is about \$700, although those for high-risk zones can be much higher. But premiums for preferred-risk policies can range from \$240 to \$450 a year, Mr. Wright said.

Federal flood policies pay up to \$250,000 for damage to a building and its systems, and up to \$100,000 for personal belongings, including clothes, furniture and appliances.

To see if your home is in a lower-risk area and what your premium might be, enter your address into FEMA’s online premium estimator.

Does insurance pay for temporary housing after a disaster?

Federal flood insurance policies do not cover temporary housing, Ms. Bach said, and that can present a financial challenge for displaced families. Victims can, however, seek disaster aid. In Louisiana, the federal government has declared a major disaster in 20 parishes, making the residents there eligible for financial assistance, including grants for temporary housing and home repairs. FEMA encourages people to register for aid even if they have insurance, the agency's spokesman, Rafael Lemaitre, said. "There may be uninsured losses we can cover, depending on the situation."

Those filing for federal assistance should "document everything," Mr. Lemaitre said, and expect a visit from a FEMA housing inspector.

In the case of damage from a wildfire, most homeowner policies provide extra living expenses, like the cost of temporary housing and meals out if residents had to evacuate, or must live elsewhere while the home is repaired or rebuilt, according to the Insurance Information Institute. Keep receipts to document expenses.

What if my car is flooded or burned?

Flood insurance generally does not cover damage to your car. But if you carry automobile insurance, flood damage will typically be covered by the "comprehensive" part of the policy, if you bought that coverage. It is often optional. Comprehensive coverage also pays if your car is damaged or destroyed by fire.