

## [Five Questions to Ask About Flood Insurance](#)

PBS

In the aftermath of a flood, people may be unpleasantly surprised to find that their home insurance doesn't cover the damage caused by rising storm waters. It hasn't since insurance companies decided that floods were too risky to cover.

"A lot of people think they have flood insurance because they have home insurance," says Amy Bach, executive director of the consumer advocacy group United Policyholders. But private insurers largely pulled out of offering coverage for floods as far back as the 1920s.

After a series of costly disasters in the 1950's and 60's, Congress created the National Flood Insurance Program (NFIP) in 1968 to offer homeowners protection. It was intended to shield taxpayers from having to shoulder the cost of disaster relief in flood-prone areas, but today the program is billions in debt. The NFIP is administered by the Federal Emergency Management Agency, with policies sold and serviced by private insurance companies.

More than 5 million policyholders in America have flood insurance through the NFIP, but that's still a fraction of those who actually need coverage. For example, 80 percent of residents living in areas hit by Superstorm Sandy in 2012 had no flood insurance.

"Both [anecdotes] and a solid body of research show that the number and intensity of flood events is increasing over time," says Nicholas Pinter, a professor of geology at the University of California at Davis. "The result is that the possibility of getting flooded — for any given region or individual homeowner — is widely underestimated. So, flood insurance is a good deal for many, many people."

Here, we look at five common questions about flood insurance — what it covers, what it excludes and when you should consider buying it.

Do I need flood insurance?

It depends. If you're purchasing a house with a federally-backed mortgage in an area at high risk of a flood, flood insurance is actually mandatory. If you inherited your home or have paid off your mortgage, the decision to buy flood insurance is up to you. If you live in a community that participates in the NFIP, you can purchase a federally-backed policy sold through private insurance companies. If you live outside an area participating in the NFIP, you may still be able to purchase flood insurance, but it will be private, and possibly more expensive.

Flood-prone communities can take part in the NFIP if they implement floodplain management and make housing in those areas less susceptible to flood damage. That's to make sure that such insurance isn't encouraging or subsidizing people to live in areas at high-risk of flooding without taking precautions. While joining the NFIP is voluntary, towns and counties that don't participate can miss out on generous federal disaster relief in the aftermath of a flood. FEMA lists all the communities participating in the NFIP [here](#).

"An NFIP policy — notwithstanding all the bad press — is so much better than nothing," Bach says. "We say if you can afford it, buy it."

The federal government has mapped the flood risk of communities across the United States — though bear in mind the maps have been criticized for being out of date. To find out whether you live in an area with high-, moderate- or low-risk of flooding, you can check a Flood Insurance Rate Map. FEMA allows you to look up flood maps by an address or by coordinates. High-risk areas are called "Special Flood Hazard Areas," and have at least a 1 in 4 chance of flooding within a 30-year period. They're far from the only areas at risk, though. The NFIP has noted that more than 20 percent of all claims come from homes located outside of areas labeled as high-risk flood zones.

What does flood insurance protect my house from?

Flood insurance is meant to protect your house from rising waters, from "inundation" (when water covers normally dry land) and from mudflows (when floodwater mixes with mud), but not landslides (which have actual pieces of moving earth and debris). As a homeowner you can insure your house for up to \$250,000 and the contents of your house for up to \$100,000. For businesses, the upper limits are \$500,000 for each. The insurance is meant to cover cleanup, debris and mold removal, and repairs to the structure of the house.

Experts say most flood damage should be covered by that amount.

A 2016 University of Pennsylvania analysis of NFIP claims from 1980 to 2012 found that half of all claims were for less than 10 percent of the value of a single-family house. Only about 7 percent of claims were for more than 75 percent of the value of the house.

What doesn't it protect my house from?

Flood insurance doesn't cover damage that exceeds \$250,000. It also doesn't cover certain parts of your house — any furnished area that's below ground level, walkways, trees, pools and decks. And it only covers a limited number of essentials in the basement even if it's finished), like a furnace or hot water heater.

If you buy flood insurance for your belongings, coverage for certain items like artwork, antiques and jewelry is limited.

What exclusions should I look for?

There are some exclusions in flood insurance that policyholders should be aware of, says Bach.

One of them is the "earth movement" clause, sometimes phrased as "long-term differential movement." Flood insurance won't cover the loss of property caused by "earth movement," even if it's caused by a flood — so that excludes landslides, sinkholes, movement of land due to water accumulation or gradual erosion.

Flood insurance also doesn't offer temporary living expenses like home insurance generally does.

In some cases, Bach says, the flood insurance policy that covers "direct physical loss" is interpreted in such a way that, for example, it might cover a lower set of flood-damaged cabinets but not the higher ones that also need to be replaced. It's best for homeowners to educate themselves on what is excluded by their policy so they can effectively advocate for themselves, or look for other sources of financing for repairs, she says.

Bach stresses the importance of finding an insurance agent who's experienced in dealing with flood

insurance, even if they are not local. The NFIP's website has a tool that allows people to search for flood insurance agents by zip code at [FloodSmart.Gov](https://www.floodsmart.gov).

What should I do before a storm?

There are a few actions homeowners can take to protect their property before a flood hits — generally called mitigation.

Buying and using sandbags when a storm is imminent is one example of mitigation. People can also flood-proof their property, moving furniture and expensive contents above ground level, and installing flood vents.

A more costly but effective measure is elevating an entire room or structure, a practice commonly used along rivers and beachfronts. This works better for some houses than others — for example, urban brownstones aren't likely to be the best candidates for elevation.

As far as making sure you're getting the most out of your flood insurance, Bach suggests keeping thorough documentation of everything. She says taking pictures of the house, the foundation, the interior and exterior walls and the condition of everything inside is really important to making your claim.

"What happens a lot of times after a flood is people don't have evidence of what it looked like before," Bach says. "If a dispute arises over whether damage was pre-existing or not, that's one of the areas where people's flood claims go bad." United Policyholders offers an app called UPHelp Home Inventory that allows you to document the condition of your home.

Even after a flood, she says it's important to take pictures of the damage before anything is done to clean it or move debris. "That'll put you in the strongest possible position to document what the flood did to your house."