

[Hit by flooding in Michigan? A guide to insurance, cars and homes](#)

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The heartbreaking flooding we're seeing in northern Michigan means many unsettling days ahead when it comes to dealing with loss and possible insurance claims.

Many homeowners could be shocked to discover that they do not have adequate insurance — and many continue to be at risk for storm-related scams.

Nationwide, only about 6% of households carry flood insurance, according to data from the Insurance Information Institute, which represents larger insurers that offer property and casualty insurance for homes and autos.

"Michigan follows a similar pattern," said Scott Holeman, media relations director for the Insurance Information Institute.

"The majority of homeowners even in flood-prone areas are uninsured for flood damage," Holeman said.

The Michigan Department of Insurance and Financial Services does not have specific data on how many Michigan homeowners currently have flood insurance, according to spokesperson Chelsea Lewis.

Another estimate, though, indicates that less than half of 1% of homes in Michigan had flood insurance through the National Flood Insurance Program at the end of 2025, according to Douglas Heller, the insurance expert at the Consumer Federation of America, who reviewed that data.

Heller added that less than 20% of the homes in Michigan's Special Flood Hazard Areas — high risk zones for which flood insurance is supposed to be mandatory — had flood insurance.

How flood insurance works in Michigan — and why coverage falls short

Amy Bach, executive director of United Policyholders, a 35-year-old nonprofit group that aims to help consumers on insurance issues, said “not nearly enough” consumers have coverage in the event of widespread flooding in a community.

“Unless they or someone they know has sustained serious flood damage, most people only buy it if a lender is forcing them to,” Bach said.

“But in today’s world, if it rains, it can flood.”

The San Francisco-based United Policyholders regularly urges consumers to get a quote and buy flood coverage, if you can afford it.

Bach warned that insurers are reducing coverage for water damage and covering less. Because premiums keep rising, she said, many people don’t realize their coverage is shrinking.

“Some insurers are adding exclusions for flood damage that occurs due to wind-driven rain,” Bach said, where the water is falling, not rising. “That is a huge reduction in protection.”

Holeman, of the Insurance Information Institute, said the insurers group encourages people to consider flood insurance even if they are not in a flood plain, because about 25% of flood claims come from low- to moderate-risk areas.

Nationally, the average cost for flood insurance is estimated at about \$786 annually through the National Flood Insurance Program, managed by FEMA, or the Federal Emergency Management Agency, according to Holeman.

What you’ll pay will vary based on the risk of flooding in your area, size of your home and other factors. DIFS encourages consumers to speak with a trusted insurance agent or company about coverage options.

You can add flood coverage through a private flood insurer or the National Flood Insurance Program. You can see floodsmart.gov to get an online estimate. The FEMA site notes that “federal disaster assistance is only made available when there is a Presidential disaster declaration, and most flood events do not result in a declaration.”

Expect a waiting period, possibly 30 days, from the date you buy the policy to when it kicks in.

Remember, you may not even be covered for all of your losses with flood insurance. The standard National Flood Insurance Program policy caps payouts regardless of the total value of your home or its contents. Private insurance coverage may include higher limits.

Under the National Flood Insurance Program, the maximum coverage is \$250,000 for a residential building and \$100,000 for contents in the residential building. Commercial properties have a higher cap at \$500,000 for the building and \$500,000 for contents.

Heller said about 67% of homes in Michigan would need more than \$250,000 in coverage to rebuild if there is a total loss in the event of a major flood.

“Even though flood insurance should be an important part of risk management for homeowners,” Heller told the Detroit Free Press, “our system has largely failed consumers, and we are dangerously exposed.”

Heller maintains that the risk will only go up as climate change increases the risk of flooding hitting an area.

“Some surveys report that most Americans think that their home insurance covers floods, but flood insurance is excluded from home insurance in the United States,” Heller said.

Heller maintains that it is important to add flood insurance coverage even if your home is at pretty low risk of flooding.

Those who live in the high-risk zones, Heller said, should realize that coverage is essential coverage and reach out to their agent or insurance company about obtaining coverage. To find out if you’re in a high-risk zone, see [msc.fema.gov/portal/home](https://www.fema.gov/portal/home) for information.

What to do immediately after flooding or storm damage

If possible, review your homeowner’s insurance policy to determine what damage may be covered and the amount of your deductible.

Document everything even if you’re not sure whether you have insurance.

If you have flooding from a broken water pipe, for example, that damage is likely covered by a standard policy. Experts note there can be many causes for water damage, including storm-related rainwater intrusion, sewer backup, or failing sump pump, which may be covered under a homeowners or renters insurance policy.

In general, experts advise taking photos of your home, your car and your belongings before the cleanup begins. Take notes when you talk to insurance representatives or claims adjusters. Don't speculate on what you should or should not have done to mitigate the damage.

Some tips: Keep receipts for purchases of supplies that are needed to protect the property. Keep items until the insurance company says it's OK to get rid of them.

How to document flood and storm damage to your home

The Michigan State Police Emergency Management and Homeland Security Division is encouraging residents, businesses and property owners to include photos when reporting damage from recent severe weather events in several counties, including nine tornadoes, via an online self-reporting tool.

Capt. Kevin Sweeney, deputy state director of Emergency Management, said information from consumers will support response efforts and build a picture of the extent of damages that will be used to determine whether federal help is available.

The survey can be completed and photos uploaded using a desktop computer, a smartphone or tablet.

Individuals can indicate if additional assistance is needed. Those with unmet needs also are encouraged to call 211 for assistance or text their ZIP code to 898-211 to connect with available resources.

The Michigan Department of Insurance and Financial Services said consumers can phone a live call center at 877-999-6442 from 8 a.m. to 5 p.m. weekdays for information about steps to take as they assess damage and make insurance claims.

When to contact your insurance company — and what to expect

It's important to take time early on to understand your deductible and what's covered so you can prioritize repairs based on what you can afford to do and when.

In general, Heller said, a policyholder should be able to submit a claim even if an insurance adjuster cannot get to an area hit by flooding or severe storms.

For safety reasons, though, it should not be surprising that a company will not send an adjuster out until flooding has receded, Heller said.

It is unlikely a homeowner will get a full payment before an adjuster reviews the damage, Heller said. But sometimes, some initial payment could be made for emergency living expenses if they have a policy that includes that coverage.

If someone is told they cannot even start a claim before an adjuster arrives, he said, the homeowner should call back and ask to speak with a claims manager, Heller said.

“Nothing should prevent them from getting the paperwork going,” Heller said.

How insurance covers flood damage to cars

Many times, you’ve got a better shot at insurance coverage for flood damage with a car than a house. But you’d need comprehensive insurance coverage on your auto policy for some coverage if a truck or car is damaged during a flood.

You would still pay your deductible out of pocket, based on your policy.

If you lease your car or still have a loan, insurance experts say, you likely have comprehensive coverage as it is required by lenders and lessors.

Unfortunately, those who drive older cars might have dropped their comprehensive coverage to save money on their auto insurance premiums. If that’s the case, they’re stuck when they’re dealing with flooding.

Comprehensive coverage would pay for a variety of mishaps, including theft, natural disasters like a tornado, water damage, fire, falling trees and vandalism.

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What to do if your car was in a flood

- Avoid starting a flooded car to avoid more damage if there is water in the engine, according to State Farm.
- Note the depth of floodwater in relation to your car. Did the water reach the top of the tires? Go even higher? Such details could help when trying to figure out the extent of the damage.
- Try to [dry your car or truck out as quickly as possible](#) and contact a towing service to get the car back to higher ground and checked out. “Oil, transmission fluid and lube may need draining before a tow,” according to a list of tips that State Farm has online.
- You can check the oil dipstick to look for water droplets, which would indicate there is water in your engine. “If that’s the case, the cylinders, which are supposed to compress air instead of water, may be broken,” according to a list of tips that State Farm has online.
- A mechanic may want to remove water-damaged cylinders and check for corroded spots.

“Once the extent of your vehicle’s flood damage is determined, your insurance company will weigh the costs to repair the vehicle against the cost of replacing it,” according to State Farm.

The car could be considered to be a total loss by the insurance company, depending on the damage. But you’d want to talk with your insurance agent and review what that means when it comes to compensation and the like.

The entire cost of buying a new car isn’t going to be covered. Allstate notes online: “Comprehensive coverage has a limit, which is the maximum amount your policy will pay for a covered claim. If your vehicle is totaled by water damage, comprehensive coverage helps pay to replace your vehicle, up to its depreciated value (called ‘actual cash value’).”

How to avoid storm repair and insurance scams

Michigan Attorney General Dana Nessel warns consumers hit by the latest flooding, or, frankly, any disaster, to avoid dealing with anyone who says they can fix your home right away — but only if you accept their “help” right now.

“Legitimate home repair contractors understand you need time to do your homework and check them out before you pay them anything or sign any contracts,” according to an alert issued by Nessel in April.

Make sure the home repair contractor is licensed and insured. Check with previous customers. Review possible complaints, online and elsewhere.

Fraudsters can go door-to-door in areas hit by severe weather and claim to be adjusters, contractors, and others offering debris cleanup or building repairs. But many will take your money and not do the job well, if at all.

One clue of a scam: Adjusters sent by your insurance company should not ask homeowners for money.

Other tips: Never pay for an entire home repair up front. “To ensure that all work is completed in accordance with the contract terms and your expectations, arrange to pay for only part of the work up front and pay for the rest of the work once it is complete to your satisfaction,” according to an alert from the Michigan AG’s office.

If you must borrow money to fix up your home, take extra care to understand what’s being offered.

Michigan regulators note that a scammer may suggest that the homeowner will pay nothing for some home repairs because the cost essentially will be paid for with the homeowner’s equity in the home.

“However, the scammer does little or shoddy work and still takes the money the homeowner took out for the repair or renovation,” according to an earlier alert from the Michigan Attorney General’s Consumer Protection Team.

“The homeowner ends up owing money on the new loan likely secured by a second mortgage and may even need to hire a reputable company to correct the substandard work.”