

## [It's Flood Season. Are You Protected?](#)

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Spring is a favorite season for many, but people who have seen their house swept away in a flood probably feel that summer droughts and blizzards get a bad rap.

Thanks to heavy rains and melting snow, March and April are months particularly prone to flooding, although flooding can happen any time of the year and throughout the driest of states. Floods, in fact, occur more than any other natural disaster, according to FloodSmart.gov, a website run by FEMA Federal Emergency Management Agency). In many parts of the country, almost as sure as spring is the prospect of a spring flood.

One of the worst. One hundred years ago, on March 25, 1913, the Great Flood of 1913 stormed at least 14 states, becoming a killing machine in Ohio and Indiana, taking more than 700 lives and snuffing out more than a thousand people altogether, in states as geographically diverse as Michigan, Maryland, Illinois and Louisiana. One male corpse fished out of the Mississippi River near a plantation in New Orleans had identification that suggested he met his untimely end in Cincinnati.)

Thousands of homes were turned into splinters, and many houses were carried down rivers, some containing petrified individuals and families still inside. The lucky ones sat on their roofs under rain and snow, trying not to freeze and starve to death. Hundreds of thousands of people were left homeless. Not one of them had flood insurance.

Flood insurance was occasionally attempted as a product by the insurance industry in the late 1800s, and then again in the 1920s, but the conclusion was always the same. It wasn't profitable. It wasn't until the National Flood Insurance Act of 1968 that flood insurance became a reality in the United States.

But 45 years later, few are protected. FEMA estimates that 5.6 million people have flood insurance. Put another way, the Insurance Information Institute indicates that only 18 percent of Americans carry it.

"Ironically, agents and brokers typically know very little about flood insurance," says Amy Bach, the executive director of United Policyholders, a San Francisco-based nonprofit information and advocacy group for American insurance consumers.

Bach says she was presenting at an insurance summit in Toronto last week, and when she asked insurance agents, brokers and adjusters for their best tips on buying flood insurance, only two people out

of approximately 200 in the audience raised their hands.

And the advice they offered, says Bach, was as basic as it comes. One said people shouldn't build in a flood zone, and the other said consumers, especially those with expensive homes, should purchase excess flood insurance.

So if you're considering flood insurance, here are some important things to know.

**Who you buy it from.** Your insurance agent. Contrary to popular belief, the National Flood Insurance Program (NFIP) doesn't function as an insurance agency. You can find insurance agents who sell flood insurance through its website, FloodSmart.gov, however.

**The price.** According to FloodSmart.gov, the average flood insurance policy runs about \$600 per year. If you live in a moderate- to low-risk area—nearly a quarter of the NFIP claims come from homes in that type of terrain—you can get coverage for as little as \$129 per year. On the other hand, if you live in, say, a \$300,000 home near the ocean, especially where hurricanes and flooding can be a factor, you might easily pay a couple thousand dollars a year for a flood insurance policy.

**What flood insurance covers.** "Flood insurance covers the structure of the house up to \$250,000 max, and up to \$100,000 of personal contents, only if they are on the ground level and above," says Toni Hoy, a flood specialist at Hill & Stone Insurance Agency in Lake Bluff, Ill.

It is also important to remember that flood insurance covers ground water coming into the home. So if a rainstorm damages your roof and the water pours in from above, soaking your carpet and shorting out your computer, your homeowners insurance should help you out, while your flood insurance policy won't. Exactly what type of water damage is covered by ever-changing policies and practices can "breed endless confusion" to homeowners, says Bach. When setting up a new policy or going over an existing one, homeowners should interrogate their insurance agent to see what is covered if they're worried about the possibility of a flood or the limits of their coverage.

As Hoy observes, "People often have water backup added to the home policy because it's not that expensive to add it, then they think any kind of water damage is covered, including flood, which is surface water. If they only have water backup coverage, but not flood, and the water seeps into the house from the ground outside, there is no coverage."

**What flood insurance doesn't cover.** For starters: Your car, money hidden under the mattress, the hotel you may need to stay at while your house is repaired ... and, of course, you may find that plenty more isn't covered, especially if you have a house worth more than a quarter-million and contents worth more than \$100,000, or if you practically live in the basement.

That said, Hoy says while the contents in the basement under a standard flood-insurance policy are not covered—goodbye, home theatre—if there are items in the basement that are used to service the home,

your flood insurance policy would take care of those. Hoy cites such items as a furnace, well pump, water heater, water softener, washer, dryer and air-conditioning unit.

What if you have a house worth more than what the standard flood policy pays for? Or what if you want to insure that home theatre in case of a flood? You would have to purchase a supplemental flood insurance policy.

Who should be covered. Anyone living in a high-risk flood area. If you have a mortgage on a house or condo and you bought it through a federally regulated or insurance lender, you're required to buy a flood insurance policy. Still, if you're unsure or just want to see where your house stands when it comes to floods, FEMA has a flood risk profile at [www.floodsmart.gov/floodsmart/](http://www.floodsmart.gov/floodsmart/). On the right side of the screen, you can type in your address and see if your home is a high-risk area.

Not that you should dismiss the idea of buying flood insurance if your home is in an area that isn't high-risk. Bach quotes an insurance colleague, who didn't want to be named, who told her, "Building in a 'flood zone' is a misnomer. Everyone is in a flood zone. Some are more risky than others."

Bach feels that everyone "who lives within a few miles of any body of water—ocean, sea, sound, inlet, lake or river—or in an area prone to mudslides should buy flood insurance, if they can afford it," she stresses.

Of course, if they were around today, the survivors of the 1913 flood might argue that anyone living near a body of water can't afford not to.