

[Just when we need it, almost no one in California has flood insurance](#)

As rain continues to pummel the state, Californians are facing a grim reality. Storms have caused billions of dollars in damages, yet only a fraction is covered by insurance, leaving homeowners to pay out of pocket for repairs. It can run in hundreds of thousands of dollars.

It's a catastrophe on top of catastrophe. Experts tell us most Californians thought their homeowner's insurance would cover them for floods and mudslides, but it won't. You need special flood insurance for that, and almost nobody has it.

"If the mud keeps sliding it'll probably hit my house," Paul Chang of Berkeley said. "The whole hill was coming down."

"You expect a little bit of flooding, but not to that extent," said San Mateo county resident Dan Ishiama.

Torrential rain and floods caused havoc across California, turning towns to lakes, hills to mudslides — damages in the billions.

"We just finished remodeling the house so it's hard to see it all go," Marjorie Cruz of Berkeley said.

"We're still tallying up the damages," said Amy Bach of United Policyholders.

Bach says storm victims were shocked when their homeowner's insurance refused to cover flood and mud damage.

"Study after study shows that consumers don't know that flood damage is excluded under their home policy," said Bach.

Those home policies do cover losses from forces like wind-driven rain or fallen trees — but not rising

water or flowing mud. You need flood insurance for that — and during years of drought, who bothered to buy it?

“We didn’t have a single person in the aftermath of the storms that came and said, ‘I have flood insurance,’” said Bach.

“I didn’t have it,” said San Mateo county resident Elena Rojas.

Rojas had no coverage when storms flooded the Belmont mobile home park where she lives with her family.

“We thought everything was supposed to be fixed,” said Rojas.

Pumps installed after past floods and drainage control by Caltrans were supposed to prevent more disasters. It didn’t work. Now that they need it, Rojas says it’s likely no one in the park has flood insurance.

FEMA statistics show only about 193,000 homes in all of California are covered by a flood policy — that’s less than 2%.

Those policies are issued by the government sponsored National Flood Insurance Program, which issues 95% of all policies in the country — a few homeowners buy private insurance to supplement the federal program.

In the Bay Area, the data show just 138 flood policies in force in San Francisco, 74 in Berkeley, 65 in Half Moon Bay and 70 in hard-hit Capitola.

“Nobody expected these floods,” said ValuePenguin insurance analyst Divya Sangameshwar.

Insurance experts noted California lurched from record dry years to record downpours.

“So a lot of people didn’t have flood insurance, and they’re in this really terrifying situation where they’re facing hundreds of thousands of dollars in damages and no insurance protection,” said Sangameshwar.

“Most people are kind of cobbling together a plan and you know, they’re doing some of the work

themselves,” said Amy Bach.

For homes on mudslides, it can cost too much to recover.

“When you get earth movement, you get mudflow, and soil moves, it gets expensive,” said Bach. “Six-figure estimate just for stabilizing their lot.”

Bach says even flood insurance may not cover repairs for landslides. Generally, policies pay for mud flow only if the material is mostly liquid.

“If it’s a ‘chocolate shake,’ it’s covered, but if it’s a ‘chocolate cake,’ it’s not,” Bach said, quoting a metaphorical rule of thumb.

Homeowners in federal disaster zones can get some help. FEMA pays for temporary housing or emergency repairs to make a home habitable, but not for major repairs. On average, a grant won’t exceed about \$8,000.

The small business administration offers low interest loans up to \$200,000. But, increasingly, Bach says, property owners start pointing fingers.

“For some people, the only way to try to get some financial help is to sue somebody else, to file a lawsuit against your neighbor, and hope that their insurance company will pay you to settle that lawsuit,” Bach said, adding some may go after civil engineers, builders or government agencies that allowed construction on potential mudslides.

Flood insurance in California isn’t as costly as you might think. The statewide average last year was \$770 per year — and \$565 in San Francisco, but there’s a 30-day waiting period before you’re covered.