

No flood insurance? You can still get help

CBS Money Watch

More than a million people in North and South Carolina have suffered from the flood waters driven ashore by Hurricane Florence. Nearly 750,000 of them were forced to evacuate, while others were trapped by a deluge of more than 30 inches of rain. Even when the waters recede, they won't be out of the woods. Many victims have trouble collecting from their insurer because they're missing a major piece of the coverage puzzle: federal flood insurance.

North Carolinians, who experienced Florence's harshest blow, were unprepared for major flooding. Only 134,306 of them had purchased flood insurance, according to a spokesperson for the Federal Emergency Management Agency (FEMA). Many will regret not doing so because these policies had to be purchased at least 30 days prior to an event like Florence.

"It's a cold hard fact," said Howard Mills, global insurance regulatory leader for financial consulting firm Deloitte. "They'll have to absorb significant losses."

But don't despair, said consumer advocate Amy Bach, executive director of United Policyholders, which advises homeowners and businesses on such matters. Her advice: Be creative, band together on social media, negotiate and look carefully for every possible option.

The first step is to read your insurance policy to find out if you do have flood insurance. Many banks require it when you take out a mortgage and live in a "flood plain," an area likely to become inundated because it's on the coast or near a river. If you do have flood insurance, file a claim as soon as possible, Bach said.

Next, return to your home as soon as you can and take lots of pictures. Start fixing any preventable additional damage by quickly drying out your house to avoid mold, including ripping up carpet and removing soggy drywall.

Then start doing research. Keep track of meteorological measurements as they actually happened, such as wind speed and storm surge. "This really matters when it comes to filing a claim," added Bach. Look for contributing factors that might have caused damage to your specific property, such as downed power lines or damaged pipes owned by the city or town.

"Remember that all insurance contracts are not created equal," she said. "The specific language may

work in your favor.”

In some instances, home insurance policies come with a “hurricane deductible.” If the wind speeds reach hurricane levels (74 miles per hour), some insurers won’t pay. But Florence’s winds dropped rapidly when it made landfall, down to only 35 miles per hour by Sunday, though still laden with rain. After Superstorm Sandy in 2012, many New Yorkers were able to collect because Gov. Andrew Cuomo mandated that it wasn’t a “hurricane event” because its wind speeds had dropped below that threshold.

This is where social media can help. In California, where Bach lives, victims of the recent destructive wildfires have banded together in groups of thousands to exchange information about their insurer and figure out ways to collect on their fire insurance policies. North Carolina residents should recognize that they’re not alone in dealing with their home insurer, she said.

Lastly, Bach urged that you “Jot down all the arguments you can make to find coverage under your regular home- or business-owner’s policy.”

Many victims will look to FEMA for the assistance already promised by state and federal regulators, as well as by President Donald Trump. While “FEMA will not rebuild their homes,” as Deloitte’s Mills said, you should look at the agency’s website, which discloses some of the ways in which it can help:
Immediate assistance: After Superstorm Sandy’s devastation, FEMA personnel provided meals for people trying to repair their homes.

Home repair: Another contingent of FEMA personnel surveyed damaged properties and provided thousands of dollars for necessary items such as refrigerators and stoves so residents could remain in their homes.

Loans: The Small Business Administration (SBA) makes loans available to flood victims.

Disaster recovery centers: FEMA administers facilities where hurricane victims can learn about services available from it and other agencies.

Mortgage relief: The Federal Housing Authority offers help with mortgages to FHA homeowners. Local banks can also do this on a temporary basis to avoid foreclosures and maintain goodwill with their mortgage holders.

Counseling: FEMA provides counseling for those dealing with the anxiety and stress of coping with a disaster.