

Flood and Your Homeowners Insurance Policy

When you start thinking about insurance, there are a lot of different terms and policy options that can be easily misunderstood. Many consumers don't realize the full extent of what their policies do and don't cover, some don't understand what their deductibles and limits are, and others aren't sure whether or not special situations are covered in their auto or homeowners policies. All of these sources of confusion are easy to remedy with a call to your insurance agent or a quick read of your policy.

But not all insurance misunderstandings are harmless. If you assume some insurable incident is covered by your existing auto or homeowners insurance policy and it actually isn't, you could be exposing yourself and your family to financial risks that you just can't carry on your own. One consistent source of this type of dangerous confusion involves flood insurance.

Many consumers assume that flood insurance is automatically included in their homeowners policy. Unfortunately, this assumption is so prevalent that many policy holders don't ask their agent or insurance company if their homeowners insurance policy will cover the damages associated with flood waters—they just assume that it will. This assumption can turn out to be an extremely expensive mistake after a flood actually occurs because assuming that their homeowners insurance policy provides flood coverage prevents them from taking the steps necessary to find out the truth about flood insurance and protect their family and their assets accordingly.

Now that we all know that homeowners insurance policies do not cover damage caused by flood waters, let's figure out what actually constitutes as flood waters. The National Flood Insurance Program defines a flood as:

"A flood is a general and temporary condition where two or more acres of normally dry land or two or more properties are inundated by water or mudflow."

The definition of flood is easy enough to understand, but the reason that many homeowners think it's included in their homeowners insurance policy is because many of the events that can cause floods cause other damages that ARE covered under a homeowners insurance policy. For instance, a hurricane may cause wind damage to your home that is covered in your policy, but it may also cause normally dry land to be temporarily inundated by water, which could run into your house and damage your floors and furniture—but because those are flood waters, they will only be covered if you have a flood policy.

So make sure you have a flood policy in place today. Whether you live in a flood zone or not, its protection that isn't covered in your homeowners policy but needs to be in place to secure your family.