

Does my homeowner's policy cover flood damage? No. A homeowner's policy only covers wind-blown rain damage that is not due to flooding. Without flood insurance, your losses from flooding are not reimbursed and you will not get money to help you rebuild. You are required to carry flood insurance if your home is in a high-risk area and your mortgage is regulated or insured by the federal government. Your home is considered "high risk" if it has at least a 1 in 4 chance of flooding during a 30-year mortgage. The National Flood Insurance Program (NFIP) provides flood insurance *to communities that participate in the NFIP*. High risk communities that also participate in the Community Rating System (CRS) may qualify for a discount on premiums of up to 45%. For information, go to <http://www.floodsmart.gov> or call 1-888-379-9531.

What is a "flood" for insurance purposes? A flood is "a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area of two or more properties" (one of which is your property) from:

- overflow of inland and tidal waters;
- unusual and rapid accumulation or runoff of surface waters from any source;
- mudflow – "a river of liquid and flowing mud on surfaces of normally dry land areas"; or
- a collapse of land along the shore of a body of water (such as a lake) due to erosion caused by excess waves or currents of water.

What does flood insurance cover? Flood insurance covers replacement cost or actual value, *whichever is less*. The NFIP decides how much coverage it will provide depending on the age of the home, number of floors, flood risk and other factors. Read your policy to find out the maximum amount of coverage for your property.

Building Property Policy—does *NOT* pay for damage to contents. The Building Property policy usually includes ICC coverage, which provides up to \$30,000 to elevate, demolish or relocate your home. The total amount of the Building Property claim plus the ICC claim cannot exceed the maximum coverage limit stated in the policy. Coverage includes:

- The insured building and its foundation;
- Electrical and plumbing systems, central air conditioning, furnaces and water heaters;
- Refrigerators, ovens and built-in appliances such as dishwashers;
- Window blinds and carpeting installed over unfinished flooring;
- Permanently installed paneling, wallboard, bookcases and cabinets; and
- Debris removal.

Personal Contents Policy—*optional; purchased separately from Building Property policy*. A Personal Contents policy reimburses only the *actual cash value* of the damaged property at the time of loss (depreciated value), not replacement cost. It covers items such as:

- Personal belongings, including clothing, furniture, and electronic equipment;
- Window air conditioners, microwave ovens, portable dishwashers;
- Curtains and carpets not included in building coverage;
- Washers, dryers, food freezers and the food in them; and
- Certain valuable items such as original artwork.

Keeping purchase receipts for major items can help you estimate the value of the property lost.

What's NOT covered? The NFIP flood insurance *will not cover*:

- Living expenses, such as temporary housing;
- Damage due to moisture, mildew or mold that could have been prevented by the owner;
- Currency, precious metals and valuable papers like savings bonds and stock certificates; and
- Property outside the building, such as cars and car parts, trees, plants, wells, septic systems, walks, decks, patios, fences, seawalls, hot tubs and swimming pools.