

Flood Disaster and Insurance Q&A

QUESTION: My home was damaged when flood water entered my home. Will my homeowner's policy pay for the damages?

ANSWER:

Homeowner (HO), renters, condominium, and farmowners policies—These standard policies do not cover water damage due to flood for either the building or personal property. There is no endorsement available to add coverage.

Mobile home policy (MHO)—The basic MHO policy does not cover water damage due to flood for the structure or personal property.

Commercial property policy (CP)—The standard CP policy does not cover water damage due to flood to the building or business personal property. However, some carriers may add limited coverage by endorsement.

National Flood Insurance policy—The National Flood Insurance policy covers loss due to water damage resulting directly from flood.

QUESTION: My home was damaged by water seeping through the basement walls. Will my homeowner's policy pay for the damages?

ANSWER:

Homeowner (HO), renters, condominium, and farmowners policies— These standard policies do not cover water damage due to the seepage of water through the walls or floor of a basement. There is no endorsement available to add this coverage.

Commercial property policy (CP)—The standard CP policy does not cover water damage due to seepage for the building or business personal property.

National Flood Insurance policy—The National Flood Insurance policy provides coverage for these losses only when they occur in conjunction with a general condition of flooding in which the insured property has been, at the same time, damaged by flood.

QUESTION: My home was damaged by water and sewer material when the sewer backed up into my basement during the flood. Will my homeowner's policy pay for the damages?

ANSWER:

Homeowner (HO), renter's, condominium, and farmowners policies—These standard policies do not cover water damage due to the backup of sewer. Insurance companies usually offer endorsements to provide coverage for sewer backup.

Commercial property policy (CP) —The standard CP policy does not cover water damage due to sewer backup for the building or business personal property. Some companies may offer coverage by endorsement.

National Flood Insurance policy—The National Flood Insurance policy provides coverage for sewer backup if the backup is a direct result of flooding. If the backup is caused by some other problem, the damages are not covered.

QUESTION: My home was damaged by water when the sump pump failed and water backed up into my basement during the flood. Will my homeowner's policy pay for the damages?

ANSWER:

Homeowner (HO), renters, condominium, and farmowners policies—These standard policies do not cover water damage due to the failure of a sump pump for either the building or personal property. Some insurance companies may offer endorsements to provide coverage for sump pump failure.

Commercial property policy (CP)—The standard CP policy does not cover water damage due to a sump pump failure for the building or business personal property. Some companies may offer coverage by endorsement.

National Flood Insurance policy—The National Flood Insurance policy does cover sump pump failure if there is a flood in the area and the flood is the proximate cause of the sump pump discharge or overflow.

QUESTION: The power failed somewhere off my premises and caused my refrigerator/freezer to fail resulting in food spoilage. Is there any coverage?

ANSWER:

Homeowner (HO), renters, condominium and farmowners policies—These standard policies do not cover food spoilage because of power failure off premises. Some policies have added a limited amount of coverage, i.e., \$500, while other companies may provide an endorsement to cover food spoilage.

Commercial property policy (CP)—The standard CP policy does not cover food spoilage due to power failure. Most companies offer coverage by an endorsement.

National Flood Insurance policy—The National Flood Insurance policy does cover loss of refrigerated products but only if caused by flood. Power failure for other reasons would not trigger coverage under this policy.

QUESTION: When the flood waters receded, it left a large amount of debris on my property. Is there coverage for removal of this debris?

ANSWER:

Homeowner policy (HO)—The standard HO policy covers debris removal if a covered peril causes the loss. Since flood is not a covered peril, there would be no coverage.

Commercial property (CP)—The standard CP policy provides coverage for debris removal if a covered peril causes the loss. If the standard CP policy provides coverage for flood, then debris removal would be covered.

National Flood Insurance policy—The National Flood Insurance policy does cover debris removal resulting from a flood within the total limits of coverage. This applies whether it is debris from off your premises or debris from your property or premises.

QUESTION: I had to close my business because of the flood. Will insurance cover my lost income?

ANSWER:

Commercial property policy (CP)—The standard CP policy may provide business income protection within the policy or by endorsement. The coverage only applies to a covered cause of loss. Therefore, if the policy provides flood coverage, the coverage also applies to business

income.

National Flood Insurance policy—The National Flood Insurance policy does not provide coverage for loss of use, loss of access, business interruption, additional expense, or loss of profits.

QUESTION:

What if my vehicle is damaged because of the flood. Will my automobile coverage cover the loss?

ANSWER:

It depends on the type of insurance coverage you have. Vehicle liability insurance does not cover flood damage—it insures you against damage you cause or are liable to others. Flooding would cause physical damage to your own vehicle which would be insured by a coverage called Comprehensive Coverage. If you carry comprehensive coverage on your automobile policy, the policy will likely cover the damage caused by flooding. Call your insurance agent to verify coverage.

QUESTION: Are there any other types of losses and insurance coverages I should be aware of?

ANSWER:

Boats—Boats may be covered by a separate endorsement to a homeowner's policy or by a separate boatowners policy.

Livestock losses—The farmowners policy may provide coverage for livestock on a blanket or schedule basis. Also, animal mortality policies provide coverage for drowning.

Farm equipment—Farm equipment is usually not covered, although some farmowners policies may provide some specific coverages.

QUESTION: How do I file a National Flood Insurance Program flood claim?

ANSWER: Consumers who have purchased an NFIP policy should contact their insurance agent for help in filling out claim forms. The following link contains information outlining the flood insurance claims process: floodsmart.gov/flood/how-do-i-file-my-flood-claim.

QUESTION: Who can I call if I have more insurance coverage questions?

ANSWER: You should first try to contact your local insurance agent or your insurance company for specifics about your policy. For general flood insurance policy questions, call the NFIP help desk at 800.427.4661. For National Flood Insurance Program claims, call 800.638.6620.

QUESTION: If I have problems with my insurance company, agent, or adjuster, where can I turn?

ANSWER: If you believe you are being treated unfairly, you may file a complaint with the South

Dakota Division of Insurance. You can call 605.773.3563 or file a complaint online at dlr.sd.gov/insurance.

Dealing with home repair contractors

When it comes time to repair damage, be watchful for unscrupulous contractors. Be cautious when signing post-loss assignments for homeowner's insurance claims. Always ask if the contractor is licensed, bonded and insured and ask for proof of coverage. Beware of contractors who request large down payments to begin work.

If you have doubts about the vendor or think you may have been the victim of a contractor scam, contact the Attorney General's Consumer Protection Office at 800-300-1986 or by email at consumerhelp@state.sd.us. Be prepared to give as much information as you can about the vendor, including the name of the company and salesperson, company address and telephone number and the make, model and license number (if possible) of the vehicle the vendor was driving.

You can verify if a contractor is properly licensed to operate in South Dakota by contacting the Department of Revenue's toll-free helpline at 800.829.9188, press "1" for the business tax division.