



Flood Insurance 101

Did you know flooding is the most common and widespread natural disaster in the United States? You've likely seen flooding happen during heavy rains, but floods can also occur when snow melts too fast or even when dams or levees break. Flooding occurs in every U.S. state and territory and is said to be more threatening than tornadoes and hurricanes. However, according to the Insurance Information Institute, only 12 percent of U.S. homeowners have flood insurance. It's important to note that some people may think flood damage to their home is covered in their homeowner's insurance policy – but it's usually not. Below is more information about flood insurance and how it works.

What Is Flood Insurance?

1. Flood insurance is a separate policy, meaning it's not typically covered by your homeowner's insurance. To get flood insurance, you can work with your insurance agent to purchase through a federally regulated program known as the National Flood Insurance Program (NFIP).
2. The more severe the flood zone, the higher the cost. Depending on where you live, the flood zone (location of property), will help determine how much your flood insurance will cost. The more severe the flood zone, the higher your insurance rates may be.
3. Lenders typically require flood insurance, especially if you are purchasing a house in a severe flood zone. If this is the case, your lender will likely require you to purchase flood insurance as a condition of your loan.
4. Flood insurance is not just for coastal areas. Floods can happen anywhere. Even if you don't live near a coast, your house may still be at risk for flooding.

What Does Flood Insurance Cover?

Below are a few things typically protected by flood insurance:

Essential systems in your house: Everything from electrical and plumbing systems, furnaces, water heaters, central air conditioners, heat pumps, etc.

Appliances: Refrigerators, ranges, washing machines, dryers and built-in appliances, like dishwashers, are all typically covered.

Carpeting and window treatments: Permanently installed carpeting over an unfinished floor or any other carpeting over wooden floors should be covered. Your policy should also include window blinds and curtains.

Foundation walls, anchorage systems and staircases: Some exclusions do apply.

Personal property: Including clothing, furniture and electronic equipment, as long as they are not stored in the basement.

Do I need Flood Insurance?

While flood insurance does cover a variety of things, there are some eligibility requirements, exclusions and some types of property expenses that are not typically covered. For example, furniture or other personal property that is located in a basement or crawl space isn't covered. This could include bookcases, window treatments, carpet or electronic devices, such as televisions or audio systems.

It's important to understand your insurance policies and how your home is protected from potential damage resulting from a natural disaster. You can reach out to your insurance agent to learn more. If you are a Champion Mortgage customer and have questions about your home loan, please call us at 1-855-683-3095.