



# Insurance Division

## Homeowner insurance and water damage: Am I covered?

A homeowner insurance policy provides protection for many risks associated with your property, such as fire, theft, or injuries to visitors. However, homeowner policies don't cover flooding or most other damages caused by water.

Use the links below for answers to some frequently asked questions about water-related risks that usually are not covered by your homeowner insurance policy. Because there are a wide variety of homeowner policies available, be sure to read your policy or discuss it with your insurance producer (agent) or insurer to determine exactly what's covered and what isn't covered.

[Flooding](#)

[Landslides and other earth movement, such as earthquakes](#)

[Water and mold](#)

[Flood preparation and information](#)

[Preparing for emergencies](#)

### Flooding

---

**Q: Is flooding covered by my homeowner policy?**

**A:** No. Flooding is not a "covered peril" under most homeowner insurance policies. If a covered peril, such as wind or hail, causes damage to the structure and allows rain inside the building, the resulting water damage would be covered by your homeowner policy, but not damage caused by flooding.

**Q: Does earthquake insurance cover flooding or a tsunami?**

**A:** No. A flood or tsunami resulting from an earthquake is not included under earthquake coverage.

**Q: Since most homeowner policies don't insure against flooding, where can I find coverage?**

**A:** Flood insurance may be purchased from the National Flood Insurance Program (NFIP). Nearly everyone can qualify to buy flood insurance because all Oregon communities with identified flood hazards participate in the NFIP. Check the NFIP's [Web site](#) for more information about floods and flood insurance.

**Q: How do I buy flood insurance?**

You can purchase flood insurance from a licensed private insurance company or independent property and casualty insurance producer (agent) in Oregon. If your insurance agent is unfamiliar with the NFIP or is not licensed to sell national flood insurance, search the NFIP's [Web site](#) for agents or companies in your area, or call NFIP at (888) 379-9531 to request a referral.

**Q: How soon do I need to buy flood insurance?**

**A:** In general, a policy does not take effect until 30 days after you purchase flood insurance. You won't be insured if you buy a policy a few days before a flood.

**Q: If my home is flooded, won't federal disaster assistance pay for my damages?**

**A:** Federal disaster assistance generally offers loans to help cover flood damage, not compensation for your losses. Even then, those loans are only available if the President formally declares a disaster. Federal declarations occur in less than half of flood events. A flood insurance policy will reimburse you for covered losses, even if the flood is not a federally-declared disaster.

**Q: How much flood insurance can I purchase for my house and how much will it cost?**

**A:** Residential insurance for one- to four-family unit buildings and individual residential condominium units are written up to \$250,000 in building coverage and up to \$100,000 in personal property coverage. Your premiums will depend on your location (flood zone) and the coverage limits you select. In Oregon, the average cost of a flood policy is about \$500.

Visit NFIP's [Web site](#) to get an estimate of how much flood insurance will cost for your property. For a personalized quote, contact your insurance agent or company.

**Q: What is a flood zone?**

**A:** Flood zones are designated by the Federal Emergency Management Agency (FEMA) based on the risk of flooding. Everyone lives in a flood zone—it's just a question of whether you live in a low, moderate or high-risk area. You can find out what flood zone your property is in by visiting the NFIP's [Web site](#) or by contacting your insurance agent or company, or your city or county planning department.

**Q: I live in a low-risk flood zone. Do I really need flood insurance?**

**A:** You should consider getting flood insurance even if you live in a low- or moderate-risk area. Almost 25 percent of all flood insurance claims come from areas with low or moderate flood risk. You may qualify for the [Preferred Risk Policy](#), a low-cost flood insurance policy.

**Q: What if I want to purchase more insurance than the NFIP offers?**

Many private insurance companies offer excess flood protection, which provides higher limits of coverage than the NFIP, in the event of catastrophic loss by flooding. For more information, contact your insurance agent or company or visit the NFIP's [Web site](#).

**Q: Why does my mortgage lender require me to buy flood insurance?**

**A:** Flood insurance is mandatory for all federal or federally-backed financial assistance for the acquisition and/or construction of buildings in high-risk flood areas (special flood hazard areas or SFHAs). Flood insurance must be maintained during the term of the loan and is required for the lesser of the maximum amount of available NFIP coverage or the outstanding principal balance of the loan (less the land value).

**Q: Can I get flood insurance if I'm a renter?**

**A:** Yes. A renter can purchase contents coverage up to \$100,000.

**Q: Can businesses purchase flood insurance?**

**A:** Yes. Coverage limits for a standard flood insurance policy for a business are \$500,000 for the structure and \$500,000 for contents.

**Q: Will a flood policy cover damage to my car?**

**A:** No. Flood damage to your car would be covered under your auto insurance policy if you have purchased comprehensive coverage.

**Q: Where can I get more information about insurance?**

**A:** The Insurance Division can help answer your questions. We also can help if you're having a problem with your insurance agent or company. Call us at (888) 877-4894 (toll-free in Oregon) or 503-947-7984, or visit our [Web site](#).

Other sources of information about flooding and flood insurance include:

- Governor Kulongoski's [Web site](#), which has the latest information about flooding in Oregon.
- The National Flood Insurance Program's [Web site](#), which explains how to obtain flood insurance, how much it costs, what it covers, how to file a claim, and much more.

## **Landslides and other earth movement, such as earthquakes**

---

**Q: I live on a hill and with all the rain we've had recently, I'm worried about landslides. Will my homeowner policy cover landslides?**

**A:** Your homeowner policy won't cover earth movement, which includes landslides and erosion, earthquakes, mudflows, earth sinking or volcanic eruption.

You can usually add earthquake coverage to your policy for additional premiums. If your insurer does not offer that option, you should be able to purchase a separate earthquake policy.

Earthquake insurance does not cover a loss caused by landslides or erosion.

**Q: Is it possible to buy coverage for earth movement?**

**A:** You may be able to buy a special rider for your homeowner policy that includes all-peril coverage of contents, including earth movement. This rider would only cover contents, not the structure, and some companies may not offer this option, so you may need to shop around.

You also may be able to find separate earth-movement coverage that includes structures in the "surplus-lines" market through an agent or a licensed broker. Consumers should choose these companies carefully, because surplus-lines insurers are not covered by the state guaranty fund. Also, because carriers have the authority to underwrite (i.e., select risks they want to insure), it still may be difficult for some hillside homeowners to obtain this kind of coverage.

**Q: Where can I get more information about insurance?**

**A:** The Insurance Division can help answer your questions. We also can help if you're having a problem with your insurance agent or company. Call us at (888) 877-4894 (toll-free in Oregon) or 503-947-7984, or visit our [Web site](#).

## **Water and mold**

---

**Q: Will my homeowner policy cover damage from water and mold?**

**A:** How the water damage occurs determines whether you have coverage under your policy. Damage caused by rust, rot, mold or other fungi generally is not covered by homeowner insurance. Mold is considered to be a home maintenance issue and is not insurable. However, there are instances where water or moisture deposits occur because of a covered peril and result in mold. There may be coverage for such losses although the coverage may be subject to a separate dollar limit under your policy. Ask your insurance agent or company about what is covered.

**Q: What about ground water seepage or sewer back up?**

**A:** Generally, there is no coverage for ground water seepage. Depending on your policy, there may be no coverage, or very limited coverage, for sewer back up.

**Q: I'm worried about snow and ice damaging my home. Will my homeowner policy cover such damage?**

**A:** Generally, your homeowner policy would cover ice or snow damage to your house. However, damage to a retaining wall, foundation, fence or paved area likely would not be covered. If your residence is vacant, you won't have coverage for a loss caused by the bursting of frozen plumbing fixtures and pipes or other appliances unless reasonable care is taken to maintain heat in the building or shut off and empty the water supply to the fixture or appliance.

**Q: What if my pipes leak? Am I covered?**

**A:** You would have coverage if there is a sudden and accidental leak or discharge of liquids from a plumbing system (except a sump pump), heating system, or other appliance. However, there is no coverage if the damage occurs over time because of normal wear and tear or because you failed to repair leaks and perform normal maintenance.

**Q: How can I protect my property from mold damage?**

**A:** Mold can be found almost anywhere moisture is present, and it can grow on wood, carpet, paper and food. Preventative steps you can take to protect your property include:

- Fix plumbing leaks immediately.
- Keep your home's exterior painted.
- Don't pile wood or debris in crawl spaces or against the sides of the house.
- Check your home - it should *not* be completely airtight. A home that can't breathe will grow mold, especially in attics and other dark areas.
- Have your home inspected if you see evidence of fungus.
- Reduce indoor humidity by:
  - Venting bathrooms, dryers and other moisture-generating sources to the outside.
  - Using air conditioners and dehumidifiers.
  - Increasing ventilation.
  - Using exhaust fans whenever cooking, dishwashing or cleaning.
- Take precautions to prevent condensation on cold surfaces by adding insulation to windows, pipes, exterior walls, roof and floors.
- Don't install carpeting where there is a perpetual moisture problem, such as bathrooms, or on concrete floors with leaks or frequent condensation.

**Q: Where can I get more information about insurance?**

**A:** The Insurance Division can help answer your questions. We also can help if you're having a problem with your insurance agent or company. Call us at (888) 877-4894 (toll-free in Oregon) or 503-947-7984, or visit our [Web site](#).

## **Preparing for emergencies**

---

**Q: How can I prepare for emergencies?**

**A:** Plan and practice an evacuation route.

If you live in a frequently flooded area, take preventative measures and stockpile emergency building materials.

Have disaster supplies on hand:

- Flashlight and extra batteries
- Portable, battery-operated radio and extra batteries
- First aid kit and manual
- Emergency food and bottled water
- Non-electric can opener
- Essential medicines
- Cash and credit cards
- Sturdy shoes