

smart column

# Will your home weather the storm?

by Molly A. Thomas, RP®

In the insurance industry, the term “act of God” is used to describe natural disasters such as floods, hurricanes, and windstorms— unforeseen incidences can cause extensive damage to your home and its contents. Does your insurance policy cover your losses if one of these storms strikes your home? Do you know that neither homeowners insurance nor a separate windstorm policy will cover flood damage?

## Floods

A flood is defined as a “rising and overflowing body of water onto normally dry land.” In insurance terms, the word “rising” is what differentiates a flood loss from a water damage loss. A flood loss is not covered by your homeowner’s policy, while water damage loss is covered in most standard property insurances.

Flood Insurance can be purchased through The National Flood Insurance Program (NFIP), which is managed by the Federal Emergency Management Agency (FEMA). You cannot purchase flood insurance directly from the federal government; you are required to go through an insurance agent. Flood policies are available if you live in one of the many NFIP-participating communities. The cost of this insurance is based upon what is called your “flood risk.” It is important to note that there is a thirty-day waiting period to obtain flood coverage through the NFIP (unless you are obtaining flood insurance in connection with purchasing a home or refinancing a mortgage).

## Hurricanes, tornados, and windstorms

All insurance policies are not the same. Your storm coverage depends upon what kind of policy you have. Some policies do cover for wind-related damage, while others require you to purchase additional coverage. Since the terminology of each policy is so important in determining whether or not storm damage is covered, AccuWeather.com’s forensic meteorologists strongly advise homeowners to carefully read and understand their policies. Some insurance companies may exclude windstorm liability in certain states (or parts of certain states) that are especially prone to hurricanes, tornados and the like. For example, if you live in a coastal region your insurance may not cover this damage as hurricanes are so prevalent.

You can purchase wind coverage from the individual insurance marketplace or what is termed a “Wind Pool.” The Wind Pool exists to provide coverage for consumers who cannot find coverage in the standard marketplace. Some Wind Pools offer replacement coverage on the dwelling if it is your primary domicile, but will not do so on a secondary home. The Wind Pool does not provide for replacement coverage on your personal contents, but it will provide coverage for the actual cash value of your contents.

When reviewing your home insurance coverage it is best to speak to your insurance agent to discuss your coverage needs. Knowledge about what is covered and what is not will better equip you to forecast your risk when it comes to these particular “acts of God,” and grant you peace of mind.



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Molly A. Thomas, RP® attended Erskine College and graduated from the College of Charleston with a B.S. in Education in 1981. She joined Abacus in February 2004. In April 2008, Molly received her certificate of completion from Florida State University in Insurance Planning and Risk Management and she was awarded the Registered Para Planner Designation from The College of Financial Planning in 2012.

Molly's main focus is the collection and review of each client's insurance including Life, Health, Disability, Long Term Care, Property and Casualty, Commercial and Business.

