

A GUIDE TO HOMEOWNERS VS. FLOOD POLICIES

PREPARED BY THE INDEPENDENT INSURANCE AGENTS & BROKERS OF NEW YORK, INC.



Claim Scenario

ISO Standard HO-3

The most common homeowners policy

NFIP Flood

Government-issued policy purchased directly from FEMA or through a private carrier.



Damage caused by a flood resulting from heavy rains, overflow of a river or stream, melting snow.

NO

Standard homeowners and renters insurance does not cover flood damage.

YES

The NFIP policy provides **replacement cost** coverage up to \$250,000 for the structure of your home, but **actual cash value** (replacement cost less depreciation) coverage up to \$100,000 for your personal possessions.



Sewer back-up or sump pump failure.

MAYBE

Standard homeowners & renters insurance does not cover but it is available through purchase of additional special coverage on the homeowners policy, as long as it is not determined to be caused by a flood. If flooding occurs simultaneously, coverage is excluded whether the damage was caused directly or indirectly by flood. This is known as the "concurrent causation" clause.

NO

The NFIP does not cover water or waterborne material that backs up through sewers or drains or discharges or overflows from a sump, sump pump, or related equipment.



A burst pipe causes water damage in my home or to my contents.

YES

The HO-3 covers you for accidental discharge of water from a plumbing system.

NO

The NFIP does not cover water, moisture, mildew or mold damage that results primarily from failure, stoppage or breakage of water or sewer lines, drains, pumps, fixtures or equipment.



Water seeps into my basement from the ground.

NO

Water seepage is excluded under the HO-3. It is considered a maintenance issue.

MAYBE

Only if the seepage is due to a flood. Otherwise it is considered a maintenance issue.



Storm winds cause a tree to fall onto your house, punching holes in the roof and allowing rainwater to enter, damaging walls, floors and belongings.

YES

The HO-3 covers you for loss to property caused by the direct force of wind, damaging the building, causing an opening in a roof or wall, and permitting rain to enter through the opening.

NO

The NFIP does not cover loss caused directly or indirectly by rain, snow, sleet, hail or water spray.



Storm winds blow tidal waves off the ocean, causing them to enter the house, ruining floors, walls and belongings.

NO

Standard homeowners and renters insurance does not cover damage caused by waves, tidal waves and tsunami tides, tidal water, spray from any of these, and storm surge.

YES

The NFIP covers loss directly caused by a general and temporary condition of partial or complete inundation of two or more acres/properties from overflow of tidal waters.



Persistent heavy rains cause mud to flow downhill, enter the house and damage the interior & belongings.

NO

Standard homeowners and renters insurance does not cover loss caused by mudflow.

YES

The NFIP covers loss directly caused by a river of liquid & flowing mud on the surfaces of normally dry land areas.



Water overflows a levee, loosens a mailbox from its moorings, and throws the mailbox through the house's front windows.

NO

Standard homeowners and renters insurance does not cover loss caused by the overflow of water or waterborne material that has escaped from a dam, levee, seawall, or any other boundary or containment system.

YES

The NFIP covers loss directly caused by a material borne by flood waters.