

Saving Money on Your Insurance

BY JOSE MONTE MAYOR

Flood Raised Insurance Questions

WHEN FLOODS OCCUR, people with damaged property often have many questions about what their homeowners and auto policies do and don't cover. Tropical Storm Allison was no exception.

Two basic principles apply to flood coverage:

- Homeowners and other residential property policies don't cover flood damage. National Flood Insurance Program policies, sold by local agents, can fill this gap.
- Automobile policies with "comprehensive" coverage pay for flood damage. Because "mobilowners" policies on manufactured homes technically are auto policies, they, too, generally cover flood damage. However, insurers may exclude flood coverage for manufactured homes in Texas' 14 coastal counties.

Once you get past these basics, many other issues may arise. Here are TDI's answers to some of the questions most frequently asked by flood victims after Tropical Storm Allison. The following homeowners Q&A applies only to the Texas standard HO-B policy.

Homeowners

Q My home was not flooded by rising water. However, the sewer line backed up into my home and caused damage. Does my homeowners policy cover this?

A Yes. Homeowners B policies (HO-B) cover sewer line backup. If an insurance company denies your claim, you may file a complaint with TDI. **Call 1-800-252-3439** for a printed form or submit a complaint on-line through our Web site, **www.tdi.state.tx.us**.

Q I placed my flood-soaked furniture and other household items in the yard to dry out. They were stolen. Does my homeowner's policy cover this loss?

A Yes. While excluding losses from the flood itself, the policy specifically covers "an ensuing loss" by theft or attempted theft or "any act or attempted act of stealing."

Q Besides flooding, my house also had roof damage, and water came in through that opening as well. I don't have flood insurance. What, if anything, is covered under my homeowner's policy?

A If a covered peril such as wind or lightning created an opening in your roof, then your policy covers damage to your home or personal property from water coming through that opening.

Automobile

Q My car was flooded. What determines whether it should be totaled?

A Insurers determine this on a case-by-case basis. Generally, if water covered your dashboard or electrical components, the car will be totaled.

Q The insurance company asked that I have my flooded vehicle towed to a specific location for inspection. Do I have to pay the towing charges?

A No. The insurer should pay the towing expense because you are helping it to make a prompt inspection of your vehicle.

Q Can the insurance company require me to use a certain repair shop?

A No. You get to determine where you will have your car repaired, and your insurance company must pay the reasonable repair costs.

Q My car was flooded and I had to rent a vehicle. Does my automobile policy cover the cost to rent a car?

A Only if you have an endorsement adding "Rental Reimbursement Coverage" to your policy. Under this coverage, the insurance company will pay up to the limit shown on the endorsement for the reasonable amount of time it takes to repair or replace your vehicle. ★

Editors:

- If you need further information, call: **Texas Department of Insurance Public Information Office (512) 463-6425**

We welcome your questions and suggestions about this column.