



Be Prepared: Homeowners, Renters and Flood Insurance 101 ***Can you afford to lose everything you own?***

The Red Cross Disaster Action Team responds to over 60 house fires and disasters each year, helping families cope by providing for their immediate emergency needs of food, clothing and shelter. But, the Red Cross can not begin to replace everything that a disaster destroys.

Our volunteers will tell you that one of the hardest things to see is a family that loses everything in a fire but does not have insurance to help cover the loss. Prepare YOUR family for a disaster by having the right kind and right amount of insurance for your home or apartment. Use the guide below to learn what homeowner's, renters and flood insurance and can't do for you.

Homeowners Insurance

Every homeowner should realize the importance of a homeowners insurance policy. Homeowners insurance policies not only protect the homeowners from man-made and natural disasters, but it also protects you from several other situations.

The basic homeowners insurance policy pays you in case of any damage due to fire, severe storms, tornados and hurricanes. Damage to your property, possessions and home are primary elements to be covered. Coverage provided by the policy is not the most important aspect; the most important aspect is the amount they provide in case of any disaster.

Loss of possessions like furniture, electrical appliances, jewelry, clothing are also generally covered by some homeowners insurance policies, up to a specific percentage of the policy. If you have children away at college, check to see if their property is covered when they live in the dorm. Generally it is not covered when they live off campus.

Liability coverage protects you in case you are responsible for someone else's injury or property damage.

Dwelling coverage will pay you in case of damage to your outstanding building (garage, storage, shed, fencing, boundary) and your home.

Loss of use coverage will help you in case your home is damaged due to fire, storm or any other man made or natural calamity. Loss of use coverage will pay your expenses when your home is not suitable to live in.

Flooding is generally NOT covered by a standard homeowner's insurance policy. Make sure you understand exactly what your homeowner's policy does and does not cover.

Renters Insurance

Renters insurance is insurance that pays you if your personal property is damaged or stolen. Renters insurance can cover fire and smoke damage, theft, vandalism, damage from windstorms and hail, damage from explosions, water damage from plumbing problems and many other hazards. It also protects you from liability if an accident happens in your home and may pay your temporary living expensive if an emergency forces you to leave home.

Your landlord's insurance DOES NOT protect your personal property. It only protects the building.

Renters insurance is available at a low cost, much less than car insurance. It usually costs less than \$12 a month in most areas of the country. Renters insurance will cover all your property: furniture, clothing, stereo and television equipment, toys, jewelry, pots and pans, etc. What would it cost to replace everything in your apartment if there was a fire or other disaster?

Not all renters insurance is the same. The deductible and claim limits may vary and the cost for coverage may be different from company to company. Shop around to find the policy that fits your needs and budget.

Flood Insurance

Many of us mistakenly believe that if a flood were to hit, our homeowner's insurance would cover the cost to recover. It doesn't. Floods are the #1 natural hazard in the U.S. and occur in all 50 states.

Just two inches of water can cost you up to \$7,800 to repair. Over the past 10 years, the average flood claim has amounted to over \$33,000. Flood insurance is the best way to protect yourself from devastating financial loss. Flood insurance is available to homeowners, renters, condo owners/renters and commercial owners/renters.

Costs vary depending on how much insurance is purchased, what it covers, and the property's flood risk. All policy forms provide coverage for buildings and contents. However, you might want to discuss insuring personal property with your agent, since contents coverage is optional. Typically, there's a 30-day waiting period—from date of purchase—before your policy goes into effect. That means now is the best time to buy flood insurance.

It's a good idea to buy 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-to-moderate flood risk.

For more information on flood insurance, visit [Floodsmart.gov](https://www.floodsmart.gov).