FEBRUARY INSURANCE TIP OF THE MONTH

Flood Insurance

“Homeowners might be surprised to learn that their regular homeowner’s insurance policy does not cover flood damage,” said Superintendent Russell Toal of the New Mexico Office of the Superintendent of Insurance. If you live or own a business in a flood plain, near a river or other body of water, consider purchasing flood insurance for your home or business. Your lender or mortgage holder likely will require flood insurance if your home is located in a flood plain. Even if your home or business is not in a designated flood plain, consider flood insurance -- do not assume you will never have damage from flooding. Talk to your insurance agent or company about whether you should consider flood insurance.

The federal government offers insurance for direct flood and flood related damage including mudslide and erosion under the National Flood Insurance Program. The coverage involves a 30-day waiting period before the policy becomes effective; however, there are exceptions. Your agent or insurance company can assist you with application forms for flood coverage. For more information about federal flood insurance, contact:

- National Flood Insurance Program at 1-800-427-4661 or online at www.floodsmart.gov.
- FEMA Flood Maps: https://www.fema.gov/flood-maps
- FEMA Flood Insurance Information (also links to floodsmart.gov): https://www.fema.gov/flood-insurance

Tips on flood cleanup and insurance claims

- Don't attempt to drive through flooded roadways.
- Don’t walk through flood waters without proper protection.
- NEVER consume flood water, there may be harmful bacteria in the water.
- Check for structural damage before re-entering your home or business. Flood-damaged buildings can collapse. Be cautious about gas leaks or energized wiring in flooded areas, including basements.
- If you have property damage, call your insurer or agent.
- Take photos or a video. Make and maintain a list of lost or damaged items.
- Even if you didn't have flood insurance, you may qualify for some federal emergency grants or loans. *Please note that if you have received funds from FEMA in the past for flooding and did NOT purchase flood insurance, you may not qualify for additional funding.
- Talk to your insurer before making permanent repairs or disposing of damaged property.
Save receipts from any mitigation efforts (sandbags, pumps, etc.) for possible insurer reimbursement. (If debris removal costs are being claimed, FEMA will ask for proof of responsibility if it is on private property, the approximate total size of the debris, the initial location of the debris, and where it was taken for disposal).

If you have to move, make sure your insurer or agent has a way to reach you.

Save receipts for temporary repairs, temporary housing, food, and other flood-related expenses.

FEMA will NOT duplicate insurance funding. Doing so is illegal.

If you are involved in a federally-declared flooding disaster and do NOT purchase flood insurance after receiving funds from FEMA, you will most likely be denied for any future flooding damage reimbursement.

If there is debris across an access or public road, contact your local authorities to have it removed. Do NOT attempt to move any obstacles from the road yourself.

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**Frequently Asked Questions**

**Q. Does my homeowner’s policy cover damages from flood, mudflow, mudslide, debris flow, landslide, or other similar events?** In general, homeowner’s insurance policies issued in New Mexico provide coverage for accidental physical loss to property as described in the policy subject to exclusions and limitations. Exclusions are things that are NOT covered. Standard exclusions include flood, earth movement, earthquake, landslide or mudflow, settling, cracking, shrinking, subsidence or sinkhole, erosion, sinking, rising, shifting, expanding or contracting of earth. However, most homeowners’ policies will cover an ensuing fire or explosion resulting from earth movement. It is important to read your policy or talk to your agent to understand what is covered and what is excluded.
Q. **What does flood insurance cover?** Under the National Flood Insurance Program (NFIP), coverage is provided for direct physical loss by or from a flood. Floods are defined as:

“A general and temporary condition of partial or complete inundation of two or more acres (one of which is your property) of normally dry land area or of two or more properties from overflow of inland or tidal waters; unusual and rapid accumulation of runoff of surface waters from any source; mudflow, collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of waters that result in a flood.”

NFIP policy exclusions include:

- Earth movement - even if the earth movement is caused by flood.
- Earthquakes
- Landslide
- Land subsidence
- Sinkholes
- Destabilization or movement of land that results from accumulation of water in subsurface area, or gradual erosion.

Q. **If I suffered damages from a mudflow/mudslide/landslide/sinkhole and my homeowner’s policy does not cover these damages, what should I do?** Contact the New Mexico Department of Homeland Security and Emergency Management at [www.nmdhsem.org](http://www.nmdhsem.org). Forms for disaster relief are available at [https://www.nmdhsem.org/response-and-recovery/disaster-assistance-forms/](https://www.nmdhsem.org/response-and-recovery/disaster-assistance-forms/) You should contact your city and county officials to find out if there are any special financial assistance programs. If the President declares a state of emergency, there may be financial help available from the Federal Emergency Management Agency (FEMA) or low interest loans from the Small Business Administration (SBA). The New Mexico Department of Homeland Security and Emergency Management handles coordination with FEMA. Also, you may check with your lender or other financial lending institutions to explore the possibility of special programs that may be available.

Q. **What if the National Flood Insurance Program won’t help me?** The New Mexico Office of the Superintendent of Insurance does not have jurisdiction over claim disputes under the National Flood Insurance Program. Flood insurance is a Federal program administered by the Federal Emergency Management Agency (FEMA). Consumers who have purchased an NFIP policy and have a loss, should report the loss immediately to the insurance agent or the insurance company administering the NFIP flood insurance at 1-800-621-3362. Consumers whose claims have been denied by NFIP can contact FEMA to explore applying for reimbursement.

More information is available on the OSI website: [www.osi.state.nm.us](http://www.osi.state.nm.us)


COVID-19 Health Insurance Helpline: 1-833-415-0566