Home Insurance for Weather Catastrophes

Scientists have been warning us since the 1970's about the negative impact climate change will have on the earth and human well-being. It is no longer a future problem, as we are seeing the effects of it with the frequency and severity of catastrophic weather events earlier than scientists expected.

Many homeowners don't know what their home insurance policies cover and don't cover and may not be prepared for future potential weather losses. Less than 1% of the households in the Western North Carolina counties had flood insurance. In Asheville only 0.7% of the county's housing units have flood insurance, which means thousands of residents whose homes and belongings were ravaged by Hurricane Helene may not be covered for their losses. Here is what homeowner's need to know about insurance coverage for weather losses:

-A "peril" is considered an event which causes a loss to your home, such as water, wind, fire, etc. Each home insurance policy has list of covered perils and perils which are excluded from coverage. Homeowners should be aware of which perils are covered and excluded under their policy. If you aren't satisfied with the perils covered under your policy, you can shop around for a policy which provides broader protection.

-A loss to your home or belongings due to a flood is not a covered peril on a homeowner's policy. FEMA regulates flood policies; therefore, *flood coverage is only available when it is purchased as a separate policy*. A flood is defined as rising water from a source outside of the home and its plumbing system. "Flood" can mean rainwater which accumulates and begins to enter the home, or creek or other body of water which overflows and damages the home. If you are not in a National Flood Insurance Program (NFIP) determined flood zone, and/or don't have a mortgage on your home, you are not required to have flood insurance, but this doesn't mean you may not need it one day. Any homeowner can purchase a flood policy, and most insurance agents can provide them with a flood quote. Unless you are purchasing a new home, there is 30-day wait period from the day you make the full payment for the coverage to take effect.

-Many insurance companies now have higher minimum policy deductibles for wind, hail, and hurricane losses. Your deductible is the amount you would have to pay out-of-pocket for a covered loss before insurance kicks in. The average wind/hail and hurricane deductibles in Texas are 2% of the Coverage A dwelling limit on your homeowner's policy. Some companies have higher minimums though, such as 3%.

For example:
Your Coverage A dwelling limit is $550,000
If you have a 2% deductible for wind/hail or hurricane, you will pay $11,000 towards your repairs
If you have a 3% deductible for wind/hail or hurricane, you will pay $16,500 towards your repairs
Global climate change will continue to bring stronger and more intense hurricanes, more droughts and heat waves, longer wildfire seasons, changes in precipitation patterns, and other impacts. The severity of effects caused by climate change will depend on the path of future human activities. The coverage for losses to our homes will depend on how knowledgeable we are about our individual policies. Working with a trusted and experienced insurance agent may prevent a financial burden due to an unexpected and catastrophic weather loss.

Now more than ever, homeowners should not be shopping insurance by the premium rate, but by the coverage it affords.

Sources: https://science.nasa.gov/climate-change/effects/
https://www.newsobserver.com/news/state/north-carolina/article293479469.html