

Keeping Your Head Above Water

The Danger Water Presents to Homeowners | March 2020



Buying a home is one of the biggest investments you will ever make. Though you may do your best to safeguard your home against many perils, from hail-resistant sidings and roofing materials to monitored alarm systems to alert you of a break-in or a fire, preventing water damage is often overlooked.

According to calculations by the Insurance Information Institute, **1 in every 50 insured homes is affected by water damage or frozen pipes each year**, making water damage the number one property damage claim. In fact, water damage accounted for over half of all claims filed last year. When rising water flood losses are included, the number of homes affected climbs even higher.

Common Causes of Flooding

Climate change has brought colder weather to areas not accustomed to it, leading to more freezing pipes. We have also seen warmer and wetter weather in areas that increases the risk of flood damage. New home construction and remodeling projects, such as custom kitchens, additional bathrooms and finished basements, often includes appliances and features that use additional water, increasing the chance of water damage.

Though home insurance covers some water issues, there are many gaps in that coverage that could mean the homeowner is on the hook for most, if not all, of the damage. Some of the common exclusions and limitations are:

- Damage from rising water floods (water coming from outside, into the home)
- Seepage through the foundation
- Water backup from sewer and drain (often capped between \$5,000 - \$50,000 depending on your policy)
- Sump Pump failure and overflow

- Domestic appliance seepage
- Service Line issues (water/sewer line from road to home)

Preparation and Prevention

Though this list may seem daunting, there are many things that homeowners can do in order to prepare against and prevent water issues. First and foremost, contact an insurance advisor for a thorough policy review to know what is covered and what is not. There are many endorsements that can be added to a home policy to provide coverage for some of the items listed left. Think about adding a separate flood insurance policy, even if the home is not in a high-risk flood area. **Close to 50% of all flood damages are outside of the highest risk areas¹** and flood policies in those low risk areas are very affordable (generally under \$560 a year).

Minimizing Your Exposure

Here are some ways you can minimize your exposure to a water claim:

- Know where the main water shut off is in the home
- Have a friend/family member check on the home when away
- Check for leaks daily
- Clean out the gutters
- Make sure the sump pump has been serviced and is turned on
- Install a water bug or other water leak detection device

Water damage can never be entirely avoided, but with some knowledge and measures of protection, homeowners can stay high and dry.



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Tony focuses on advising clients on their personal insurance needs including home, auto, umbrella

¹Early signs point to increased risk of spring flooding, Kare11 News, 2020, www.kare11.com/news
www.dystewilliams.com | 2020

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liability, life, health and disability. With over 16 years of experience, Tony ensures that his clients find the right protection.