

Insurance Carrier Changes Water Damage Coverage

Daryl Olsen November 13, 2014



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Water damage can occur in your home from a variety of sources. Typically, when the source originates from inside the home, the loss will be covered by your homeowners insurance. However, if the source of the water damage comes from outside of the home, like rain water or river water, it is not covered by most insurance companies. One gray area that exists is how to treat things like sprinkling systems and secondary water systems. Are they part of the plumbing of the home? Or are they another outside source of water that should be excluded if they cause damage to your home? Most insurance companies do cover sprinkler issues and secondary water issues as long as the water doesn't enter through the foundation. If the water enters through a window well or stairwell, the loss is typically covered.

Allstate was the one company that was the exception to this rule. Any water that comes in contact with the ground and then enters the home is classified as 'ground water', according to Allstate. This is reason enough for them to deny a claim. Other insurance companies view the sprinklers as part of the plumbing of the home, and would extend coverage if a sprinkler pipe broke and caused damage to the inside of the home, provided the water entered through a window well or stairwell and not through the foundation.

Recently, at least one other major insurance carrier, USAA, has made the switch. They analyzing losses of this type similarly the way Allstate does, denying claims where water comes in contact with the ground first. This caught a local USAA adjuster off guard. Kurt Wohlgemuth, from [The Flood Company](http://TheFloodCompany.com), stated, "I was inspecting a new water damage claim with the USAA insurance adjuster. We both thought the damage should be covered according to standard practices at USAA. However, the claim was denied. When the adjuster called the home office, they confirmed the shift in interpretation of USAA homeowner's insurance policies."

There can be subtle differences in insurance coverage and how they are interpreted. Working with a restoration contractor that is knowledgeable and is loyal to you can be very helpful to work through any insurance issues.

About The Flood Co.

The Flood Co. has been providing northern Utah with water damage restoration and insurance help for over 20 years. Water damage and mold removal services available. 24 hour emergency service.

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