

# MEDIA RELEASE

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## Seven questions to better understand flood insurance

Montreal, May 11, 2017 — The flooding that has hit several Quebec regions in the past weeks has raised a number of questions about available insurance coverage for flood victims. Insurance Bureau of Canada is providing more answers.

### 1) Is flood covered?

Until recently, flood was excluded from all home insurance policies. As of March 2017, some Quebec insurers started to offer overland water coverage. Since this is a new product, not all policyholders have coverage and flood victims should talk to their insurers as soon as possible.

### 2) Does the state of emergency allow policyholders to receive additional living expenses?

No, a state of emergency is not a trigger for granting living expenses. A state of emergency and an evacuation order are two quite separate things.

### 3) What happens when an evacuation order is given?

Individuals who have flood insurance:

- They will receive additional living expenses for 14 days.
- If their home needs work and they need to be temporarily relocated, policyholders will be entitled to other living expenses, depending on their insurance policy limits.

Individuals who don't have flood insurance:

- They must contact their insurer, as in some cases, they could receive additional living expenses for 14 days.

### 4) What happens if a policyholder has a sewer back up because of flooding?

If the Sewer Back Up endorsement was added to the policy, the insurer will evaluate the situation. If the flood water reached the policyholder's property and the flood caused the sewer back-up, this will be considered a flood. The policyholder will not be

compensated, unless he has flood insurance.

**5) Are businesses covered in case of flood?**

The flood endorsement for business insurance has been available for several years and, more specifically, covers loss of earnings. Business owners should call their insurer or broker to check what their insurance policy covers.

**6) Are Acts of God covered?**

Most of the risks commonly called “*Acts of God*” can be covered, either under a basic home policy or additional coverage (an endorsement). Thus, torrential rains, violent winds, hail, ice storms and even earthquakes are insurable. Flood is beginning to be covered in Quebec.

**7) Are flooded vehicles covered?**

Damage caused to vehicles is covered under the auto insurance policy, provided policyholders have opted for “*all perils*” coverage or “all perils other than collision or upset”.

Because of the diversity of the damage incurred, IBC is advising flood victims to contact their insurer or broker, as soon as possible, to check the extent of their insurance coverage.

As well, consumers can call IBC’s Insurance Information Centre, from Monday to Friday, from 8.30 a.m. to 4.30 p.m., at 514 288-4321 (Montreal region) or 1 877 288-4321 (elsewhere in Quebec). Relevant information can also be found at [www.infoassurance.ca](http://www.infoassurance.ca).

**About Insurance Bureau of Canada**

Insurance Bureau of Canada, which groups the majority of Canada’s P&C insurers, offers various services to consumers in order to inform and assist them when purchasing car or home insurance, or making a claim.

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