

The insurance industry plays a crucial role in supporting building codes, enhancing protection for homeowners and renters against natural hazards. Homeowners insurance provides coverage for homes, personal belongings, and contents against damage from natural disasters, ensuring financial resources are available for repairs or replacements. It is essential for homeowners to include insurance in their disaster recovery plans, as federal disaster assistance may not fully restore losses. Standard homeowners insurance typically covers damages from hail, tornadoes, high winds, house fires, wildfires, and volcanic eruptions, but does not cover flooding, earthquakes, mudflows, or landslides. Homeowners with mortgages are usually required to maintain insurance, while those without mortgages are strongly encouraged to do so to avoid financial strain from repair costs.

Parametric insurance is a newer option that provides coverage based on specific criteria, triggering payments when agreed parameters are met. Renters insurance, designed for tenants, is often less comprehensive than homeowners insurance, typically covering tornadoes, fires, hail, and rain or snow damage, but generally excluding flooding and earthquakes unless additional coverage is purchased. This insurance can provide financial compensation for losses due to covered disasters.

Maintaining insurance is vital for protecting homeowners' investments, and adhering to updated building codes can further reduce future losses and potentially lower insurance premiums. Homeowners who build to or above certain codes may qualify for discounts on various insurance premiums. For specific requirements and additional information on earthquake and flood insurance, homeowners are advised to consult relevant resources such as FEMA and the National Flood Insurance Program.