

**FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)**

**FEDERAL INSURANCE MITIGATION ADMINISTRATION (FIMA)**

**APPEAL DECISION**

*FEMA Flood Insurance Appeal Decision #A2*

OVERVIEW

The policyholder through their representative (hereinafter “policyholder”) filed an appeal in April 2021, alleging their flood insurance carrier (hereinafter “insurer”) improperly denied part of their claim under the Standard Flood Insurance Policy (SFIP)[[1]](#footnote-1) for damages to covered property arising in November 2019.[[2]](#footnote-2)

In its review, FEMA found the following facts relevant:

* At the time of loss, the policyholder had $186,000 of building coverage.
* The insured property is a single family, three-story, seasonal residence.
* The policyholder reported the flood loss to the insurer and the insurer assigned an adjuster to inspect the property.
* The adjuster inspected the building in November 2019, and noted a 11-inch water mark on the exterior of the building and an eight-inch water mark in the interior of the building. The adjuster noted flood waters inundated the insured property and adjacent properties and flood waters were still present at the time of inspection. The adjuster took photographs of the property and noted flood waters froze around the building.
* The adjuster noted the property had prior losses April 2018, April 2019, June 2019, July 2019, and November 2019.
* The adjuster prepared an estimate for building damage with allowances for cleanup, mildewcide treatment, and dry out. The adjuster recommended the insurer deny items that were not replaced from the policyholder’s prior losses.
* The insurer reviewed the adjuster’s report and agreed with the recommendation to issue the policyholder payment for covered building damage totaling $793.94.
* The policyholder refused to sign the proof of loss and the insurer did not issue payment.
* In January 2021, the policyholder requested policy limits of $186,000.
* In a letter dated April 2021, the insurer denied the policyholder’s request for policy limits. The insurer cites no direct damage from flood and explains they have not received documentation showing continuous lake flooding for 90 days or more.
* The policyholder appeals the denial. The policyholder contends they could not conduct repairs to the property because of continuous flooding of the lake from the November 2019 date of loss until June 2020. The policyholder believes the building is a total loss and the insurer was aware of the continuous flooding. The policyholder also contends that a local community official condemned the building and they are entitled to full policy limits.
* In support of their appeal, the policyholder provides water level readings, a proof of loss, undated photographs, a county Notice of Determination, an affidavit, and email correspondence.

RULES

The insurer agrees to pay the policyholder for direct physical loss by or from flood to covered property, provided the policyholder complied with all terms and conditions of the SFIP.[[3]](#footnote-3)

The SFIP requires the policyholder provide a signed and sworn-to proof of loss and all bills, receipts, and related documentation fully supporting the amount claimed within 60 days of the date of loss.[[4]](#footnote-4)

If an insured building has been flooded by rising lake waters continuously for 90 days or more and it appears reasonably certain that a continuation of this flooding will result in a covered loss to the insured building equal to or greater than the building policy limits plus the deductible or the maximum payable under the policy for any one building loss, the SFIP will pay the policyholder the lesser of these two amounts without waiting for the further damage to occur.[[5]](#footnote-5)

ANALYSIS

The policyholder appeals the denial of their payment request and requests policy limits. The policyholder contends because of continuous lake flooding since the flood event, the policyholder could not make repairs and the building is a total loss.

The insurer agrees to pay the policyholder for direct physical loss by or from flood to covered property. Here, the adjuster determined some items were not repaired or replaced after a prior loss. Because these items were already damaged by a prior flood, the claimed damage does not constitute direct physical loss by or from this most recent flood event. Because the insurer paid for the damage after a prior loss, the insurer connect pay for the claimed damage a second time without evidence the items claimed were repaired or replaced before the current date of loss.

In case of loss or request for payment, the SFIP requires the policyholder to submit a signed proof of loss with documentation that supports the loss and the dollar amount requested. If an insured building has been flooded by rising lake waters continuously for 90 days or more and it appears reasonably certain that a continuation of this flooding will result in a covered loss to the insured building equal to or greater than the building policy limits plus the deductible or the maximum payable under the policy for any one building loss, the SFIP will pay the policyholder the lesser of these two amounts without waiting for the further damage to occur. Here, the policyholder did not provide documentation showing 90 days of continuous lake flooding, such as date stamped photographs or documentation showing that damage caused by the continuous flooding will likely exceed policy limits or building value.

For these reasons, FEMA’s review finds the insurer properly denied the claim. The policyholder does not include documentation that supports continuous flooding and the policyholder’s request for policy limits.

CONCLUSION

Based on the facts and analysis above, FEMA concurs with the insurer’s decision to deny the additional payment request. The policyholders should continue to cooperate with their insurer and provide them documentation fully supporting the claimed cause of loss and amount requested. Any adjustment of the claim remains under the direction of the insurer based on the merits of their findings, in accordance with all terms and conditions of the SFIP.

NOTICE: Delivery of this Appeal Decision concludes your appeal, pursuant to 44 C.F.R. § 62.20(f)(3). If you do not agree with FEMA’s Appeal Decision, please refer to the Standard Flood Insurance Policy for options for further action. The appeals process does not extend the one-year period to file suit against the flood insurer that began when the insurer denied your claim in writing. 44 C.F.R. § 62.20(f)(4).

You may request a phone discussion with a FEMA flood insurance expert regarding this Appeals Decision by emailing [FEMA-FI-Appeals@fema.dhs.gov](mailto:FEMA-FI-Appeals@fema.dhs.gov) and referencing the FEMA Flood Insurance Appeal Number shown above. Such discussions are for informational purposes only. FEMA will not reopen the appeal or consider new information during any phone discussion.

1. *See* 44 C.F.R. § 61.13 (2019); Dwelling Form available at 44 C.F.R. pt. 61 App. A(1) [hereinafter “SFIP”]. [↑](#footnote-ref-1)
2. The policyholder files this appeal under 44 C.F.R. § 62.20. The appeals process is available after the insurer issues a written denial, in whole or in part, of the policyholder’s claim. The policyholder’s appeal and related documents concerning the appeal, claim, or policy are on file with FEMA, Federal Insurance and Mitigation Administration, Federal Insurance Directorate, Policyholder Services Division, Appeals Branch [hereinafter “Appeal File”]. [↑](#footnote-ref-2)
3. *See* SFIP (I), (II)(B)(12). [↑](#footnote-ref-3)
4. *See* SFIP (II)(J)(3)-(5). [↑](#footnote-ref-4)
5. *See* SFIP (VII)(T)(1). [↑](#footnote-ref-5)