



**FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)**  
**FEDERAL INSURANCE MITIGATION ADMINISTRATION (FIMA)**  
**APPEAL DECISION**

*FEMA Flood Insurance Appeal Decision #A3*

**OVERVIEW**

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The policyholders filed an appeal in October 2020, alleging their flood insurance carrier (hereinafter “insurer”) improperly denied part of their claim under the Standard Flood Insurance Policy (SFIP)<sup>1</sup> for damages to covered property arising from a flood event in September 2020.<sup>2</sup>

In its review, FEMA found the following facts relevant:

- At the time of loss, the policyholders had \$74,000 in building coverage and \$15,000 in personal property coverage.
- The policyholders reported the loss to the insurer and the insurer assigned an adjuster to inspect the property.
- On September 21, 2020, the adjuster inspected the insured property and confirmed a general and temporary condition of flood existed. The adjuster recorded water lines of 73 inches on the exterior of the building and 25 inches in the interior of the building.
- The adjuster noted the property suffered a prior loss on April 29, 2014.
- The adjuster prepared an estimate which included allowances for clean-up, dry out, and damages on the first floor and crawlspace. The adjuster omitted damages to the kitchen cabinets, exterior door, and wood plank subflooring from their estimate noting these items were damaged from the prior 2014 flood loss and were not repaired or replaced prior to the subject flood event.
- The insurer issued the policyholders payment totaling \$30,417.50 for insured building damage and \$11,909.25 for insured personal property damage.
- In a letter dated October 19, 2020, the insurer denied payment for base kitchen cabinets, exterior doors, and wood plank subflooring citing no proof of repair or replacement of these items from the prior 2014 flood loss.
- The policyholders appeal the denial. The policyholders contend because they were not the property owners in 2014, they should not be held accountable for those damages.
- The policyholders include no substantive documentation in support of their appeal; therefore, FEMA’s decision is based on the documentation in the claim file.

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<sup>1</sup> See 44 C.F.R. § 61.13 (2019); Dwelling Form available at 44 C.F.R. pt. 61 App. A(1) [hereinafter “SFIP”].

<sup>2</sup> The policyholders file 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 policyholders’ claim. The policyholders’ 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”].

## **RULES**

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The insurer agrees to pay the policyholders for direct physical loss by or from flood to covered property, provided the policyholders complied with all terms and conditions of the SFIP.<sup>3</sup>

## **ANALYSIS**

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The policyholders appeal the insurer's denial of coverage for damage to the kitchen cabinets, exterior doors, and wood plank subfloors.

The insurer agrees to pay the policyholders for direct physical loss by or from flood to covered property. Here, the adjuster noted the kitchen cabinets, exterior door, and wood plank subflooring were not repaired or replaced after the 2014 flood loss. FEMA reviewed the current and prior loss claim files and photographs, and confirmed the insurer paid to replace the items kitchen cabinets, exterior door, and wood plank subflooring. Because these items were damaged by a prior flood event, the claimed damage does not constitute direct physical loss by or from this most recent flood event. Because the insurer issued payment for the damage after the prior 2014 loss, the insurer cannot issue payment a second time if the damaged items were not repaired or replaced before the subject loss event. For these reasons, FEMA's review finds the insurer correctly denied coverage due to no direct physical loss by or from flood.

FEMA's review finds the insurer correctly denied coverage for damages. FEMA finds no basis for overturning the insurer's final determination and does not recommend a re-evaluation.

## **CONCLUSION**

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Based on the facts and analysis above, FEMA upholds the insurer's decision to deny coverage for kitchen cabinets, exterior doors, and wood plank subfloors. If the policyholders can obtain documentation from the prior owner showing that the damaged kitchen cabinets, exterior doors, and wood plank subfloors were repaired or replaced, they should send this documentation directly to the insurer for review.

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<sup>3</sup> See SFIP (I), (II)(B)(12).