



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

FEMA Flood Insurance Appeal Decision #A5

OVERVIEW

The policyholder filed an appeal in May 2019, alleging his flood insurance carrier (hereinafter “insurer”) improperly denied their claim under the Standard Flood Insurance Policy (SFIP)¹ for damages to covered property arising from a flood event in October 2018.²

In its review, FEMA found the following facts relevant:

- At the time of loss, the policyholder had \$250,000 of building coverage and \$100,000 of personal property coverage.
- The policyholder reported the flood loss to the insurer and the insurer assigned an adjuster to inspect the property.
- The adjuster inspected the property in October 2018 and recorded waterlines of 19 inches on the exterior of the building and 17 inches inside the building’s floor first level.
- The adjuster identified the building was subject to the SFIP’s coverage limitations for a post-FIRM elevated building located in a flood zone AE.
- Based on SFIP coverage limitations, the adjuster prepared an estimate for cleanup, treatment against the growth of mold and mildew, building dry-out, repairs for electrical items, and a water heater.
- The insurer reviewed the adjuster’s estimate and issued the policyholder payment totaling \$3,088.68 for covered building damages.³
- In a letter dated March 2019, the insurer denied coverage for damaged building items and personal property items within the building’s first floor level, due to the SFIP’s coverage limitations for post-FIRM elevated buildings located in flood zone AE. The insurer also denied coverage for the cost to test for mold and a hot tub installed in a detached gazebo structure in the rear yard.⁴
- The policyholder appeals the insurer’s denial and requests coverage for various personal property items located in the building’s first floor level, a hot tub installed in a detached gazebo structure, and the cost to test for mold performed during the cleanup and repairs.
- The policyholder does not include substantive information in support of his appeal; therefore, FEMA’s decision is based on the documentation in the insurer’s claim file.

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

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”].

³ See Appeal File, Insurer’s Letter to Policyholder.

⁴ See Appeal File, Denial Letter.

RULES

The SFIP provides limited coverage for building and personal property items located in a building enclosure below the lowest elevated floor of a post-FIRM elevated building located in zone AE. Coverage is limited to the items listed in the SFIP.⁵

The SFIP only insures building property items located or installed within the insured dwelling, within an extension of the dwelling, or in a detached garage. The SFIP does not cover hot tubs that are not bathroom fixtures.⁶

The SFIP excludes payment for the testing or monitoring of pollutants unless required by law or ordinance.⁷

ANALYSIS

On appeal, the policyholder requests coverage for various personal property items, a hot-tub, and the cost to test for mold.

The SFIP provides limited coverage for building and personal property items located in a building enclosure below the lowest elevated floor of a post-FIRM elevated building located in zone AE. Here, during the inspection, the adjuster noted the building was elevated. The insurer reviewed the elevation certificate to see if the policyholder qualified for a waiver of coverage limitations. The insurer discovered the top of the bottom floor is more than three feet below the Base Flood Elevation. Because policy limitations apply in the garage area of the building, the insurer could not allow payment for the riding lawn mower (located outside of the building at the time of the flood), portable generator, two portable gas pressure washers, garage door opener, an electric lawnmower, and an electric scooter. For these reasons, FEMA's review finds that the insurer properly applied post-FIRM elevated coverage restrictions as required under the SFIP.

The policyholder requests coverage for damage to a hot tub installed in a raised gazebo on the property. However, the SFIP does not cover damage to hot tubs and spas that are not bathroom fixtures installed within the insured dwelling, within an extension of the dwelling, or in a detached garage. Therefore, the hot tub does not qualify for coverage. FEMA's review finds the insurer properly applied the SFIP when denying coverage for the hot tub because it is not a permanent bathroom fixture.

The policyholder requests coverage for the cost of a mold testing service. The SFIP excludes payment for the testing or monitoring of pollutants unless required by law or ordinance. FEMA's review finds the insurer considered all covered expenses including dry out, cleaning, and antimicrobial treatment to covered items where appropriate.

⁵ See SFIP (III)(A)(8)(a), (III)(B)(3).

⁶ See SFIP (III)(A)(1)-(3), (IV)(14).

⁷ See SFIP (V)(F).

Based on the facts presented, FEMA's review finds the insurer correctly denied coverage for damages.

CONCLUSION

Based on the facts and analysis above, FEMA concurs with the insurer's decision to deny personal property items located in the building's first floor-level, a hot tub, and the cost to test for mold.