



FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

FEDERAL INSURANCE MITIGATION ADMINISTRATION (FIMA)

APPEAL DECISION

FEMA Flood Insurance Appeal Decision #B12

OVERVIEW

The policyholders filed an appeal in September 2020, alleging their flood insurance carrier (hereinafter “insurer”) improperly denied part of 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 policyholders had \$200,000 of building coverage and \$80,000 of personal property coverage.
- Following the flood loss, the policyholders filed a claim with the insurer and the insurer assigned an adjuster to inspect the property.
- In October 2018, the adjuster inspected the property and documented damage caused by wind and flood. The adjuster recorded a 77-inch waterline to the exterior of the building and a 76-inch waterline in the interior of the building.
- The insurer issued the policyholders payments totaling \$89,171.91 for building damage and \$27,560.12 for personal property damage. The personal property payment included coverage for a china cabinet, dining table set, bar stool set, and glassware.
- The policyholders submitted a request for additional payment for the china cabinet, dining table set, bar stools, glassware and china set, stating the insurer’s personal property payment was insufficient.
- In a letter dated July 2020, the insurer denied the policyholders’ request for additional payment. The insurer determined the policyholders did not submit documentation to support an additional payment for the claimed items.
- The policyholders appeal the insurer’s denial of additional payment and contend the insurer issued payment for lower quality furniture. The policyholders also contend they do not have receipts for these items, as the receipts were lost in the flood.
- In support of their appeal, the policyholders include photographs and store pricing for the glassware and china set, china cabinet, dining set, and bar stool set. Because this information does not respond to the insurer’s reason for denial, FEMA’s decision is based on the documentation in the claim file.

¹ See 44 C.F.R. § 61.13 (2018); Dwelling Form available at 44 C.F.R. pt. 61 App. A(1) [hereinafter “SFIP”].

² 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

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

The SFIP defines actual cash value as the cost to replace an insured item of property at the time of loss, less the value of its physical depreciation. Personal property is paid at actual cash value at loss settlement.⁴

The SFIP requires the insurer or their representative be shown the damaged property.⁵

The SFIP requires the policyholders provide a signed and sworn-to proof of loss and all bills, receipts, and related documentation fully supporting the amount claimed.⁶

ANALYSIS

The policyholders appeal the insurer's denial of additional payment for the china cabinet, dining set, bar stool set, glassware, and china set.

The insurer agrees to pay the policyholders for direct physical loss by or from flood. The SFIP pays for covered personal property at actual cash value at the time of loss settlement. The SFIP requires the policyholders provide a signed and sworn-to proof of loss and all bills, receipts, and related documentation fully supporting the amount claimed.

Here, the insurer issued the policyholders payment totaling \$27,560.12 for personal property damage paid at actual cash value, which included payment for the china cabinet, dining table set, bar stool set, and glassware. In support their request for additional payment, the policyholders submitted photographs and store pricing estimates for a china cabinet, table, chairs, bar stools, and glassware. FEMA's review finds the policyholders submitted no evidence to verify the quality of these personal property items, such as paid receipts. If the policyholders feel the insurer undervalued their personal property items, the policyholders must submit to the insurer documentation that supports the items are of higher quality and cost. The china cabinet, dining table, and chairs in the store pricing estimate do not appear to match the style, size, or stain color compared to the photographs from before and after the flood event. Photographs of the dining chairs before the flood event indicate the dining chairs may have been painted white at some point, as the seating upholstery is the same as the upholstery in the photographs of the damaged dining chairs after the flood event.

For these reasons, FEMA's review finds the insurer properly denied the policyholders' request for additional payment, as the policyholders submitted no evidence to show the insurer undervalued the replacement cost of the dining set, bar stools, china set, and china cabinet.

³ See SFIP (I), (II)(B)(12).

⁴ See SFIP (II)(B)(2), (VII)(V)(4)(e).

⁵ See SFIP (VII)(K)(1)(a).

⁶ See SFIP (VII)(J)(3)-(5).

CONCLUSION

Based on the facts and analysis above, FEMA concurs with the insurer's decision to deny the request for additional payment.