



FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

FEDERAL INSURANCE MITIGATION ADMINISTRATION (FIMA)

APPEAL DECISION

FEMA Flood Insurance Appeal Decision #C19

OVERVIEW

The policyholder filed an appeal on July 2020, alleging his flood insurance carrier (hereinafter “insurer”) improperly denied part of his claim under the Standard Flood Insurance Policy (SFIP)¹ for damages to covered property arising from a flood event dated September 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 \$30,700 of personal property coverage, with a \$2,000 deductible for each coverage.
- The policyholder filed a claim with the insurer and the insurer assigned an adjuster to inspect the property.
- On September 2018, the adjuster inspected the property and measured waterlines of 12 inches on the exterior of the building and eight inches on the interior of the building. The adjuster noted the building suffered prior flood losses in October 2015 and August 2018, and the policyholder did not repair or replace the prior damage.
- The adjuster estimated the covered damage totaled \$1,241.65, which totaled below the policy deductible.
- Following the inspection, the adjuster forwarded the estimate to the insurer for review. In a letter dated October 2018, the insurer determined the total flood damages fell below the policy deductible and the insurer did not issue the policyholder payment. The insurer also denied coverage for the flooring, base molding, wall paneling, paint, doors, and cabinetry due to the policyholder not repairing or replacing these items from the October 2015 flood loss.
- The policyholder submitted a claim for additional damages and submitted an invoice to the insurer for dry out. The adjuster revised their estimate and forwarded the estimate to the insurer for review.
- The insurer issued the policyholder an additional payment totaling \$463.24.
- In a letter dated July 2020, the insurer denied coverage for building damages to paneling, base trim, insulation, doors, door trim, stairs, cabinetry, and paint due to items not being repaired or replaced after prior flood losses. Because repairs from the prior loss were not complete, the insurer also denied coverage for contents manipulation.

¹ See 44 C.F.R. § 61.13 (2017); 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”].

- The policyholder appeals the denial contending prior damage from his 2015 flood loss was repaired or replaced, and prior flood events destroyed most of the supporting documentation for his 2015 flood claims.
- In support of his appeal, the policyholder includes a mitigation estimate and an undated contractor letter. 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.

RULES

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

The SFIP requires the policyholder submit proof that previous damages were repaired or replaced at the insurer's request.⁴

ANALYSIS

The policyholder appeals the insurer's denial and contends the prior flood-related damages were repaired.

The insurer agrees to pay the policyholder for direct physical loss by or from flood to insured property, provided the policyholder complies with all terms and conditions of the SFIP. The SFIP requires the policyholder to submit proof that previous damages were repaired or replaced at the insurer's request. The SFIP does not pay for prior loss damage that has not been repaired or replaced. If the insurer paid the policyholder for damage from a prior loss and the policyholder did not repair or replace the item covered, the insurer cannot pay for the same damage a second time after a subsequent flood.

Here, the adjuster inspected the property and found the policyholder did not repair prior damages from flood losses in October 2015 and August 2018. In support of his appeal, the policyholder provided an undated statement from a contractor. This statement does not include an itemization of what repairs were completed and the associated cost for the repairs. The policyholder did not submit any receipts, bills, or itemized documents that prove he repaired or replaced the prior flood-related damages. For these reasons, FEMA's review finds the policyholder has not presented sufficient evidence that demonstrates the paneling, base trim, insulation, doors, door trim, stairs, cabinetry, and painting were repaired or replaced after the prior flood loss events and before the subject flood event. Accordingly, FEMA's review finds the insurer properly denied coverage for paneling, base trim, insulation, doors, door trim, stairs, cabinetry, painting, and contents manipulation.

CONCLUSION

Based on the facts and analysis above, FEMA concurs with the insurer's decision to deny coverage due to no proof of prior repairs from a prior loss event.

³ See SFIP (I), (II)(B)(12).

⁴ See SFIP (VII)(K)(2)(e).