



FEMA

Dear Policyholders:

After reviewing the issues raised in your flood insurance appeal, the Department of Homeland Security, Federal Emergency Management Agency (FEMA) agrees with the decision of your flood insurer, Hartford Fire Insurance Company, to deny payment for the interior air handler of your heating and ventilation system (HVAC).

Your appeal letter writes that FEMA paid for the replacement of the outside units and should cover the inside air units as well. You write that due to the changes in compatibility laws you were required to replace the interior air handlers.

FEMA's review finds that the Standard Flood Insurance Policy (SFIP) does not pay for the interior HVAC units that you are requesting payment for. To provide coverage, the SFIP requires direct physical loss by or from flood to the claimed property. (See SFIP Section II.B.12). Although you needed to replace the interior air handlers to be compatible, the SFIP does not cover their replacement because flood waters did not damage them.

Additionally, the SFIP excludes the cost of complying with any ordinance or law requiring or regulating the construction, demolition, remodeling, renovation, or repair of property (see SFIP Section V.A.6) and excludes any other economic loss you suffer (see SFIP Section V.A.7).

FEMA's review finds your insurer correctly denied coverage and payment for your interior air handler HVAC units because they did not suffer direct physical loss by or from a flood. Because the interior HVAC unit was not directly damaged by flood, the SFIP does not afford the payment.

We are sorry we cannot be of further assistance to you at this time and hope this information helps you to resolve your flood insurance issues.

Sincerely,

Kelly Bronowicz
Director, Policyholder Services Division
Federal Insurance and Mitigation Administration