



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

FEMA Flood Insurance Appeal Decision #C44

SUMMARY

The policyholder appealed the flood insurance carrier's (hereinafter "insurer") denial of a claim under the Standard Flood Insurance Policy (SFIP)¹ for damages to her property arising on August 2017.

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.²

After reviewing the issues, evidence, and relevant authorities, FEMA upholds the insurer's decision to deny replacement of the ceramic tile flooring.

BACKGROUND

COVERAGE

The policyholder insures property under the SFIP Dwelling Form. At the time of loss, the policyholder had \$250,000 in building coverage and \$100,000 in personal property coverage.

EVENT AND CLAIM FACTS

Hurricane Harvey produced torrential rain, storm surge, and widespread flood damage in the state of Texas.³ The policyholder filed a claim with the insurer and the insurer assigned an adjuster to inspect the property. On September 2017, the adjuster inspected the property and confirmed floodwater reached 30 inches on the exterior of the building and 25 inches inside the building's interior. The adjuster recommended allowances for flood cleanup, treatment against the growth of microorganisms, building dry out, and repair or replacement allowances for various items including finish floors, trim work, walls, doors, windows, kitchen cabinets, and appliances.

¹ See 44 C.F.R. § 61.13 (2016); Dwelling Form available at 44 C.F.R. pt. 61 App. A(1) [hereinafter "SFIP"].

² 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 FEMA Bulletin w-17051 (Sept. 21, 2017) (setting Aug. 24, 2017 – Sept. 13, 2017, as event dates of loss).

In total the insurer paid the policyholder \$162,298.46 for covered building damage and \$100,000, the policy limit, for loss to personal property.

In a letter dated July 2018, the insurer denied the policyholder's request for coverage and payment for the removal and replacement of ceramic tile flooring, citing the SFIP's requirement to prove the flood loss claim with supporting documentation.⁴

The policyholder appealed the denial to FEMA in a letter postmarked August 2018. In support of his appeal, the policyholder provides an estimate to repair the building, including the replacement of the tile floors, photographs, and a report from a hygienist.

ISSUE

The policyholder appeals the denial of coverage for replacement of the ceramic tile flooring.

RULES

The insurer agrees to pay the policyholder for insured property damaged by direct physical loss by or from flood, provided the policyholder complies with all terms and conditions of the SFIP.⁵

ANALYSIS

On appeal, the policyholder requests coverage for replacement of the ceramic tile flooring.

Under the SFIP, the insurer agrees to pay the policyholder for insured property damaged by direct physical loss by or from flood, provided the policyholder complies with all terms and conditions of the SFIP. By direct physical loss by or from flood, the SFIP requires the property claimed to exhibit evidence of change, damage, or loss caused directly by or from flood.

FEMA's review of the hygienist's report notes that it writes that the five sample tiles were previously cleaned of floodwater. The tiles samples appear to have then been removed from their installed location in the finish floor assembly. After their removal, the hygienist tested the subsurface of the tiles. By the term *subsurface*, FEMA's review assumes either the backsides of the tiles or the exposed thin-set mortar installed on the concrete floor represents the surface tested by the hygienist. From the findings of the hygienist, the policyholder requests removal and replacement of the ceramic tile floors because of bacteria and mold growth on the tested surfaces.

According to the manufacturing and testing industries, ceramic and glazed tiles installed in thin-set mortar over a concrete slab with a cementitious grout, creates a flood-damage resistant building assembly.⁶

⁴ See Appeal File, Denial Letter.

⁵ See SFIP (I), (II)(B)(12).

⁶ FEMA Technical Bulletin No. 2, Flood-Damage Resistant Materials Requirements (2008).

Ceramic tiles that are loosened and separated from thin-set mortar or the concrete slab suffer from a condition known as *debonding*. As harsh as floodwater can be, it will not cause the adhesive properties in thin-set mortar to de-bond from either the backsides of tile or the concrete slab floor. Debonding is caused by a variety of factors that are unrelated to floodwater inundation.

When floodwater inundates ceramic tile floors which are experiencing debonding, floodwater will enter into the voids created by debonding under the tile, underneath the thin-mortar, or in between grout. When performing flood cleanup, the cleanup must take into consideration the condition of the tiles and the existence of floodwater residue beneath the tiles that are experiencing debonding. FEMA's review of the insurance estimate notes the adjuster included allowances for floor cleanup, the application to treat against the growth of microorganisms such as bacteria and mold, and the expense to dry-out the interior of the building.

FEMA's review of the claim file and appeal finds the policyholder does not document that the floodwater mitigation work paid on the insurance claim was performed. After a flood-damage tear-out and removal, all three tasks of cleanup, treatment, and dry-out, are necessary before interior building repairs can begin.

In view of the hygienist's report, which documents the existence of microorganisms on the subsurface of the removed tiles, the pre-existing condition of debonding also allows for similar microbial growth each time the floors are cleaned. Similar to floodwater, cleaning solutions used on ceramic tile floors that are experiencing debonding will enter into the voids below the floor tile surface. The cleaning solutions will become trapped on the subsurface of tiles and lead to the development of microbial growth.

Based on the information provided for this appeal, the FEMA finds the policyholder does not provide documentation that supports the ceramic tile floors were ruined by floodwater and require replacement. Consequently, the insurer correctly denied the policyholder's payment request. Because the type of floors in question are an industry-rated flood-damage resistant floor assembly, FEMA finds the denial is proper, as the existence of bacteria and mold beneath the finish tile floors does not constitute a ruined or increased damaged condition to the floors. Because the hygienist's report documents the floors were already experiencing debonding before the flood event, it is likely bacteria and mold growth already existed within the voids created from debonding from routine surface cleaning and normal wear.

CONCLUSION

Based on the facts and analysis above, FEMA upholds the insurer's decision to deny coverage for the removal replacement of the ceramic tile flooring.

The insurer should ensure its insurance settlement accounts for the full and proper scope to repair the ceramic tiles floors: (1) cover and protect salvageable floors during the interior damage removal and building repair processes; (2) clean tile floors including grout with an orbital mechanical scrubber; (3) if grout remains discolored, remove the top surface layer with a mechanical or manual tool, then vacuum all debris; (4) apply a treatment to prevent the growth of microorganisms, which will not negatively interact with the tile or grout; (5) dry the tile and grout to flooring industry standards; (6) apply new grout; (7) once cured apply a sealant to grout based on manufacturer's specifications.