

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)  
**National Flood Insurance Program | Federal Insurance Directorate**  
*Appeal Decision for Appeal D1<sup>1</sup>*

POLICYHOLDER: Redacted  
POLICY NO.: Redacted

ADDRESS: Redacted  
Redacted

BUILDING COVERAGE: \$25,000  
PERS. PROPERTY COVERAGE: \$17,000

DATE OF LOSS: September 2022  
DATE OF DENIAL: March 2023

APPEAL SUBMISSION DATE: March 2023  
APPEAL ELIGIBILITY DATE: April 2023

PROPERTY DESCRIPTION: Single-family unit in a two-story condominium building.  
POLICYHOLDER'S APPEAL: The policyholder appeals the insurer's denial and seeks payment for condominium loss assessments.

**RESULT: Concur with denial**

**BASIS FOR DECISION UNDER THE STANDARD FLOOD INSURANCE POLICY (SFIP):<sup>2</sup>**

- The SFIP will pay up to the Coverage A limit of liability, the policyholder's share of loss assessments charged against them by the condominium association in accordance with the condominium association's articles of association, declarations, and the deed. The assessment must be made because of direct physical loss by or from flood during the policy term, to the unit or common elements of the National Flood Insurance Program (NFIP) insured condominium building in which the unit is located. (See SFIP (III)(C)(3)(a)).
- The SFIP will not pay any loss assessment that results from a deductible under the insurance purchased by the condominium association insuring common elements. (See SFIP (III)(C)(3)(b)(2)).
- The SFIP covers a condominium association's loss assessments to an insured property for direct physical damage by flood. This does not include an assessment from the condominium association for property not covered by the SFIP, such as the cleanup of debris, sand, landscape lighting, repairs to parking lots, decks, sidewalks, and pools.<sup>3</sup>
- FEMA reviewed the policyholder's assessment letter submitted on appeal. The assessment letter states it is for uninsured losses for property damages from Hurricane Ian. However, the letter does not provide any details as to what the uninsured losses are.
- In case of a loss or request for payment, the SFIP requires the policyholder to provide a signed and sworn-to proof of loss with the documentation that supports the loss and dollar amount requested. (See SFIP (VII)(G)(3)-(5)). If the policyholder can obtain a more detailed breakdown of the loss assessment(s), the policyholder should submit it directly to the insurer for review.
- For these reasons, the insurer properly denied coverage for the condominium loss assessment, as the policyholder has not proven the assessment is for damages due to direct physical loss by or from flood.

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Branch Chief/Examiner of Record

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Policyholder Services Division Director

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<sup>1</sup> 44 C.F.R. § 62.20. All appeal-related documents are on file with FEMA [hereinafter "Appeal File"].

<sup>2</sup> See 44 C.F.R. § 61.13 (2021); Dwelling Form available at 44 C.F.R. pt. 61 App. A(1).

<sup>3</sup> See FEMA's NFIP Claims Manual, Section 1: SFIP Forms – Dwelling Form (Oct. 1, 2021).

*Delivery of this Appeal Decision concludes your appeal. 44 C.F.R. § 62.20(f)(3). If you do not agree with this decision, please refer to the SFIP for options for further action. The appeals process does not extend the one-year period to file suit against the flood insurer that began when the insurer first denied your claim in writing. 44 C.F.R. § 62.20(f)(4).*

*You may request a phone discussion with a FEMA flood insurance expert regarding this Appeal Decision by emailing [FEMA-Fl-Appeals@fema.dhs.gov](mailto:FEMA-Fl-Appeals@fema.dhs.gov) and referencing the FEMA Appeal Decision number. Such discussions are for informational purposes only. FEMA will not reopen the appeal or consider new information during any phone discussion.*