

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
National Flood Insurance Program | Federal Insurance Directorate
Appeal Decision for Appeal D20¹

POLICYHOLDER: Redacted
POLICY NO.: Redacted

ADDRESS:	Redacted	BUILDING COVERAGE:	\$250,000
	Redacted	PERS. PROPERTY COVERAGE:	\$100,000

DATE OF LOSS:	November 2022	APPEAL SUBMISSION DATE:	August 2023
DATE OF DENIAL:	June 2023	APPEAL ELIGIBILITY DATE:	August 2023

INSURER'S DENIAL: The insurer denied coverage for interior finishes, citing no direct physical loss by or from flood.
POLICYHOLDER'S APPEAL: Policyholder contests the denial of interior finishes and seeks policy limits, stating that the building has been condemned by local authorities and is a total loss.

RESULT: Concur with denial

BASIS FOR DECISION UNDER THE STANDARD FLOOD INSURANCE POLICY (SFIP):²

- Under Coverage A – Building Property, the SFIP insures against direct physical loss by or from flood. (See SFIP (III)(A)).
- FEMA's review finds that neither the adjuster or the engineer found any evidence that flood water entered the interior of the policyholder's building and damaged the interior finishes of the building. The policyholder states the building is a total loss, but the policyholder has not provided any documentation with their appeal to prove there was damage to the interior finishes directly by or from flood.
- For these reasons, the insurer properly denied coverage for the interior finishes due to no direct physical loss by or from flood.
- 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)). The receipt of a "condemned" notice does not prove the building is a total loss due to flood. The SFIP is not a valued policy.³ The insurer agrees to pay a policyholder for damage caused by direct physical loss by or from flood to the policyholder's insured property, subject to the terms, conditions, and exclusions of the SFIP.⁴
- As it relates to the foundation of the building, the SFIP does cover damage to a building if the damage results from the collapse or subsidence of land that is the direct result of sudden erosion or undermining to the building's support soil underneath or directly along the perimeter foundation of the building. It appears the association replenished the sand at the policyholder's property prior to the adjuster's and engineer's inspections. The policyholder should submit to the insurer any documentation associated with cost for replenishing the foundation support soil at their property.

Branch Chief/Examiner of Record

Policyholder Services Division Director

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

² See 44 C.F.R. § 61.13 (2022); Dwelling Form available at 44 C.F.R. pt. 61 App. A(1).

³ See SFIP (II)(C)(30).

⁴ See National Flood Insurance Program Claims Manual, Valued Policy Definition, pg. 28 (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 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.