

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)  
**National Flood Insurance Program | Federal Insurance Directorate**  
*Appeal Decision for Appeal D8<sup>1</sup>*

POLICYHOLDERS: Redacted  
POLICY NO.: Redacted

ADDRESS: Redacted  
Redacted

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

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

APPEAL SUBMISSION DATE: September 2023  
APPEAL ELIGIBILITY DATE: September 2023

INSURER'S DENIAL: The insurer denied coverage for exterior sheathing and vinyl siding, citing no direct physical loss by or from flood.

POLICYHOLDERS' APPEAL: The policyholders seek coverage for the replacement of exterior sheathing and vinyl siding.

**RESULT: Concur, in part. Overturn, in part.**

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

- Under Coverage A - Building Property, the SFIP insures against direct physical loss by or from flood. (See SFIP (III)(A)(1)).
- The policyholders state their perimeter wall sheathing and vinyl siding were directly damaged by flood and require replacement.
- Vinyl siding is a flood-damage resistant material. The insurer issued the policyholders payment to clean the policyholders' vinyl siding. Therefore, FEMA's review finds the insurer properly denied coverage for the replacement of the vinyl siding.
- FEMA's review of the appeal file photographs finds the exterior sheathing consisted of oriented strand board (OSB).<sup>3</sup> OSB is recognized as a Class 2 building material that is damaged by contact with flood water and is not salvageable.<sup>4</sup>
- For this reason, and in the absence of any evidence of pre-existing construction flaws or damage from a prior flood or other causes, FEMA's review finds the portion of OSB sheathing directly exposed to floodwater is eligible for coverage. Accordingly, FEMA overturns the insurer's denial of coverage for sheathing and directs the insurer to cover the sheathing damaged directly by or from flood, up to the floodwater height plus wicking.
- The most cost-effective method to replace the damaged sheathing includes detaching portions of the vinyl siding, j-channels, starter and corner strips, and vapor barrier; tearing-out and replacing the flood-damaged sheathing; replacing the vapor barrier; and then re-installing the siding, channels, and strips.
- FEMA requests the policyholders to continue to work with their insurer and submit to their insurer any information necessary to finalize the claim. Any adjustment to the claim remains under the direction of the insurer based on the merits of their findings and in accordance with all terms and conditions of the SFIP.

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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 Policy Form available at 44 C.F.R. pt. 61 App. A(1).

<sup>3</sup> See Appeal File, Claim File- photographs.

<sup>4</sup> See FEMA Technical Bulletin 2 Flood Damage-Resistant Materials Requirements for Buildings Located in Special Flood Hazard Areas, Table 2. Types of Building Materials, Structural Materials, Oriented-strand board (OSB), Exterior Grade, pg. 7 (Aug. 2008).

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*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-FI-Appeals@fema.dhs.gov](mailto:FEMA-FI-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.*