



FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

FEDERAL INSURANCE MITIGATION ADMINISTRATION (FIMA)

APPEAL DECISION

FEMA Flood Insurance Appeal Decision #C36

OVERVIEW

The policyholder filed an appeal on March 2020, alleging his flood insurance carrier (hereinafter “insurer”) improperly denied part of his claim under the Standard Flood Insurance Policy (SFIP)¹ for damages to covered property arising from a flood event dated August 2017.²

In its review, FEMA found the following facts relevant:

- At the time of the loss, the policyholder had \$250,000 of building coverage and \$100,000 of personal property coverage.
- Following the flood event, the policyholder reported the loss to the insurer and the insurer assigned an adjuster to inspect the property.
- On September 2017, the adjuster inspected the property and confirmed a general and temporary condition of flooding existed. The adjuster measured waterlines of 16 inches on the exterior of the building and 12 inches in the interior of the building.
- The adjuster prepared an estimate of damages for the insurer to review.
- The insurer reviewed the adjuster’s estimate and issued the policyholder payments totaling \$203,683.93 for building damage and \$43,302.83 for personal property damage.
- The policyholder discovered mold in the air vents and had the vents professional cleaned. The policyholder requested the insurer provide coverage for the expense of cleaning the air vents. The policyholder provided a receipt to the insurer for the cost to clean the first-floor air vents.
- In a letter dated January 2020, the insurer denied coverage for the air vent cleaning citing no direct physical loss from flood and the SFIP mold exclusion.
- The policyholder appeals the insurer’s denial and contends mold caused by the flood event compromised his wife’s respiratory health. In support of his appeal, the policyholder includes pictures of the vents.
- Because this information does not respond to the insurer’s reason for denial, FEMA’s decision is based on the documentation in the claim file.

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 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. 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”].

RULES

The insurer agrees to pay the policyholder for direct physical loss by or from flood to covered property, provided the policyholder complies with all terms and conditions of the SFIP.³

The SFIP excludes water, moisture, mold, or mildew substantially confined to the policyholder's structure, which is within the policyholder's control, including, but not limited to the failure to inspect and maintain the property after the flood recedes.⁴

ANALYSIS

The policyholder appeals the insurer's denial and contends the mold caused by the flood event compromised his wife's respiratory health.

The insurer agrees to pay the policyholder for direct physical loss by or from flood. Here, during the adjuster's inspection, the adjuster found no evidence floodwaters leached-up the drywall to reach the ceiling or the vents on the first floor. FEMA's review of the claim file finds the air ducts were above the waterline and not directly damaged by flood waters. Because the vents were located above the waterline, FEMA's review finds there was no direct loss by or from flood.

The SFIP excludes water, moisture, mold, or mildew substantially confined to the policyholder's structure, which is within the policyholder's control, including, but not limited to the failure to inspect and maintain the property after the flood recedes. If a policyholder is prohibited by civil authority from accessing the property or could not mitigate damages because the property was inaccessible due to the extensive flooding, the mold or mildew damage may be covered because the damage would not be in the policyholder's control. However, FEMA's review finds that following this flood event, the policyholder had full access to his dwelling.

Here, the policyholder elected to have the ventilation system professionally cleaned over two years after the flood event and has presented no documentation proving the flood event required this cleaning. Therefore, the cost the policyholder incurred as a result of purifying and cleaning the air vents is an expense not covered by the SFIP. For these reasons, FEMA's review finds the insurer properly denied coverage for cleaning the air vents.

CONCLUSION

Based on the facts and analysis above, FEMA concurs with the insurer's decision to deny coverage for cleaning the air vents.

³ See SFIP (I), (II)(B)(12).

⁴ See SFIP (V)(D)(4).