

National Flood Insurance Program

Flood Insurance Claims Handbook

Revised and Effective as of November 13, 2006

FEMA

Thank you for protecting yourself through the National Flood Insurance Program

Purchasing flood insurance is a wise decision for the home or business owner. Like homeowners' insurance, it's protection you hope you never have to use. But if flooding occurs, you will be protected as outlined in the details of your policy.

This claims guide was created by the Federal Emergency Management Agency (FEMA), which oversees the National Flood Insurance Program, to help you through the process of filing a claim and appealing the decision on your claim, if necessary.

While every effort has been made to make sure the information in this handbook is correct, you should refer to your policy and its Declarations Page for specific information on coverage, limitations, restrictions and deductibles.

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TIP

- *When you gather your insurance papers for safe-keeping, also gather any other important papers such as deeds or stock certificates that you may be keeping in the house.*
- *Since flood insurance renews annually, make it a point to update your documentation and papers at renewal time. Also, call your agent annually to make sure loss reporting procedures have not changed.*
- *Move any valuable items out of your basement. Flood insurance only covers items normally found in a basement, such as a furnace or washer and dryer. Personal items are not covered.*
- *Create an emergency kit, with a large flashlight, a battery powered radio, spare batteries, candles, waterproof matches, etc. Even if you never experience a flood, you'll be glad to have this kit in a power outage.*

What To Do Before A Flood

Don't wait until waters are rising in your area and flood threatens. Take steps now that will make your life much easier when a flood occurs.

CHECK YOUR POLICY

Make sure all the information is correct, including information about your mortgage company. If you have refinanced with a company other than the one shown on your policy, call your insurance agent or company representative immediately.

Prepare Lists and Documentation

If you've purchased contents coverage, make it a priority to make a detailed list of your home or business's contents and/or your personal property. Include:

- ☐ Date and place of purchase
- ☐ Model number
- ☐ Serial number (for large appliances)
- ☐ Descriptions
- ☐ Original purchase costs (with receipts, if possible)
- ☐ Photos or video of your home's interior and your personal property

SECURE IMPORTANT PAPERS

Originals of important insurance papers should be kept in a safe place, preferably in a bank safe deposit box. Be sure your papers include contact information for your agent or company, important receipts, your flood insurance policy and documentation on your personal property and contents of your home. Keep copies in your home or business in the safest, most accessible place possible that is not subject to flooding.

Having this detailed documentation will make filing your claim much easier. If floodwaters actually carry away your property, this list and the photos/receipts will be important to documenting your loss.

TALK TO YOUR INSURANCE AGENT

Call your insurance agent or company representative and discuss the particular requirements for reporting a flood claim. These can vary from company to company, so knowing how to proceed can save a lot of effort later.

Remember, after a flood it may be difficult to get in touch with your agent or insurance company. Power and phone service may be interrupted, or phone lines may be overwhelmed with other callers. It will benefit you to know just what to do in advance of flooding.

PLAN AN EMERGENCY CONTACT

After a flood, you may be unable to stay in your home or to be contacted at your home address and phone number. Share an emergency contact—address and phone number—with your insurance agent and family so you can be reached.

TIP

- *If flooding is imminent, the number one rule in a flood is to keep yourself safe.*
- *If waters rise in your house before you can leave safely, move to the highest level necessary—even the roof. Take extra clothing, your radio, a flashlight and, if possible, food.*
- *If you have time, turn off electricity at your breaker or fuse box and close the main gas valve; get valuables (furs, jewelry, important papers) to a higher level; fill bathtubs, sinks and plastic soda bottles with water. (Sanitize tubs and sinks with bleach, rinse and then fill); and bring outdoor possessions (lawn furniture, grills, etc.) inside or tie them down securely.*
- *Keep away from downed power lines and any other electrical wires—electrocution is always a major cause of death in floods.*

TIP

- *After a flood, even if your house seems safe to enter, be cautious.*
- *If you hear hissing or smell gas, leave immediately and call the gas company. Using your home phone or cell phone inside the house could spark an explosion.*
- *Keep power off until an electrician has inspected your system.*
- *If sewer and water lines are damaged, don't use toilets or sinks. Call a plumber. Until told the water supply is safe, boil water for 5 minutes before drinking it or preparing food.*
- *Throw away water-damaged foods, including canned goods.*

What To Do After A Flood

A flood is an overwhelming experience. But taking quick action will put you back in control of your home and your life.

STEPS TO TAKE IMMEDIATELY

STEP 1

Contact Your Agent or Company Representative to Report Your Loss: Have ready—the name of your insurance company, policy number and a phone number and/or e-mail address where you can be reached. All flood insurance policies require you to give prompt written notice of loss. If you get in touch with your agent or company representative directly, they will advise you how to file your notice of claim. Otherwise, you must send a written notice to your insurance company with your policy number.

STEP 2

Separate Your Property: Your policy also requires you to separate damaged property from undamaged property. But don't throw anything away before an adjuster has seen it, unless local law requires you to. In that case, take photos of the property before disposing of it and keep samples for the adjuster to see. (For example, cut out a piece of wall-to-wall carpet.) Do all you can to protect undamaged property.

STEP 3

Make a List of Damaged Contents: If you've purchased contents coverage, make a list of damaged property. If you prepared comprehensive lists before the flood, this should be relatively easy. List the quantity of each item, a description, brand name, where purchased, its cost, model and serial number (if appropriate) and your estimate of the loss amount. Attach your bills, receipts, photos and any other documents.

STEP 4

List Areas of Structural Damage: As you look over your property, make a list of any areas of structural damage you want to point out to the insurance adjuster.

HANDLING YOUR CLAIM

WORKING WITH YOUR ADJUSTER

Generally, your adjuster will contact you within 24-48 hours after receiving your notice of loss. However, depending on local conditions and the severity of flooding, it may take more time.

Once the adjuster reaches you, a time will be set for the adjuster to view your property. You may ask the adjuster for an advance or partial payment. If you have a mortgage, your mortgage company will need to sign the Building Property advance check.

"SCOPING" YOUR LOSS

During the initial visit to your property, the adjuster will take measurements and photographs and note direct flood damage. This is called "scoping" a loss.

Be assured that your adjuster will be an experienced claims professional and will notice many points of damage you could overlook. However, you are encouraged to point out all damage you have noticed.

After the "scope" is finished, the adjuster will give you a local contact telephone number and will tell you whether any additional visits are needed. (This may be the case if damage is extensive.)

PREPARING A DETAILED ESTIMATE

The adjuster then uses the knowledge gained from the visit(s)—and the documentation you have provided—to complete a detailed estimate of damages. You will get a copy. Use it as a guide when you ask for bids for repair work from licensed professional contractors.

NOTE

- *Any advance payment will be part of your total claim for Building Property and/or Personal Property damage. Your policy does not provide coverage for temporary living expenses or housing. Only direct physical damage from flooding is covered.*
- *Your policy requires that you cooperate with your adjuster before, during and after the "scoping." You should also be aware that an adjuster cannot approve (or disapprove) your claim, or tell you when or if the insurance company will approve it. Recovering from a flood is very stressful for home or business owners, but by cooperating with your adjuster, your claim can be processed more smoothly and efficiently.*

FILING YOUR CLAIM

FILING YOUR CLAIM REQUIRES A PROOF OF LOSS

Your official claim for damages is called a Proof of Loss. This must be fully completed and signed and in the hands of your insurance company within 60 days after the loss occurs.

The Proof of Loss includes a detailed estimate to replace or repair the damaged property. In most cases, the adjuster, as a courtesy, will provide you with a suggested Proof of Loss. However, you are responsible for making sure that it is complete, accurate and filed in a timely manner.

Be sure to keep a copy of the Proof of Loss—and copies of all supporting documents—for your records.

EXTENSIONS BEYOND 60 DAYS

In some severe floods, FEMA may authorize Proof of Loss extensions for everyone in your area. Your insurance company will be notified, as will local news outlets.

PAYMENT OF CLAIMS

Your claim is payable after:

- You and the insurer agree on the amount of damages.
- The insurer receives your complete, accurate and signed Proof of Loss.

More information on claims payment is in your policy.

PAYMENT FOR BUILDINGS AND PERSONAL PROPERTY

Any check for building property must include your mortgage company name, or the name of the individual holding your mortgage. A check for Personal Property will usually be in your name only.

FILING YOUR SUPPLEMENTAL CLAIM

If you notice additional damage to your Building Property or Personal Property after filing your claim, you may file a Supplemental Claim. This means, essentially, that you must repeat the documentation and filing process for your original claim, including a Proof of Loss—but only for the newly discovered damage.

Supplemental Claims should start with immediately notifying your adjuster, agent and/or company representative. Once you have completed documentation, present it to your adjuster who may need to make another property visit to verify your loss.

The Completed Claim

Once you receive final payment for your building and/or personal property, the claims process is complete.

Please remember:

Any claim settlement you make in the event of a flood will be determined by the amount of coverage you have and the deductibles you have chosen. If you are concerned that your coverage is not high enough, or that your deductibles are too high, your agent or company representative can counsel you about increasing coverage and/or decreasing deductibles.

TIP

- *Get a small notebook and use it to track all your contacts. That way, you will easily have all records in one place.*
- *In the event you have a further flood, you will need copies of your receipts and documentation for all repairs and replacements for this prior loss.*

NOTE

- ***A Supplemental Claim, like your original claim, must be filed within 60 days after the loss. If you discover additional damage after the 60-day limit has passed, contact your adjuster immediately. Claims filed after 60 days are decided on a case-by-case basis.***

NOTE

- *At each step, you should keep clear records of your attempts to resolve issues. Write down the names and titles of people you speak with; dates of contact; contact information; and details of the discussion. If you have to go further in appealing your claim, these records can be vitally important.*
- *Every effort has been made to ensure that the information provided here is accurate. However, your Standard Flood Insurance Policy (SFIP), your application, any endorsements, and the Declarations Page comprise the official Policy or contract of insurance. Any differences between that information and the wording in this handbook will be resolved in favor of your flood insurance policy. If you have questions, please refer to your policy, or call your insurance agent or company representative.*

Addressing Questions About Your Insurance Claim

The NFIP provides you with a process to appeal decisions regarding your flood insurance claim. This process will help you resolve claim issues, but it cannot give you added coverage or claim limits beyond those in your NFIP policy.

In filing and completing your insurance claim, you may have questions, or need further explanations of decisions that have been made, especially with regard to coverage, dollar amount of damages, or your Proof of Loss.

FOUR STEPS TO APPEALING YOUR CLAIM

STEP 1

Talk with your adjuster, who has more knowledge about your claim than anyone. If you don't understand certain decisions regarding, for example, application of coverage, timing of the filing of Proof of Loss, or the damage estimate, contact your adjuster first.

STEP 2

If you are not satisfied with the adjuster's answers, or do not agree with decisions, get contact information for the adjuster's supervisor.

STEP 3

If the adjuster's supervisor can't resolve your issues, contact the insurance company's claim representative. Ask your insurance agent or your insurance company representative for assistance.

Please refer to your flood policy for more information on appeals. See Section 7 of General Conditions, Paragraph R.

STEP 4

If you still have questions or concerns after following steps one through three, contact the Federal Emergency Management Agency (FEMA).

Write to:

Federal Emergency Management Agency
Federal Insurance Administrator
Mitigation Division-Risk Insurance Branch
500 C Street, S.W.
Washington, D.C. 20472

This letter should be written by the Named Insured (as it appears on your NFIP policy) or by a legal representative, if necessary. The representative should clearly identify his/her relationship to the Named Insured. (For example, a son or daughter could be handling a claim for an elderly parent.)

A legal representative may be asked to provide authorization from the Named Insured or other legal documents verifying the relationship.

Your letter of appeal must be submitted to FEMA within 60 days from the date of the denial letter that you receive from your flood insurer.

WHAT TO INCLUDE *IN* YOUR LETTER

The following six items should be in your letter to FEMA in order to address your questions. (If for some reason, your policy is not available, your insurance agent can provide details for the first three items.)

1. The Policy Number, as shown on your NFIP policy's Declarations Page.
2. The policyholder's name, as shown as the Named Insured on the Declarations Page.
3. The property address, as shown on the Declarations Page. (Not your mailing address, if it is different from the property address.)
4. How you can be contacted, if you are out of your home.
5. The details of your concern. (Please be as complete as possible.)
6. The dates of contact and contact details for the persons with whom you have spoken in steps one through three on the previous page.

NOTE

- *Please do not send originals of documents such as contractor's estimates. Send photocopies and keep originals in a safe place.*

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WHAT TO INCLUDE *WITH* YOUR LETTER

Enclose documentation of everything that supports your appeal.

- Provide a copy of the insurer's written denial, in whole or in part, of the claim;
- Identify relevant policy and claim information and state the basis for the appeal; and
- Submit relevant documentation to support the appeal, but only documentation that directly pertains to your claim.

The following are examples of the kinds of documentation that FEMA will require:

- A copy of the Proof of Loss submitted to the insurer, as required in the policy
- Room-by-room itemized estimates from the adjuster (include contractors' estimates), detailing unit costs and quantities for the items needing repair or replacement
- Replacement cost Proofs of Loss
- Adjuster's Preliminary Report
- Adjuster's Final Report
- Detailed damaged personal property inventories that include the approximate ages of the items
- Completed Mobile Home Worksheet
- Mobile home title, including salvage title
- Real estate appraisals that exclude land values
- Advance payment information
- Clear photographs (exterior and interior) confirming damage that resulted from direct physical loss by or from flood
- Proof that prior flood damage has been repaired
- Evidence of insurance and policy information, i.e., Declarations Page
- Elevation Certificate, if the building is elevated
- The community's determination concerning substantial damage
- Information regarding substantial improvement
- Zone determinations
- Pre-loss and post-loss inventories
- Financial statements
- Tax records, lease agreements, sales contracts, settlement papers, deed, etc.
- Emergency (911) address change information
- Salvage information (proceeds and sales)
- Condominium association by-laws
- Proof of other insurance, including homeowners or wind policies, and any claim information submitted to the other companies
- Waiver, Letter of Map Revision (LOMR), or Letter of Map Amendment (LOMA) information
- Paid receipts and invoices including cancelled checks that support an insured's out-of-pocket expenses pertaining to the claim
- Underwriting decisions
- Architectural plans and drawings
- Death certificates
- Last Will and Testament
- Divorce decree
- Power of attorney
- Current lienholder information
- Current loss payee information
- Paid receipts and invoices documenting damaged stock
- Detailed engineering reports specifically addressing flood-related damage and pre-existing damage
- Engineering surveys
- Market values
- Documentation of Flood Insurance Rate Map (FIRM) dates
- Documentation reflecting date(s) of construction and substantial improvement
- Loan documents including closings
- Evidence of insurability as a Residential Condominium Association
- Franchise agreements
- Letters of representation, i.e., attorneys and public adjusters
- Any assignment of interest in a claim
- And, any other pertinent information that FEMA may request in processing a claim.

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A re-inspection of your property may be conducted at the discretion of FEMA to gather more information.

A request by FEMA for additional information will include the date by which the information must be provided, which shall in no case be less than 14 calendar days. Failure to provide the requested information in full within 14 calendar days may result in dismissal of your appeal. FEMA will ensure that all information necessary to rule on the appeal has been provided prior to making an appeal decision.

LIMITATIONS ON APPEALS

The appeals process is intended to resolve claim issues and is not intended to grant coverage or limits that are not provided by the SFIP. Filing an appeal does not waive any of the requirements for perfecting a claim under the SFIP or extend any of the time limitations set forth in the SFIP.

1. Disputes that are or have been subject to appraisal as provided for in the SFIP cannot be appealed.
2. If you file an appeal on any issue, that issue is no longer subject to resolution by appraisal or other pre-litigation remedies.
3. If you file suit against an insurer on the flood insurance claim issue, you are prohibited from filing an appeal. All appeals submitted for decision but not resolved shall be terminated upon notice of the commencement of litigation regarding the claim.

APPEALS RESOLUTION

FEMA will review the appeal documents, including any reinspection report, if appropriate. FEMA will provide specific information on what grounds the claim was initially denied.

FEMA will provide an appeal decision in writing to the policyholder and insurer within 90 days from the date that all information has been submitted by the policyholder and will include specific information for the resolution of the appeal. No further administrative review will be provided to the insured.

If you do not agree with the final decision, please refer to your flood insurance policy. See the "GENERAL CONDITIONS" Section, Paragraph R. "Suit Against Us." The 1-year period to file suit commences with the written denial from the insurer and is not extended by the appeals process.

