



# Frequently Asked Questions (FAQs)

## Hurricane Sandy National Flood Insurance Program Claims Review

The Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP) has begun a review of claims filed by policyholders affected by Hurricane Sandy who felt they were underpaid by their insurance carrier. While underpayments did not occur in every case, FEMA will review claims files and correct any errors identified through this process.

FEMA is committed to administering a program that is survivor-centric and helps policyholders recover from flooding in a fair, transparent, and expeditious way. Flood insurance is a vital product that protects many Americans financially from the most common and costly disasters we face. Those who purchase insurance through the NFIP need to be able to count on it being there when it is needed to support their recovery after a flood. In the review, policyholders who have not pursued litigation and received less than the maximum amount under their policy will have an opportunity to have their files reviewed. FEMA will contact policyholders and explain how to request this review.

## Who qualifies to have their claim reviewed under the Hurricane Sandy Claims Review process?

Policyholders who have not pursued litigation and received less than their policy limits will have an opportunity to have their files reviewed. FEMA will contact policyholders and explain how to request this review.

A letter will be sent to approximately 142,000 NFIP policyholders who filed flood insurance claims for Hurricane Sandy-related damage. Policyholders who incurred losses from Oct. 27, 2012, through Nov. 6, 2012, and want their claim reviewed may contact FEMA by:

- Calling toll-free at 866-337-4262;
- Downloading the request form online at [www.fema.gov/hurricane-sandy-nfip-claims](http://www.fema.gov/hurricane-sandy-nfip-claims) and emailing it to [FEMA-sandyclaimsreview@fema.dhs.gov](mailto:FEMA-sandyclaimsreview@fema.dhs.gov)
- Downloading the request form online and faxing it to 202-646-7970.
- For individuals who are deaf, hard of hearing or have a speech disability using 711 or VRS, please call 866-337-4262. For individuals using a TTY, please call 800-462-7585.

Policyholders will have 90 days from receipt of the letter to make contact with FEMA. Policyholders should provide the address of the insured property and the name of the policyholder. They will answer questions to determine whether they qualify for a review.

Policyholders who qualify for review will be contacted by a highly skilled, NFIP-certified adjuster who will serve as caseworker for the insured. Caseworkers will give policyholders their phone number and email address and will work closely with policyholders throughout the entire process. Any questions the policyholder has during the process will be fully explained by the caseworker. Property visits may be conducted if applicable.

### What information will I need prior to calling?

When you contact the Hurricane Sandy Claims Review Center, please have your:

- flood insurance carrier name;
- policy number at date of loss;
- address of property that was damaged; and
- current mailing address and telephone number

A highly skilled NFIP-certified adjuster will work with you to review your file and examine any additional information you submit.

Policyholders should also be prepared to answer the following question when contacted:

- Do you have an NFIP flood insurance policy?
- Would you like for FEMA to review your flood insurance claim?
- Did you file a flood insurance claim with your carrier for damages from Hurricane Sandy?

### Is FEMA going to review claims prior to Hurricane Sandy?

The process is open only to policyholders who incurred damage from Hurricane Sandy between Oct. 27 and Nov. 6, 2012.

### What correspondence or direct contact will a policyholder have with their caseworker?

The caseworker will maintain contact with the policyholder throughout the process. A letter will be sent to the policyholder requesting any additional information. If policyholders have additional information they would like considered as part of their review they will have 14 days from the time the caseworker contacts them to submit it. If no additional information is provided, the caseworker will continue with the review. If the policyholder indicates they have additional information and they do not submit it within 14 days, the caseworker will contact the policyholder. If FEMA is unable to contact the policyholder for 30 days, the review process will be suspended. If a policyholder's case is suspended due to lack of contact, the policyholder may reenter the process by contacting the claims center while it remains open.

## What qualifications does my caseworker who will review my claim have?

The caseworker is a highly skilled, NFIP-certified flood insurance adjuster.

## What can the policyholder expect during the review process?

Caseworkers will contact policyholders to introduce themselves and let them know that they will be reviewing their case file. They will give the policyholder their phone number and email address. The caseworker will explain in detail what is covered under the policy and any other information in the claim file. Any questions the policyholder has during the process will be fully explained by the caseworker.

## Will I need receipts or proof of ownership for destroyed items?

Not to enter the review process. The caseworker will ask for any additional information you may have such as receipts or photographs that were not included with your initial claim. If you do not have receipts for repairs and replacements, the caseworker will work with you to retrieve those documents and explain what your policy covers.

## What qualifies as proof of ownership of property lost?

Receipts of actual costs, copies of cancelled checks (front and back), copies of credit card receipts or credit card statements with the matching credit purchase entry. For cash payments, copies of bank statements with the matching cash withdrawal entry (date and dollar amount), original contracting estimates. Contracts or photographs can qualify as proof of ownership.

## How long will the review process take?

Once a request is submitted, it should take the caseworker, a highly-skilled, NFIP certified adjuster, less than 90 days to complete the review. The caseworker will work with the policyholder to review the file, examine any additional information submitted, coordinate inspections by a caseworker or engineer (if required), and determine whether the NFIP should make any additional payments for losses covered under your Standard Flood Insurance Policy.

## How will you evaluate claims involving earth movement?

Earth movement is not covered under the Standard Flood Insurance Policy, even if flooding caused the earth movement. Engineers will work with the caseworker and will review the previous engineering reports to verify accuracy. The engineers assigned to this review are not related to engineering firms currently under investigation.

## Were there errors in how sales tax was processed?

We do not know for sure if there were errors. However, when we review the files, the caseworker will compare the contractor's estimate with the caseworker's final report. The caseworker will see if there is a difference in pricing or if tax was properly paid. If errors are identified, we will adjust the payment.

## What pricing guidelines for items or work are being used to review and evaluate cost of losses?

If warranted, FEMA will adjust prices based on actual costs and validated estimates. Estimating software maintains a database of the pricing guidelines for every event. They are maintained by Zip Code and conform to industry standards for the area at the time of the event.

## If an agreed payment is reached and I am due additional money, will I have to sign a release stating I will not pursue future litigation?

No, policyholders are not being asked to sign a release as a condition for receiving additional payment. The review process will provide the policyholder with an opportunity to address any concerns they may have and is intended to provide a resolution of any dispute. If the review supports additional payments, a signed Proof of Loss will be required.

## If the review supports additional payment under my policy, what happens next?

Once the review of the file is completed, usually within 90 days, FEMA will notify the policyholder of the determination. If the final review supports additional payment under your policy, then your insurance carrier will issue a check for the additional funds.

## Are there any stipulations for accepting additional funds?

If you receive additional insurance proceeds and you also received Sandy-related disaster assistance from another source such as the U.S. Small Business Administration (SBA), the Department of Housing and Urban Development (HUD), or one of HUD's state or local grantees, such as New York Rising, NY Build it Back or NJ Rehabilitation, Reconstruction, Elevation and Mitigation (RREM), then you may have to repay the other disaster assistance if the original source determines your additional insurance proceeds duplicate a benefit they have previously provided. Federal agencies cannot provide disaster assistance for damages or losses covered by insurance. This review process is designed to ensure claims adjustment practices offer fair payments for losses.

## If I accept a resolution, do I forfeit my right to appeal?

There will not be an appeal process. This is an administrative review of the claim file. If you disagree with the outcome of the review, you will have the opportunity to request a review by a highly qualified third party neutral, who may be a retired judge or attorney with insurance experience, to talk with you, review your file, and help resolve your claim. The neutral will make a recommendation with regard to your claim. FEMA will give substantial weight to the neutral's recommendation.

## What is the role of the neutral third party?

The caseworker, who serves as a highly skilled NFIP-certified adjuster, will make a recommendation after a thorough review of the claim file and any new information provided. If the policyholder does not agree with the recommendation, the policyholder will have the opportunity to obtain an additional review of the file by a third party neutral, who may be a retired judge or an attorney with insurance expertise.

- After the policyholder requests a neutral's involvement, the neutral will review the file and will contact the policyholder to discuss any concerns.
- The neutral will examine information in the file and documentation, and will ask questions of the caseworker and the policyholder.
- The neutral may suggest a hearing involving the policyholder, the caseworker and the neutral. A hearing is not necessary; it is an option for the policyholder.

This neutral party will make a recommendation to FEMA. FEMA will give substantial weight to the neutral party's recommendation.

## How do I know what my policy limits are?

For information about your specific limits of coverage and deductibles, refer to the Declarations Page in your flood insurance policy. The NFIP's Dwelling Form offers coverage for: 1) Building Property, up to \$250,000, and 2) Personal Property (Contents), up to \$100,000. The NFIP encourages people to purchase both types of coverage. Your mortgage company may require that you purchase a certain amount of flood insurance coverage.

## What is FEMA doing to prevent this from happening again?

FEMA is conducting an internal review of its processes to reform the NFIP program for the claims and appeal process. The NFIP Transformation Task Force has identified three areas where it is focusing its internal reviews. These include:

- overhauling the claims and appeals process,
- aligning management of litigation in a way that puts the flood survivor first, and
- improving the customer experience throughout the entire claims process.

FEMA's goals are excellent customer experience, responsiveness, transparency, low risk of waste, fraud and abuse, and continuous improvement. As part of our effort to reform the NFIP, FEMA notified Write Your Own (WYO) insurance companies of changes in the process for things such as seeking reimbursement for expenses. Pending further guidance, FEMA will review and approve all proposed engineering costs to ensure that WYOs, as fiscal agents for the U.S. Government, are fulfilling their role by guaranteeing that taxpayer funds are being appropriately expended and their work is consistent with putting policyholders first.

## Resources

FEMA has published a webpage containing information and updates for National Flood Insurance Program policyholders who were affected by Hurricane Sandy: [www.fema.gov/hurricane-sandy-nfip-claims](http://www.fema.gov/hurricane-sandy-nfip-claims).

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