

Flood Insurance Claims

Seminar by
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WHAT IS FLOOD INSURANCE

Flood insurance is funded solely by the federal government. The policies are either issued by FEMA or through property and casualty companies known as WYO companies.

All of the policies are the same regardless of who writes it. They are governed by federal law, not subject to state law.

Coverages Under a Flood Policy:

- Coverage A – Structure
- Coverage B – Contents
- Coverage C – Debris Removal and loss avoidance measures
- Coverage D – Increased Cost of Compliance (ICC)

COVERED RISK – Flood Insurance

A flood insurance policy (SFIP) is a “single risk” policy and only insures against “direct physical loss by or from a flood”. Coverage includes flooding, erosion and land subsidence caused by tidal surge, and wave action associated with a hurricane or other flood event.

HOW TO FILE A CLAIM

- Notify the insurance company.
- Take lots and lots of pictures of all damage, separate the damaged from the undamaged property, and make an inventory of all the damaged or destroyed personal property. Take more pictures, you can't take too many.
- File a Proof of Loss (POL) stating the amount of your claim.

FILING A CLAIM (CONT.)

- There is a 60 day deadline to file the POL but this deadline can be extended by FEMA. It is your responsibility to know the deadline and timely file your POL. If you fail to timely file your POL, your claim will be barred.
- Specific information must be provided in the POL and these requirements are strictly enforced. It is recommended that you use the form published by FEMA.
- Your POL must be sworn and you must furnish documentation and information to support the amount claimed on your POL at the time you submit the POL.

POLICY NO. FL

U.S. DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
NATIONAL FLOOD INSURANCE PROGRAM

O.M.B. No. 1560-0005
Expires JUNE 30, 2007

POLICY TERM

PROOF OF LOSS

(See reverse side for Privacy Act Statement
and Paperwork Burden Disclosure Notice)

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AGENCY AT

TO THE NATIONAL FLOOD INSURANCE PROGRAM:

At time of loss, by the above indicated policy of insurance, you insured the interest of

against loss by flood to the property described according to the terms and conditions of said policy and of all forms, endorsements, transfers and assignments attached thereto.

TIME AND ORIGIN

A _____ loss occurred about the hour of _____ o'clock _____ M.,
on the _____ day of _____, 20____. The cause of the said loss was: _____

OCCUPANCY

The premises described, or containing the property described, was occupied at the time of the loss as follows, and for
no other purpose whatever: _____

INTEREST

No other person or persons had any interest therein or encumbrance thereon except _____

1. FULL AMOUNT OF INSURANCE application to the property for which claim is presented is	\$ _____
2. ACTUAL CASH VALUE of building structures	\$ _____
3. ADD ACTUAL CASH VALUE OF CONTENTS of personal property insured	\$ _____
4. ACTUAL CASH VALUE OF ALL PROPERTY	\$ _____
5. FULL COST OF REPAIR OR REPLACEMENT (Building and Contents)	\$ _____
6. LESS APPLICABLE DEPRECIATION	\$ _____
7. ACTUAL CASH VALUE LOSS is	\$ _____
8. LESS DEDUCTIBLES	\$ _____
9. NET AMOUNT CLAIMED under above numbered policy is	\$ _____

The said loss did not originate by any act, design or procurement on the part of your insured, nothing has been done by or with the privacy or consent of your insured to violate the conditions of the policy, or render it void; no articles are mentioned herein or in annexed schedules but such as were destroyed or damaged at the time of said loss, no property saved has in any manner been concealed, and no attempt to deceive the said insurer as to the extent of said loss, has in any manner been made. Any other information that may be required will be furnished and considered a part of this proof.

I understand that this insurance (policy) is issued Pursuant to the National Flood Insurance Act of 1968, or Any Act Amending thereof, and Applicable Federal Regulations in Title 44 of the Code of Federal Regulations, Subchapter B, and that knowingly and willfully making any false answers or misrepresentations of fact may be punishable by fine or imprisonment under applicable United States Codes.

Subrogation - To the extent of the payment made or advanced under this policy; the insured hereby assigns, transfers and sets over to the insurer all rights, claims or interest that he has against any person, firm or corporation liable for the loss or damage to the property for which payment is made or advanced. He also hereby authorizes the insurer to sue any such third party in his name.

The insured hereby warrants that no release has been given or will be given or settlement or compromise made or agreed upon with any third party who may be liable in damages to the insured with respect to the claim being made herein.

The furnishing of this blank or the preparation of proofs by a representative of the above insurer is not a waiver of any of its rights.

State of _____

County of _____

Insured

Subscribed and sworn before me this _____ day of _____, 20____

Notary Public

Sample of FEMA Proof of Loss Form

How A Claim Should Be Adjusted

- An adjuster will be assigned to inspect your property and handle your claim and should contact you and provide you with contact information.
- Maintain constant contact with the adjuster until a repair estimate and personal property inventory has been prepared. The adjuster should furnish these documents to you.
- Be sure that you get everything in writing and keep a copy of all that you give to the adjuster.

How Your Claim Should Be Adjusted (cont.)

- If you disagree with the adjuster's estimate, you have the right to obtain your own estimate or submit additional information to the adjuster if submitted prior to the POL deadline.
- You should obtain an independent estimate as soon as possible. If you wait on the adjuster's estimate, you may not have time to effectively challenge the items you disagree with.

PAYMENT OR DENIAL OF CLAIM

- Payment is due 60 days after you timely and properly file your POL.
- Lawsuits must be filed within 1 year of the date of the written denial of any part or all of the claim.

Your Options:

- If your claim is denied or you disagree with the amount offered or paid, you have several options: you can accept the decision or amount offered ;
- you can file an amended or supplemental claim/POL if the deadline has not expired;
- the claim can be appealed;
- an appraisal can be requested;
- or, a lawsuit can be filed.

OTHER COMMON ISSUES

- A flood policy is not a “valued policy”. A flood policy does not pay for a “constructive total loss”.
- “Substantial damage” means that your structure has sustained damage in an amount which exceeds 50% of its pre-damaged value and you must repair or reconstruct it in compliance with current flood plain requirements.
- You cannot recover damages for losses resulting from negligence, fraud or misrepresentation in the adjustment of your flood claim. That means you can’t depend on the adjuster.

COMMON ISSUES (Cont.):

- At present, you cannot recover interest or attorney's fees.
- Overhead and profit are recoverable if a contractor is hired to perform repairs. The customary amount is a minimum of 20% of the repair costs. Appropriate sales taxes are also recoverable.
- Your flood policy pays for remediation of mold damage if caused by flooding and is not a result of your failure to inspect and maintain the property after the flood recedes.

QUESTIONS?

How can you contact me?

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