



Frequently Asked Questions (FAQ)

Frequently Asked Questions About the Sandy Claims Review

Q: What correspondence or direct contact will a policyholder have with their adjuster?

A: The adjuster 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 adjuster contacts them to submit it. If no additional information is provided, the adjuster will continue with the review. If the policyholder indicates they have additional information and they do not submit it within 14 days, the adjuster 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.

Q: What qualifications does my adjuster who will review my claim have?

The adjuster is certified by National Flood Insurance Program (NFIP).

Q: What can the policyholder expect during the review process?

A: Adjusters 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 adjuster 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 adjuster.

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

A: Yes, per the Standard Flood Insurance Policy (Section J - Requirements in Case of Loss), documentation is required. The adjuster will ask for any additional information the policyholder may have such as receipts or photographs that were not included with the initial claim. If the policyholder does not have receipts for repairs and replacements, the adjuster will work with them to identify available options for documentation.

Q: What qualifies as proof of ownership of property lost?

A: Receipts of actual costs, copies of canceled 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.

Q: What is involved in the review process?

A: A review of the claim file includes an assessment of the damages which qualify as “*direct physical loss by or from flood*” to the insured property. This includes a review of 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.

Q: How will you evaluate claims involving earth movement?

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

Q: Were there errors in how sales tax was processed?

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

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

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

Q: Are there any stipulations for accepting additional funds?

A: Federal agencies cannot provide disaster assistance for damages or losses covered by insurance. This is called a duplication of benefit. FEMA cannot pay for losses already covered by insurance or other coverage.

A duplication of benefit review will be conducted regarding the claim, and we partner with other Federal agencies such as SBA and HUD in that review.

Q: If I accept a resolution, do I forfeit my right to a Neutral Review?

A: By agreeing to and signing the Proof of Loss provided by the desk review indicates you agreed with the outcome of the review and have not elected the Neutral Review. This is an administrative review of the claim file. If you disagree with the desk review, you will have the opportunity to request a review by a highly qualified third-party Neutral Review.

Q: What is the role of the Neutral Reviewer?

A: The adjuster will make a recommendation after a thorough review of the claim file and any new documentation or information provided during the desk review. If the policyholder does not agree with the recommendation, the policyholder will have the opportunity to request in writing an additional review of the claim file by a Neutral Reviewer, who may be a retired judge or attorney.

After the policyholder’s request, the Neutral Reviewer will assess the claim file and will contact the policyholder to discuss any concerns. The Neutral Reviewer will consider the information contained in the case file, which should be the same information provided to policyholders and their representatives (if applicable) and if so requested. Any discrepancies in the case file copies provided to the Neutral Reviewers, policyholders and representatives are unintentional and will be remedied upon identification of the discrepancy.

The Neutral Reviewer – as a contractor of the government – does not have the ability to direct payments or bind FEMA to any particular result that requires expenditure of government funds.

FEMA may adopt the recommendation by the third-party neutral reviewer and may authorize the recommendation for payment to the policyholder when the finding is in compliance with NFIP regulations and policy. Once the final determination on a recommendation is received from a third-party neutral, FEMA must adhere to NFIP regulations and policies that are currently in effect, including those that limit or disallow coverage of certain expenses as outlined in the Standard Flood Insurance Policy.

The Neutral Reviewer will issue a recommendation based upon the information in the case file and any clarifications provided by policyholders, their representatives and FEMA personnel during oral presentations, if requested.

Q: How do I know what my policy limits are?

A: 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.

Q: Will an additional claim payment result in a "substantial damage" determination?

A: In the Hurricane Sandy Claims Review, FEMA does not make “substantial damage” determinations, which can require a homeowner to rebuild to current community standards. The determination of whether a structure has sustained substantial damage is the responsibility of local floodplain management officials, under local regulations and codes

Q: What is FEMA doing to prevent this from happening again?

A: 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.