



Spotlight on Customer Casework

Customer Issue

A policyholder contacted OFIA because an insurer denied coverage for a claim that occurred prior to their finalizing the closing on their primary residence.

Background

Per a lender requirement, the policyholder purchased a flood insurance policy with an effective date of November 2, 2020, the day of the scheduled closing. The initial closing day was moved by the lender to November 13, 2020. Prior to November 2, the policyholder had already paid a \$35,000 non-refundable deposit on their new home which enabled them to move into the residence on November 2. Before the official property closing day, the home was inundated by floodwaters on November 8, 2020. In the aftermath, policyholder's insurer denied their claim on the structure due to a lack of ownership title at the time of loss. The OFIA engaged with FIMA's Federal Insurance Directorate (FID) Underwriting and Claims branches.

Resolution

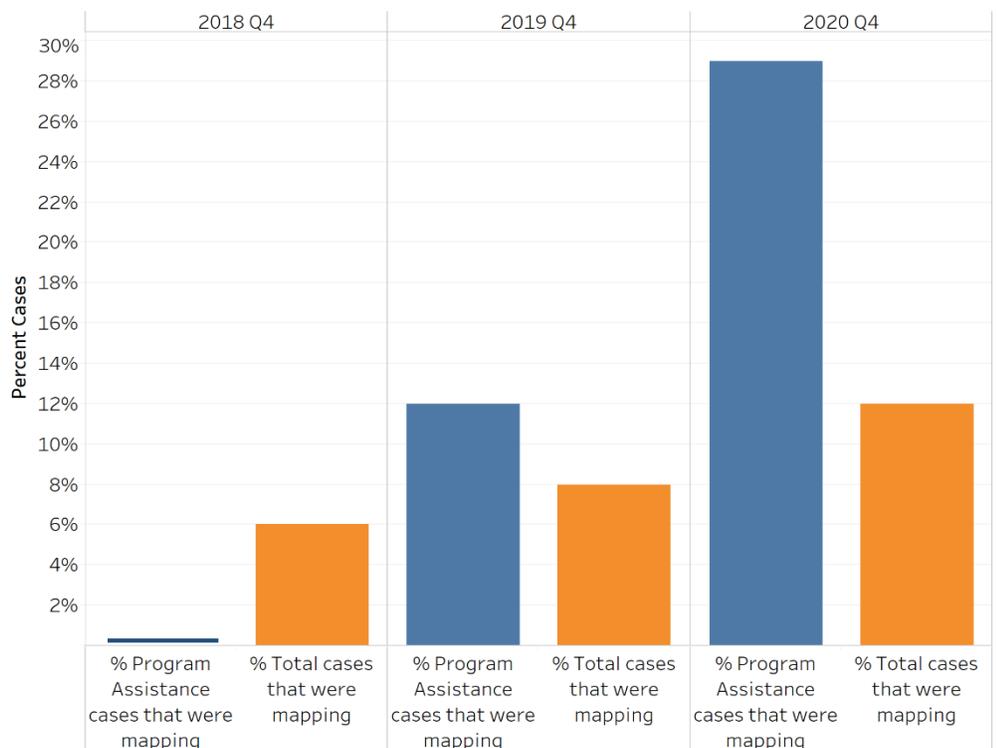
FID determined the applicant had established an insurable financial interest with the non-refundable deposit, and the application and premium had been paid more than 30 days prior to November 2, 2020. Thus, the standard 30-day waiting period had been applied and an insurable financial interest was established prior to November 2, 2020. With direction from FID, the insurer ultimately allowed the policyholder's claim for damages caused by the flood to proceed.



OFIA Trends

- Comparing Q4 2018, Q4 2019 and Q4 2020, there was an increase in the percentage of total cases related to mapping. In addition, there was an increase in the percentage of cases requiring program assistance to answer the mapping-related inquiries.
- The complexity of mapping cases required OFIA to collaborate with program areas 28% of the time during 2020 Q4.

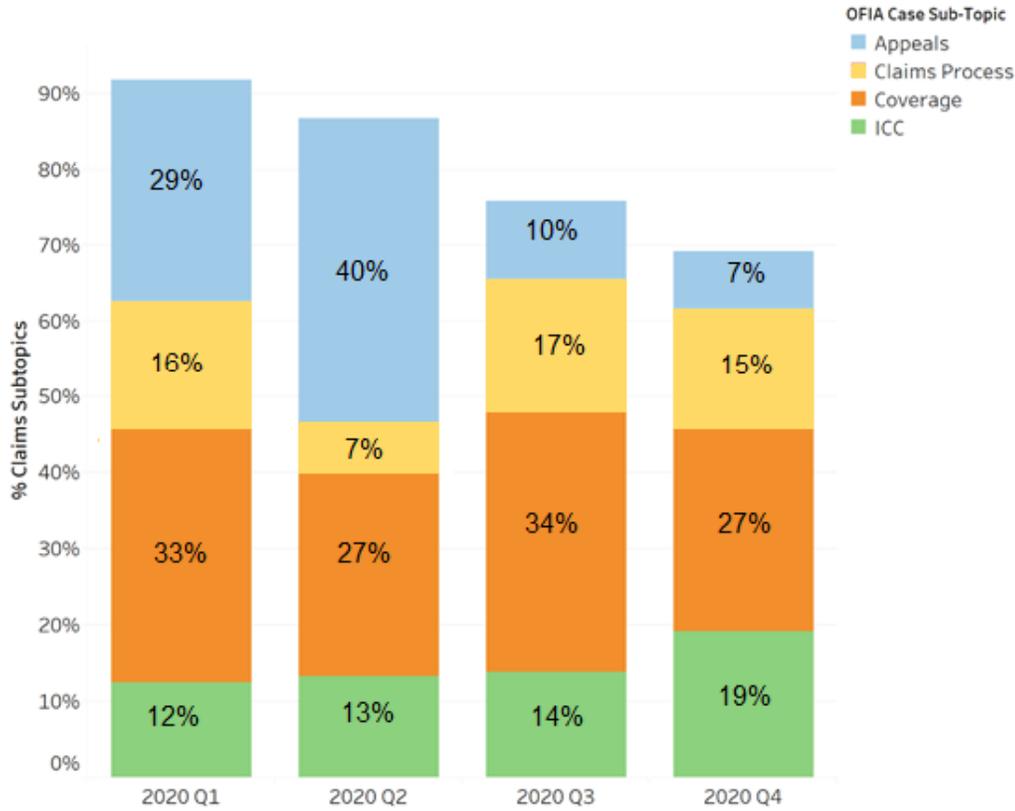
Mapping Case Proportions Among Total and Program Assistance Cases





OFIA Trends

Claims Subtopics 2020 Q1 - Q4



- From a high in Q2 2020, the percentage of appeals cases trended down in Q3 and Q4.
- The majority of appeals cases OFIA received were policyholders asking about status.
- The inflow of ICC cases remained steady through 2020 until Q4 saw a remarked increase in cases.
- The spike in ICC cases in Q4 2020 was due to the inflow of complex Sandy ICC claims. The OFIA coordinated these complex cases with HMA.



What We Heard From NFIP Customers

“My best description of (him) is that he is very knowledgeable of his program, relentless in determining and implementing what is correct, a very patient man, a very good listener with excellent communication skills keeping everyone involved aware of the work status, a person who looks out for the program and the customer.”

OFIA Impact

Since 2015, the OFIA has continuously worked to serve as many NFIP policyholders as possible. 2020 saw the OFIA assist more policyholders and property owners this year than in any other year.