

National Flood Insurance Program

# Claims Handbook

FEMA F-687

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FEMA



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### Prepare your home and important documents!

Always protect your important documents from damage – including property deeds, stock certificates, birth certificates, social security cards, passports, etc. and your insurance paperwork.

Once a year review your important documents, update them where necessary, and then store them in a safe location. Flood insurance coverage renews annually and you should contact your insurance provider to verify loss reporting procedures.

Remove valuable items from the basement. Flood insurance limits personal property coverage in the basement to items such as a furnace, washer and dryer, food freezer, food in the freezer, and window air conditioners.

Flood insurance does not cover flood-damaged finished floors, bookcases, furniture, window treatments, or other similar items in located in a basement.

Read more about what is and what is not covered at ([https://www.fema.gov/media-library-data/1432130966606-ec9a9793a03f4a4b5655de0db708a256/Fact\\_Sheet\\_What\\_is\\_Covered-508.pdf](https://www.fema.gov/media-library-data/1432130966606-ec9a9793a03f4a4b5655de0db708a256/Fact_Sheet_What_is_Covered-508.pdf)).

### Important Actions to Take.

Turn off electricity at your breaker or fuse box.

Close the main gas valves.

Move valuables and important documents to a higher level.

Sanitize bathtubs, sinks, and plastic soda bottles and fill them with water;

Bring outdoor items inside or tie them down securely, if you have time. (e.g., lawn furniture, grills, etc.),

# Claims Handbook

The National Flood Insurance Program (NFIP) provides assistance and support to protect the life you've worked hard to build. This handbook helps you take full advantage of the flood insurance policy you purchased, if or when you experience a flood – whether you are a homeowner, renter, or business owner.

The U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA), created this claims handbook and the Agency oversees the NFIP. The Claims Handbook provides step-by-step guidance on the things you need to know about filing a flood claim. The handbook also explains what to do when you are not satisfied with the result of your claim, including filing an appeal. Other options are available to resolve disagreements with claim results.

You should refer to your policy's Declarations Page for specific information on coverage, limitations, restrictions, and deductibles.

## 1 What to Do Before a Flood

Floods happen anywhere with little, if any, warning, and flood waters rise quickly. Take the necessary steps now to prepare yourself, your family, your pets and farm animals, your home, your business, or organization well in advance of a flood.

Flood insurance is an important component of your protection in case of a flood. The "How Do I Buy Flood Insurance" web page provides a comprehensive list of critical questions to ask your agent, allowing you to purchase the correct amount of coverage to meet your needs with assurance. (<https://www.fema.gov/national-flood-insurance-program/How-Buy-Flood-Insurance>)

### 1.1 Check Your Policy Declarations Page

Your insurer should send you a Declarations Page, which is the front page of your policy that specifies the named insured, the property address, the policy period, the location of premises, the policy limits, and other key information. Make sure the Declaration Page information is correct, along with your mortgage company information. Call your insurance agent or company representative immediately to correct the Declaration Page information, if you have refinanced, taken a second mortgage, or acquired a home improvement loan with a company other than the one shown on your policy. Lenders retain a secured interest in the property and may initiate legal action to protect their interest.

Policyholders generally purchase separate personal property and building coverages. It is important that you discuss your policy and coverage needs with your insurance agent or insurance company representative to assure you have appropriate coverage before a flood occurs. Realizing after a flood event, that you lack the adequate amount of coverage to repair or replace the property and personal property damage is traumatic.

### **Prepare your family, and be ready to evacuate.**

Create an emergency kit consisting of:

- a large flashlight
- a battery-powered radio
- spare batteries
- candles
- waterproof matches
- First Aid Kit.

**Rule Number One:** Keep yourself and your loved ones safe when flooding is imminent. Follow the instructions of local emergency personnel and take your important papers with you in a water proof container when asked to evacuate.

**Be prepared.** Floods happen anywhere. Floodwaters rise quickly preventing you from evacuating safely. You may need to stay in your flooded home until help can arrive and there are steps you must take ahead of time to prepare:

In an upper level of your home store:

- drinking water
- non-perishable food
- radio
- flashlight
- batteries

Store tools in the attic that provide a means of escape.

### **Move to the highest level**

**necessary** to protect yourself and family - even the roof - if floodwaters enter your home before you are able to evacuate. Make sure to take your cell phone, drinking water, and extra clothing with you.

Electrocution is a major cause of death in floods. Stay away from downed power lines and any other electrical wires.

## **1.2 Prepare Lists and Documentation**

Experiencing a flood is very stressful. Preparing an inventory after a flood occurs, and attempting to remember everything you owned is difficult. You should prepare and keep a list of the personal property within your home or business when you purchase personal property coverage. It is advisable to take photos or record videos of your home, your office interior, and your personal property. Remember, it is important to regularly update the list. For each item on the list, include:

- Description
- Date and place of purchase
- Model number
- Serial number (for large appliances)
- Original purchase cost (with receipt, if possible)
- Include Purchase orders and inventory records when you are a business owner

## **1.3 Secure Important Papers**

Keep original copies of important insurance papers in a secure and waterproof location such as a bank safe deposit box. Be sure your papers include your insurance agent or company contact information, your flood insurance policy, important receipts, and documentation of the covered items within your home or business.

Keep copies of these papers in your home or business in a safe, accessible place not subject to flooding and take them with you if you need to evacuate, making sure they are in a waterproof container. Retaining detailed documentation makes filing the claim much easier when you suffer moderate floodwater property damage.

## **1.4 Talk to Your Insurance Agent**

Call your insurance agent or company representative and discuss the flood claim reporting requirements. Knowing the specifics of your policy saves time and effort when filing a claim. Remember it may be difficult for you to contact your insurance agent or company after a flood; but make contact as soon as possible after the flood event.

## **1.5 Have Alternate Contact Information**

After a flood, you may not be able to return to your property right away. Once you do, it may not be possible to live or work there until repairs are made. It may be difficult for representatives of your insurance company to contact you. The lack of ability to make contact exists often when you primarily use a landline phone. Share alternate contact information – addresses, cell and landline phone numbers – with your insurance agent and family so they can reach you before there is a flood event that damages your property.

### Tips:

Do not return to your property until local authorities have given you permission if you evacuated.

After a flood, be cautious when entering your property – even if it appears and seems safe.

Call your gas company if you hear a hissing sound or smell gas and leave the premises immediately. Place your call from a different location than the location of the gas leak because using your landline phone or cell phone inside a structure with a gas leak could spark an explosion.

Keep the electricity turned off until an electrician has inspected your system.

Do not use toilets or sinks if sewer and water lines are damaged. Call a plumber.

Boil water for five minutes before drinking it or using it to prepare food until you know that the water supply is safe.

Throw away water-damaged food, including canned goods.

## 2 What to Do After a Flood

We understand experiencing a flood is often overwhelming. Initiating swift actions to prioritize immediate needs versus less urgent needs puts you on the path to recovery more quickly, allowing you to regain control of your home or business, and your life.

### 2.1 Do These Things Right Away

#### Step 1 – Contact your insurance agent or company promptly to report your loss.

Make sure you know the name of your insurance company, your policy number, and a phone number or email address where your insurer can contact you prior to reaching out. If you are unable to remember the name of your insurance company, call the NFIP's Help Center at 1-800-427-4661.

**Step 2 – File a notice of loss with your insurer.** All flood insurance policies require you to give prompt written notice of flood-related damage. Contact your insurance agent or company representative as soon as possible if you have questions about filing a loss notice. You must send written notice to your insurance company including your policy number if you cannot file a notice of loss directly because you are unable to contact your insurance agent.

**Step 3 – Separate your property.** Your policy requires separation of damaged property from undamaged property. Do not discard anything before an adjuster sees it, unless local law requires you to discard it, or the damaged item presents a health hazard. In case you discard property, take photographs before disposing of the item and keep samples for the adjuster to see (e.g., cut out and keep a piece of flood-damaged wall-to-wall carpet). Make every effort to protect undamaged property. Move things you want to save to a safe, dry place, such as the second story of your property or outdoors. The longer these items sit in water, the more damaged they become; do not delay cleaning up after flood. Consult with your adjuster or insurer on covered cleaning or repair services.

**Step 4 – Make a list of damaged personal property.** Homeowners, renters, and businesses that purchased personal property coverage should make a list of damaged personal property and include any related details or documents. Be sure to note the following:

- Quantity of each item
- Description
- Brand name
- Where you purchased each item
- Approximate age;
- Purchase price of each item
- Model and serial number
- The amount it will cost to replace the item with like kind and quality at current pricing.

Attach any relevant documents (e.g., bills, receipts, photos) to your list of damaged personal property.

**Step 5 – List areas of structural damage.** Make a list of any areas of structural damage you want to point out to the adjuster as you examine your property,

## 2.2 Handling Your Claim

### 2.2.1 Working with Your Insurance Adjuster

Generally, your adjuster contacts you within one to two days after receiving your notice of loss. However, depending on local conditions and the severity of flooding, it could take longer. When you speak with the adjuster, you set up a time for him or her to view your property.

**You may ask the adjuster for an advance or partial payment allowing you to receive money needed to begin recovery before your insurer settles your full claim.** You must work with your adjuster to obtain the information necessary to support the request. Then you sign either a partial Proof of Loss or Advance Receipt when requesting an advance or partial payment. The request should not be for more than 50 percent of your anticipated total claim payment to avoid an overpayment on your claim, which you will be required to repay. If you have a mortgage, your mortgage company must sign all checks covering structural losses that you receive. The insurer issues the personal property loss advance payment check directly to you. Your insurer reduces the amount of your final payment by deducting the amount of your advance or partial payment when settling your claim.

### 2.2.2 Assessing Your Loss

The adjuster takes measurements and photos, and notes of the damage caused directly by the flood event during the initial visit to your property. This is called “scoping” a loss. Your adjuster is an experienced claims professional trained to notice damage you may have overlooked. However, you should point out any damage you have noticed. The adjuster will give you a contact telephone number and set expectations concerning the time needed to complete the damage estimate after completing the scoping process. The adjuster may need to make additional visits to the property if the damage is extensive.

### 2.2.3 Preparing a Detailed Estimate

The adjuster uses his or her understanding of the extent, type, and location of the damage along with knowledge gained from his or her visit(s) — including any documentation you provided — to complete a detailed estimate of the flood event-related damage. You will receive a copy of this estimate. It is important that you review the estimate and speak with the adjuster concerning any questions you have about the estimate; or if you identify items that he/she omitted or require further review. The estimate serves as a guide when obtaining bids from licensed professional contractors for repair work.

## 2.3 Supporting Your Claim

### 2.3.1 Supporting Your Claim Requires a Proof of Loss

You must support your flood claim with a Proof of Loss detailing the information required by your flood insurance policy. You must submit a completed and signed Proof of Loss with all supporting documentation to your insurance company within 60 days of the loss.

**Advanced Payment:** Any advance payment will be part of your total claim for building property and/or personal property (contents) damage. Your policy does not provide coverage for temporary living expenses or housing. The flood policy only covers direct physical damage from flooding.

**Adjuster Requirements:** Your policy requires you to work with your adjuster before, during, and after the “scoping.” Please understand that your 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, but working with your adjuster ensures your insurer processes your claim as smoothly and efficiently as possible.

Retain copies of your receipts and documentation for all flood loss repairs and replacements. You will need them if you file a flood claim for this property again in the future.

Store water, non-perishable food, a radio, and flashlight in an upper level of your home.

The Proof of Loss includes a detailed estimate of the cost to replace or repair the damaged property. In most cases, the adjuster provides you with a suggested Proof of Loss. **It is your responsibility to make sure your Proof of Loss is complete, accurate, and filed in a timely manner to meet the requirements of your policy.**

Be sure to keep a copy of the Proof of Loss and copies of all supporting documentation for your records. The Proof of Loss is not the claim, but is one document that supports your claim.

### 2.3.2 Extensions Beyond 60 Days

After a severe flood, FEMA may authorize Proof of Loss extensions. FEMA notifies your insurance company if this is the case. **It is your responsibility to send your Proof of Loss to your insurer by the deadline, whatever the date may be, with or without an extension.**

### 2.3.3 Payment of Claims

Your claim is payable after:

- You and the insurer agree on the claim's damage payment amount and
- Your insurer receives your complete, accurate, and signed Proof of Loss.

You can find additional information about how claims are processed and paid in your policy documents.

### 2.3.4 Payment for Building and Personal Property

The claim payment includes the names of anyone with a legal interest in the property. Payments for the building property covering structural flood losses will include the name of the company (or companies) or individuals holding your mortgage, if there is a mortgage lien on your property. You must send the check to the mortgagee(s) for endorsement before depositing the check. Each mortgage company handles claim payments differently and you should contact your mortgage company as soon as possible to confirm their payment process. Your insurer will issue payment for personal property in the name of the policyholder unless you financed the personal property through a Small Business Administration (SBA) loan or a financial institution.

## 2.4 Request for Additional Payment

If, after submitting your claim and Proof of Loss, you notice additional damage to the building structure or to the insured personal property inside it, you may file a request for an Additional Flood Payment. This means you must repeat the documentation and filing process, including a Proof of Loss for the newly discovered damage. This must be completed **within the 60-day limit or within extensions of time** granted by FEMA. Your insurance carrier may contact FEMA to directly accept a claim in the event you make an additional claim after the time limitation.

Start your additional request by notifying your adjuster, insurance agent, and/or company as soon as possible. Once you have completed your Proof of Loss and gathered all necessary documentation, present it to your adjuster. He or she may need to visit your home or business again to verify newly-claimed flood damage.

You must also notify your insurance company or adjuster if you find that the amount allowed by the adjuster was not enough to make the repairs. Sometimes there is hidden damage or items cost more to repair or replace than the amount the insurer initially paid on the claim. Your insurance company will need information from you and your contractor to assist in their review for additional payment. Your contractor should provide a detailed estimate showing quantities and unit costs, no lump sums.

#### **2.4.1 Filing an Increased Cost of Compliance (ICC) Claim**

**Your flood policy does not cover compliance with building codes except as provided for by an ICC claim.** You may be eligible to file an ICC claim if your home or business sustains flood damage that your local community determines is equal to or greater than 50 percent of the value of the property, or if flood has repeatedly damaged your property in the past ten years.

ICC coverage is part of the standard flood insurance policy and provides up to \$30,000 to help cover the cost of eligible mitigation measures to reduce flood risk, including elevation, demolition, and structure relocation (or any combination of these). Floodproofing is available for non-residential structures and residential structures with basements that meet certain requirements. **Your flood policy will not pay more than the maximum amount permitted under the National Flood Insurance Act of 1968, and any amendments to it - \$250,000 for residential and \$500,000 for commercial properties.** Therefore, if you receive payment for the maximum permitted amount, you are not able to receive the \$30,000 ICC limit.

Your local community will notify you by letter if your home or business was substantially damaged by flood, and if you must comply with local floodplain management ordinance or laws in effect. (For more details on ICC, visit [www.fema.gov/increased-cost-compliance-coverage](http://www.fema.gov/increased-cost-compliance-coverage)).

To file an ICC claim, notify your insurer's claims representative immediately upon receiving the letter from the community and provide a copy of the letter to your insurance company. Your claims representative provides you with additional information to help complete the ICC claim. You are required to sign a separate Increased Cost of Compliance Proof of Loss to receive payment. The deadline to provide an ICC Proof of Loss and complete the chosen and approved mitigation activities is six years from the date of the flood loss.

**Remember the amount of your claim settlement will be determined by the amount of coverage and the applicable policy deductibles.** If you are concerned about not having enough building coverage, or that your deductible(s) is(are) too high, speak with your insurer about increasing coverage and/or decreasing deductibles. Some lenders have deductible requirements. Deductibles and coverage amounts often play a significant role in determining how quickly you are able to recover after a flood.

## **2.5 Addressing Questions About Your Insurance Claim**

FEMA encourages all flood insurance policyholders with questions about their insurance claim to speak to their adjuster or insurer first. Your adjuster and insurer know how your flood insurance policy applies to your claim and they take immediate action if a key fact was missed; a document was overlooked, or a

You must file a request for ICC within 60 days from the substantial damage notice from your community. NFIP makes decisions about claims filed after 60 days on a case-by-case basis.



mistake was made. However, if after this conversation you are still not satisfied with the amount your insurer agrees to pay you for your flood-related losses, you have options.

**Option 1 – You may file an appeal within 60 days of the denial of your claim.** This process helps you resolve claim issues, but it cannot give you added coverage or claim limits beyond those included in the NFIP policy in effect at the time of the flood loss. Before you file an appeal, your insurer must make a final determination and send you an official, written denial letter for all or part of your requested claim amount.

**Option 2 – You can utilize the Appraisal Provision of your policy if you disagree with the estimated reimbursement amount for the covered loss.** The details of this provision are in your policy. You may not file an appeal with FEMA if you use this provision.

**Option 3 – You can file a lawsuit within one year of the date of the written denial of all or part of your claim.** You must file suit in the Federal District Court where the flood damage occurred. When FEMA’s NFIP Direct is your insurer, you may file suit against FEMA. For all other insurers, you must sue the insurer. You may not file an appeal if you choose to file a lawsuit and filing an appeal does not extend the period to file a lawsuit against your insurer. You should consult your personal attorney if you have additional questions regarding litigation.

Detailed guidelines for appealing your claim are included below.

### **2.5.1 Appealing Your Claim**

You have the right to file an appeal with FEMA if you disagree with the claim denial after you receive a letter from your insurer denying all or part of your claim. During the appeal process, you may continue working with your flood insurer to resolve any outstanding issues. You must submit your letter of appeal to FEMA within 60 days of the date on the denial letter from your flood insurer. You can email appeals to FEMA at [FEMA-NFIP-Appeals@fema.dhs.gov](mailto:FEMA-NFIP-Appeals@fema.dhs.gov) or mail them to FEMA, 400 C Street, S.W., 3<sup>rd</sup> Floor S.W., Washington, DC 20472-3010. FEMA uses the postmark or time stamp to determine whether the appeal is submitted in a timely manner.

The Named Insured (as it appears on your NFIP policy) or legal representative should submit the appeal. The representative should clearly identify his/her relationship to the Named Insured.

If authorizing another person to speak with FEMA about your claim, you will need to do so in writing. By law, FEMA must obtain this authorization to protect your privacy. To authorize another person(s) to represent you, please submit documentation that includes your full name, address, date and place of birth, the name(s) of your representative(s), and your signature. You must notarize this document or include the following statement: “I expressly grant permission to FEMA to release my records to this third-party representative. I declare under penalty of perjury that the foregoing is true and correct. Executed on <DATE>. <SIGNATURE>.”

### 2.5.2 What to Include in Your Appeal

You include the following information in your appeal. Your insurance agent can provide details if for some reason your policy is not available.

- The information shown on your NFIP policy's Declarations Page:
  - The policy number
  - The policyholder name(s)
  - The property address, which may not be your mailing address.
- The best contact information for you.
- A copy of the insurer's written denial of all or part of your claim.
- The specific details about your concern.

Enclose documentation of everything that supports the elements of your appeal.

**Your insurer will provide a full list of the other documentation required by FEMA. This can include:**

- A copy of the Proof of Loss submitted to the insurer, as required in the policy
- Adjuster's preliminary report
- Adjuster's final report
- Evidence of insurance and policy information, i.e. the Declarations Page
- Zone determinations
- Pre-loss and post-loss inventories
- Financial statements
- Tax records, lease agreements, sales contracts, settlement papers, deed, etc.

If FEMA needs to re-inspect your property to gather more information, you will receive a request to schedule the reinspection.

FEMA may also request additional information from the adjuster, claims examiner, or you. FEMA will provide you with at least 14 calendar days to respond in instances where FEMA requests information from you. Failure to provide the requested information in full and within 14 calendar days may result in dismissal of your appeal.

### 2.5.3 Limitations on Appeals

The appeals process offers a pre-litigation remedy intended to resolve claim issues in a non-adversarial manner. FEMA cannot expand coverage or waive limitations and exclusions. Filing an appeal does not waive any of the requirements or extend any of the time limitations stated within your policy. The appeals process is FEMA's final administrative review. Policyholders may only use one pre-litigation remedy, so if you file an appeal, you cannot seek appraisal as provided for in your policy. If you seek appraisal then you cannot appeal. Because an appeal is a pre-litigation remedy, you cannot appeal after you file suit against an insurer on a flood insurance claim issue. FEMA will immediately terminate your appeal upon notice that you filed suit.

Please do not send original copies of documents. Send photocopies, and keep originals in a safe place.

#### **2.5.4 Appeals Resolution**

Policy holders who file an eligible appeal will receive a decision from FEMA in writing. The policyholder's insurer will also receive a copy of the appeal decision. The decision represents FEMA's final review of your claim and the agency provides no further administrative review.

If you do not agree with the final appeal decision, Federal law allows you to file suit in the Federal District Court where the damage occurred.

Disclaimer: Federal laws and regulations supersede information in this handbook where conflicts exist.

## Paperwork Burden Disclosure Notice

For NFIP Appeals Process

Public reporting burden for this data collection is estimated to average two hours per response. The burden estimate includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and submitting this form. You are not required to respond to this collection of information unless a valid OMB control number is displayed on this form. Send comments regarding the accuracy of the burden estimate and any suggestions for reducing the burden to: Information Collections Management, Department of Homeland Security, Federal Emergency Management Agency, 500 C Street, S.W., Washington, DC 20472, Paperwork Reduction Project (1660-0005).

NOTE: Do not send your completed form to the above address.



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