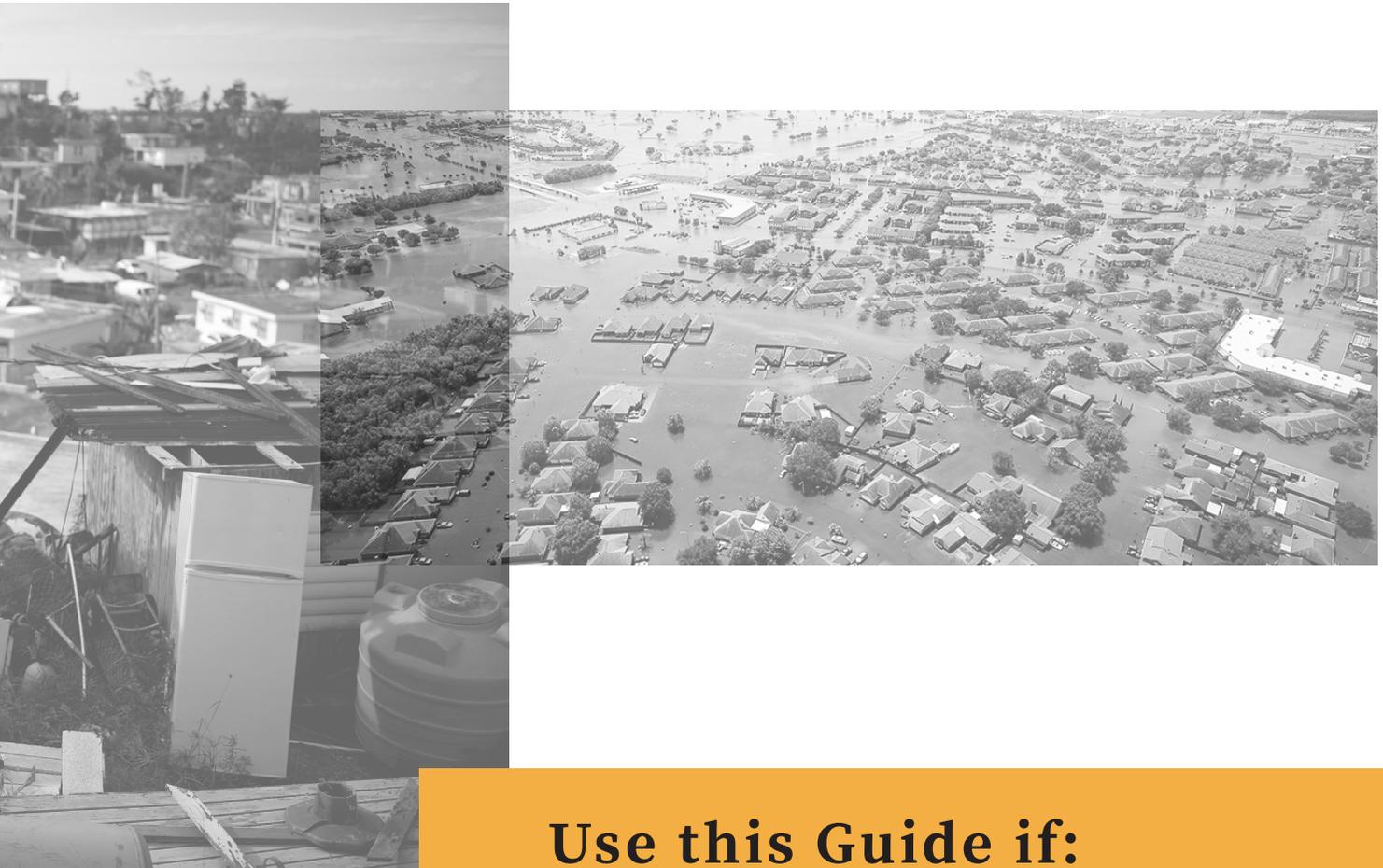


Flood Insurance Guide



Use this Guide if:

- + You are a homeowner
- + You live in an area that regularly floods
- + You are a renter living in an area that regularly floods

Guide to Flood Insurance

Floods are more common than you may think, and if you only have homeowners insurance you may not be protected. Most traditional homeowner insurance does not cover damage from flood events. This guide will help you learn more about what flood insurance covers, where to buy it, and what to do after a storm.

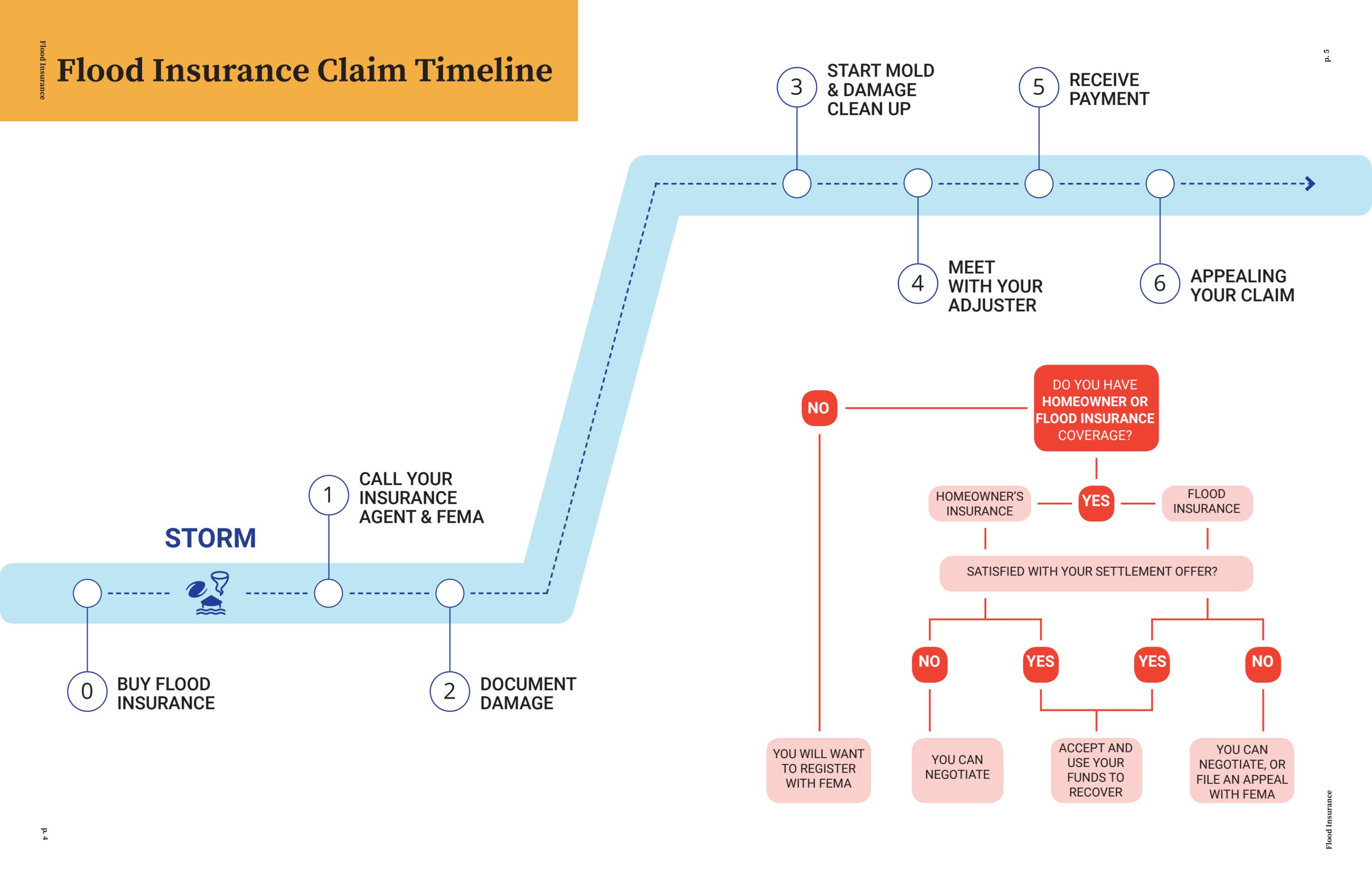
Flooding is one of the most expensive forms of disaster damage -- 1 inch of water can cause up to \$25,000 in damage

98% of US counties have experienced a flooding event

20% of flood claims are from property owners living outside a high-risk flood zone



Flood Insurance Claim Timeline



0 Buy Flood Insurance

National Flood Insurance Program (NFIP) policies can be purchased through most insurance carriers. Even though you purchase the policy from a local carrier, the NFIP is a federally backed insurance program run by FEMA. NFIP covers flood related damages not covered under traditional homeowners and renters insurance policies. Flood insurance policies help to protect homeowners and renters from having to cover the cost of recovering from a flood on their own.

There are two types of flood insurance policies - Building Property and Personal Property.

Building Property Coverage

Covers flood related damage to your home and the systems used to run your home, like HVAC and built-in appliances. Your policy coverage will be based on the value of your home, with a maximum coverage of \$250,000. Policies cover the cost of replacing what was damaged or damage related repair, up to your coverage limit. That means if your home is valued over \$250,000 or if the damage to your home is greater than \$250,000, a flood insurance policy may not fully cover your property.

Personal Property Coverage

Covers personal property like furniture, clothes and electronics. Policies cover the value of your property, or what your property is worth, at the time of the disaster. The maximum coverage offered is \$100,000.

Renters can purchase personal property coverage to protect themselves from flood related damage.

1 Call your Insurance Agent & FEMA



Start Your Claim

- + Once it is safe to return to your home, you should contact your insurance agent or company to **report your loss**.
- + If you need help finding your insurance carrier you can call **1-800-427-4661**.
- + Your insurance company will **assign you an adjuster**, and your adjuster should call you to schedule an appointment within the next **24-48 hours**. Make sure your insurance company has a phone number where you can be reached.



FEMA

FEMA Assistance

- + After you contact your insurance agents, **call FEMA** to get registered for disaster assistance.
- + FEMA assistance may help with **disaster related costs** that your insurance doesn't cover, such as temporary housing, childcare, clean-up items, vehicles and transportation, and in some cases home repairs.
- + You generally have **60 days** after a disaster to register for assistance. The sooner you register the better.
- + **FEMA assistance is limited**, so it should not be your only source of recovery support.

Get Reimbursed!

- + Your insurance company may require that all temporary housing related expenses be reimbursed. Make sure you save all of your receipts, and keep track of them.
- + Be careful what you spend your money on. **Not all expenses are eligible for reimbursement** by your insurance company. Make sure you know which expenses are and are not eligible.



2 Document Damage

Before you start cleaning up after the storm or start moving your damaged belongings to the trash, take as many pictures or videos as possible. Documenting your flood-related damage is a critical step in preparing for your insurance adjuster and ensuring an accurate settlement.



Your damage documentation should include...

- + Pictures of damages and an accurate description of how the damage was caused by flooding.
- + If you are a property owner, your damage documentation should include both the inside and outside of the building. Examples include personal property, building damage, and standing floodwater levels.
- + When documenting items like washers & dryers, hot water heaters, kitchen appliances, televisions, and computers, make sure you take a photograph of the make, model, and serial number. Note the flood level, or how the flooding caused the current damage to the appliances.
- + For damage to the inside of a building, having samples of building materials like carpet, wallpaper, and drapes along with their replacement costs will be helpful when you meet with your insurance adjuster.
- + If you took steps to prevent your property from flooding, like buying sandbags or moving your belongings into storage before the storm, have those receipts ready for your adjuster. You may be eligible to be reimbursed for those expenses, up to \$1,000.

Start Mold & Damage Cleanup 3 p. 9

Water damage from flooding must be dealt with soon after a disaster, or it will cause mold, and can be challenging to eradicate. NFIP policyholders must follow the cleanup and mold prevention guidelines in their policy.

Throw away items that pose a health risk, such as perishable food items, clothing, cushions, pillows

If You Hire a Professional

- + Look up licensed mold assessors and remediators on the Texas Department of Licensing and Regulation (TDLR) website. Make sure mold remediators are licensed and don't have a lot of complaints on file.
- + Talk to your insurance agent about any bids you receive to determine which costs will be covered.
- + You may need to call your lender if they are involved in the clean up process. They may need to ensure the specifics of the bid and payment schedule meet their requirements.

Clean Up Recommendations

- + Make sure any work being done follows local or federal recommendations for mold remediation.
- + If you have questions on local guidelines, contact your local Long Term Disaster Recovery group, or your City or County Health or Building departments.
- + If your electrical, water, or HVAC systems have been damaged by flooding or a disaster it is recommended that you contact a repair service instead of fixing it yourself.

Consult Mold Cleanup Guide

Some recommended disaster clean up include:

- + Homeowner's and Renter's Guide to Mold Cleanup After Disaster, CDC, EPA, FEMA HUD, & NIH
- + Mold Clean-Up After a Disaster: When to Use Bleach, CDC
- + Mold Remediation Guide, sbpusa.org
- + Tips to Prevent Post-Flooding Mold at Home: Clean It, Dry It or Discard It, FEMA
- + Disaster Cleanup & Repair For Your Home, redcross.org



4 Meet with Your Adjuster

What to expect during your Adjuster's visit...



When your adjuster arrives, they should show you

- + Their official identification
- + Their contact information (name, email, identification number)
- + The name of their adjusting firm, and telephone number.



Your adjuster should :

- + Explain the NFIP flood claims process
- + Discuss your policy coverage and provide information about how you should present your loss to your insurance company
- + Ask for a current mailing address and phone number if you are displaced.
- + Discuss if you are eligible for Increased Cost of Compliance
- + Never ask you for money or collect your deductible amount or charge you a fee for their services



Property Inspection

- + Your adjuster will inspect your property and all damage caused by the disaster.
- + This may include taking measurements and taking photos.



Damage Documentation

- + You should also provide them with your damage documentation and a list of damaged items.



Advance Payment

- + You may discuss if you are eligible for an advance payment, which can be used to help you in the recovery process.
- + You may be eligible for up to \$20,000.

Tip:

Any time you are talking to your insurance company, agent, or other representative, make sure you write down their name, the date and time of the call, and any important notes from the conversation. This will help limit the number of surprises or mishaps along the way.



CALL NOTES

REPRESENTATIVE _____

REFERENCE # _____

4 Meet with Your Adjuster

Talking to your Insurance Adjuster

Questions you should ask your agent...

What losses are covered under my policy?

Is debris removal covered under my policy? If not, do you have any recommendations for help with debris removal?

How long will it take for an insurance adjuster to come to my home?

How long will it take to get a final determination once I have filed your claim?

What types of documentation do I need to provide?

Does my policy have additional living expenses coverage? Can that cover temporary housing?



Inspector Review Damage after Hurricane Harvey

Photo Credit: FEMA



Meet with your Adjuster

A claims adjuster will be assigned to work with you, they can help you document flood damage and submit an accurate estimate of your flood loss.

How to prepare for your Adjuster

Have all of your damage documentation ready

- + Photos of all the damage
- + List of your flood-caused damages
- + Copies of receipts
- + Contractor estimates
- + Model numbers for damaged appliances or building material samples
- + Other documentation to help with the loss estimation process.

Gather your supporting documents

- + Copies of your insurance policies
- + Identification
- + Documentation of the covered items in your home
- + Individual insurance companies may have different requirements for what supporting documentation needs to accompany the Proof of Loss form. Talk to your agent about what documentation about what is required



Preparing an Estimate

After your adjuster's visit, they will use their knowledge, their inspection, and your documentation to prepare a detailed, room-by-room cost estimate of damage. Once you receive their estimate, it is important that you carefully review it and speak with the adjuster about any questions or concerns you have.

Work with Your Adjuster on the Estimate

- + Your adjuster may have omitted items or needed further support documentation or review. This is a good time to work with your adjuster. The estimate serves as a guide when obtaining bids from licensed professional contractors for repair work.
- + If necessary, your adjuster may return to your property.

You DO NOT have to Accept the First Estimate of Loss

- + You can work with your adjuster, the insurance company and FEMA to reach a higher dollar amount for covered losses that you do agree on.
- + When you do not agree with the suggested amount, you can work through the following levels until you agree on a new amount
 - + First reach out to your adjuster, then your adjuster's supervisor, and then your insurance company's claims department. Getting your general contractor involved in this process may be helpful.
- + If you still can't reach an agreement on a covered loss amount, complete a Proof of Loss for the total amount you are requesting and send it with your supporting documentation to your insurance company.

Get Important Deadlines

- + Ask your insurance company to provide you with any important deadlines you need to meet, and keep copies of all documents pertaining to your flood claim.
- + Keep copies of everything you submit to your insurance company. This will help ensure you receive a claim payment that reflects your flood loss, within your policy limits.



Supporting your Claim / Proof of Loss Form

In the event you and your insurance company do not agree on a portion of your claim, you may need to submit a Proof of Loss form. The Proof of Loss form is your sworn statement of the amount you are claiming. It includes a detailed estimate of what it would cost to replace or repair the damage, and all necessary supporting documentation.

In most cases, the adjuster provides you with a suggested Proof of Loss - If you agree with the suggested amount, you will sign, swear to and submit it to your insurance company. It is your responsibility to make sure your Proof of Loss is complete, accurate, and filed in a timely manner.

Other things to keep in mind when submitting a Proof of Loss:

Send within 60 days

- + You must send your completed Proof of Loss, along with supporting documentation, to your insurance company within 60 days of the date of loss.
- + Contact your insurance agent or carrier to get the proper address for submitting your Proof of Loss.

Keep a Copy

- + Keep a copy of the submitted Proof of Loss form, along with copies of the supporting documentation for your records.

It Is Not Your Claim

- + The Proof of Loss is not the claim, but is one document that supports your claim.

5 Receive Payment



Once your claim has been submitted, you will receive a package from the NFIP. It will contain a report prepared by your insurance adjuster, and a check made out to you and/or your mortgage company. Carefully read the report, and make sure you agree with the final claim determination before depositing the check. When you deposit the check, you are agreeing to their claim determination, and you will not be able to file an appeal.

If you filed a Proof of Loss with your insurance company, and they agree with you, the claim will be settled. If they disagree, they will send you a check for the claim amount that is undisputed, along with a detailed letter explaining the reasons for their denial. If you do not agree you can continue to provide proof to support your claim or appeal your claim.

It's important to remember:

- + The insurance carrier, not the adjuster, has the authority to approve your claim. It is possible for your insurance carrier to deny parts of your claim you and your adjuster worked on together.
- + Your claim payment is based on the value of your structure and contents, not the cost of replacement.
- + If you find additional damage after you file your claim, or repairs cost more than estimated, contact your agent to file for additional payment.
- + All claim payments will include the names of anyone with a legal claim to the property.
 - + This may include the name of the company (or companies) or individuals holding your mortgage.
 - + 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.

Appealing Your Claim 6



In the event that after working with your adjuster and insurer, you are not able to come to an agreement on the final claim determination, or you do not agree with their reasons for denying all or part of your claim, you have a few options.

1 Amended Proof of Loss

- + Send an amended Proof of Loss with more supporting documentation to the insurance examiner to see if they will alter their claim determination

2 Submit a formal appeal to FEMA

- + Your appeal must be sent within 60 days of receiving the denial letter, including all supporting documentation
- + You can appeal the final claim decision in whole or in part
- + When submitting your appeal, you should
 - + Provide the names of the individuals who previously handled your claim
 - + Copies of all relevant documentation
 - + Any additional information that may be helpful to your appeal
- + Examples of documentation can be found in the NFIP Flood Insurance Claims Handbook.

3 File a lawsuit against your insurer

- + You have one year of receiving the denial letter to file a lawsuit
- + Once you file a lawsuit you can no longer appeal your claim with FEMA or file an amended Proof of Loss with your insurer

Additional Help...

Where can I find more information on Flood Insurance or where to buy it?

- + Go to FloodSmart.com
- + Call your local insurance agent

How do I find more detailed information on submitting Flood Insurance claims?

- + Consult the NFIP Flood Insurance Claims Handbook on FEMA.gov
- + Visit sbpusa.org for more guidance

How do I find more information on Mold Clean Up after a Disaster?

- + Read the EPA Homeowner's and Renter's Guide to Mold Cleanup after Disasters
- + Visit tdlr.texas.gov for a list of licensed mold assessors and remediators and guidance on selecting a quality mold remediator
- + Read the Red Cross' Disaster Cleanup and Repair for your Home at redcross.org

Where can I more information on financial assistance after a disaster event?

- + Call Federal Emergency Management Agency or go to their website DisasterAssistance.gov
- + Reach out to the Texas General Land Office for Texas specific assistance or go to recovery.texas.gov

Post-Disaster Recovery Funding

Homeowners Insurance

- + Homeowners who are insured will receive funds to repair or replace damaged property or losses. The extent of coverage is based on the policy of the homeowner.

[NFIP] National Flood Insurance Program

- + A federal program that provides protection from flood damage for property owners, renters, and businesses. Coverage is based on the value of the property insured.

[SBA] Small Business Administration

- + Commonly referred to as SBA loans, these low-interest loans can be used by non-business owners to repair or replace homes, personal property and more.

[FEMA] Federal Emergency Management Agency

- + The government agency that commonly provides assistance immediately after a disaster. In addition to disaster response, FEMA provides Individuals and Households Programs (IHP), that provides financial help or direct services for housing and non-housing needs to those who qualify. These funds have a modest individual maximum.

Key Terms:

Flood: (NFIP definition): a general and temporary condition where 2 or more acres of normally dry land, or 2 or more properties are inundated by overflow of inland or tidal water, unusual and rapid accumulation or runoff of surface water, or mudflow.

Peril: the cause of loss or damage; flooding is a peril that is excluded from homeowner insurance coverage; NFIP policies are additional insurance specifically for the peril of flooding

Proof of Loss: the form, and supporting documentation, that a policyholder signs and submits to the insurance company to obtain payment for covered losses

Appeal: To request a reversal or new decision be made on your behalf

Reference:

1. Lone Star Legal Aid
2. Disaster Recovery, SBPUSA.org
3. Floodsmart.com
4. Federal Emergency Management Agency
5. Environmental Protection Agency
6. General Land Office of Texas

About This Project:

buildingcommunityWORKSHOP has developed four disaster recovery guides to help support those recovering from a disaster event. The content in this guide was developed with the support of Lone Star Legal Aid.

This Hurricane Harvey recovery project was funded in part by a grant from the American Red Cross.





03

Red Cross Disaster Recovery Guides

- 01 Avoiding Contractor Fraud
- 02 Renter's Rights After a Disaster
- 03 Flood Insurance Guide
- 04 Clearing Title After a Disaster