

# Integrating Property Insurance Recoveries & FEMA Public Assistance



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 **ADJUSTERS INTERNATIONAL**  
*The right way to settle claims™*



# FEMA Programs



- Individual Assistance
- **Public Assistance**
- Hazard Mitigation
- NFIP
- FMAG





# The FEMA Public Assistance Program



- People
- Process
- Program - Parameters



# Applicable Laws and Regulations

- Robert T. Stafford Disaster Relief and Emergency Assistance Act
- Code of Federal Regulations, Title 44
- 9500 Series Policies
- FEMA Public Assistance Guide (322)
- Disaster-Specific Policies
- Appeal Decisions





# Categories of Work

## **Temporary Work** Permanent Work

Any activity that must be performed to restore a damaged facility to pre-disaster...

- Design
- Function
- Capacity



# What is a Facility?

- Buildings
- Furniture & equipment
- Vehicles
- Contents
- Parks
- Roads
- Culverts
- Dams
- Library books
- Sewer & water lines



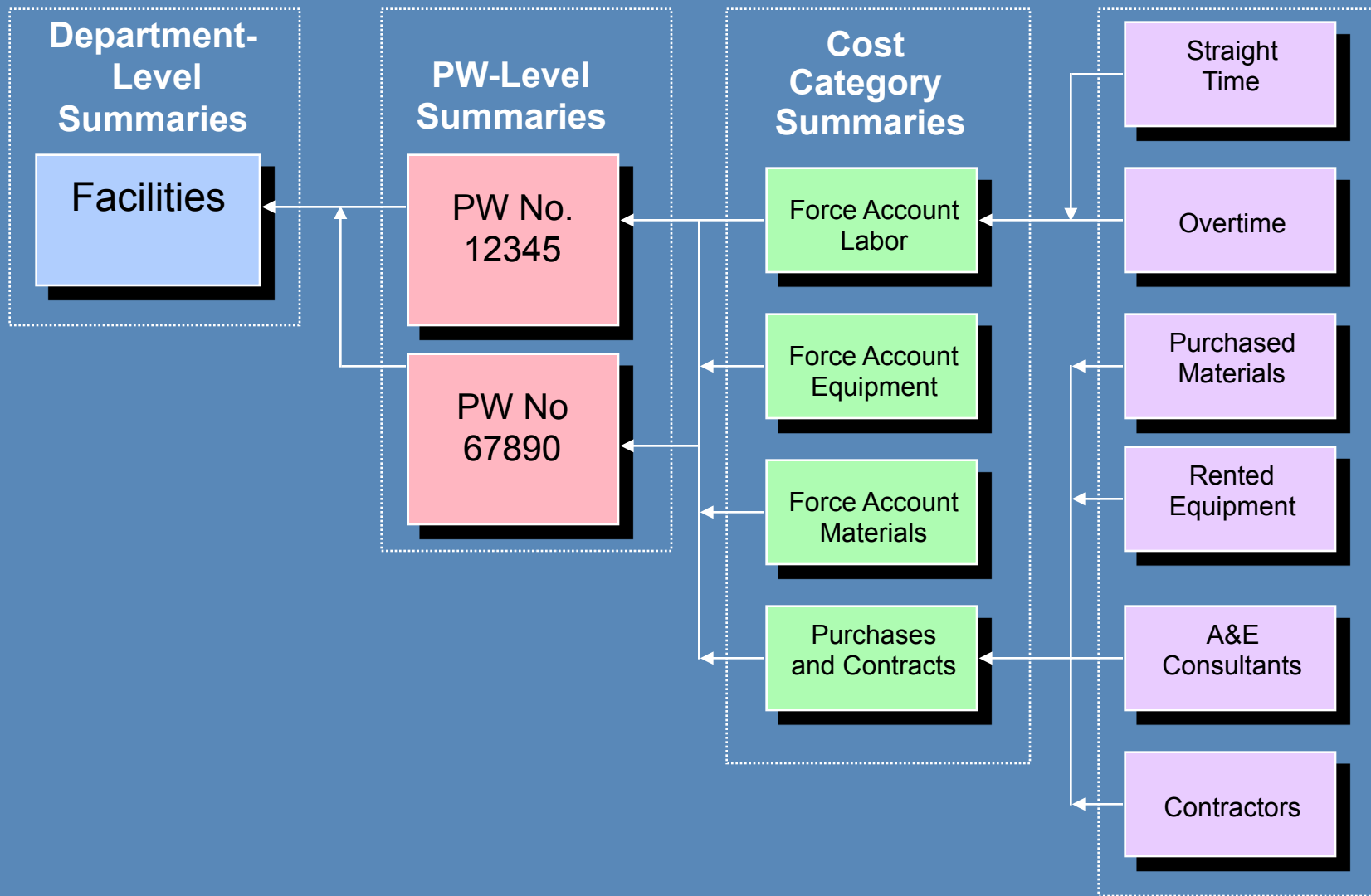
# Project Worksheets

Project Worksheets are FEMA funding

## Grant Applications



# Cost Tracking Flow Diagram







# The Integration of FEMA & Insurance





# Stafford Act, Section 312

- Disaster assistance will not be provided for damages or losses covered by insurance.
- Disaster assistance provided by FEMA is intended to ***supplement financial assistance*** from other sources.





# Insurance Considerations

- No insurance
- Deductibles
- Self-Insured Retention (SIR)
- Mandatory reductions (NFIP/SFHA)
- Insurance Apportionment



# Insurance Settlement Documentation

- Details, specificity
- By damaged facility
- By coverage
- Direct & indirect losses
- By agent of loss (peril)



**FIRST FLOOR**

Room: UNIT 130

DESCRIPTION	QNTY	REMOVE	REPLACE
Mask and prep for paint	429.00 LF	0.00	0.90
R&R Aluminum window, single hung 9-12 sf (2 pane)	2.00 EA	0.00	0.00
R&R Aluminum window, single hung 13-19 sf (2 pane)	1.00 EA	0.00	0.00
Insight environmental/ Initial inspection fee for each unit.	1.00 EA	0.00	375.00
Building Permits	1.00 EA	0.00	112.20
R&R RS Construction/dry wall installation per invoice(1-4-05)	1.00 EA	0.00	145.00
R&R RS Construction/dry wall installation per invoice(12-29-04)	1.00 EA	0.00	2,890.00
R&R JS Plastering/dry wall installation per invoice (1-3-05)	1.00 EA	0.00	1,217.10

Geneko Electric/Electrical invoice (12-04-04)  
This is the cost minus  
Electrical Permits  
R&R JS Plastering/dry wall installation per invoice (2-1-05)  
R&R RS Construction per invoice(1-10-05)  
Geneko Electric/Electrical invoice (12-15-04)  
This is the cost minus  
Geneko Electric/Electrical invoice (1-30-05)

DESCRIPTION	QNTY	REMOVE	REPLACE
R&R RS Construction/dry wall finishing per invoice(2-14-05)	1.00 EA	0.00	330.00
R&R JS Plastering/dry wall finishing per invoice (4-1-05)	1.00 EA	0.00	2,142.60
R&R JS Plastering/Final punch out per invoice (4-1-05)	1.00 EA	0.00	1,465.90
Elite Cleaning Service/per invoice (4-28-05)	1.00 EA	0.00	847.00
R&R JS Plastering/Extra work orders/per invoice (5-1-05)	1.00 EA	0.00	1,238.90
Servpro of Indian River County/per invoice (10-27-04)	1.00 EA	0.00	1,616.70
R&R Don Parish- Builder/dry wall installation per invoice (12-4-04)	1.00 EA	0.00	1,560.00

Room Totals: UNIT 130

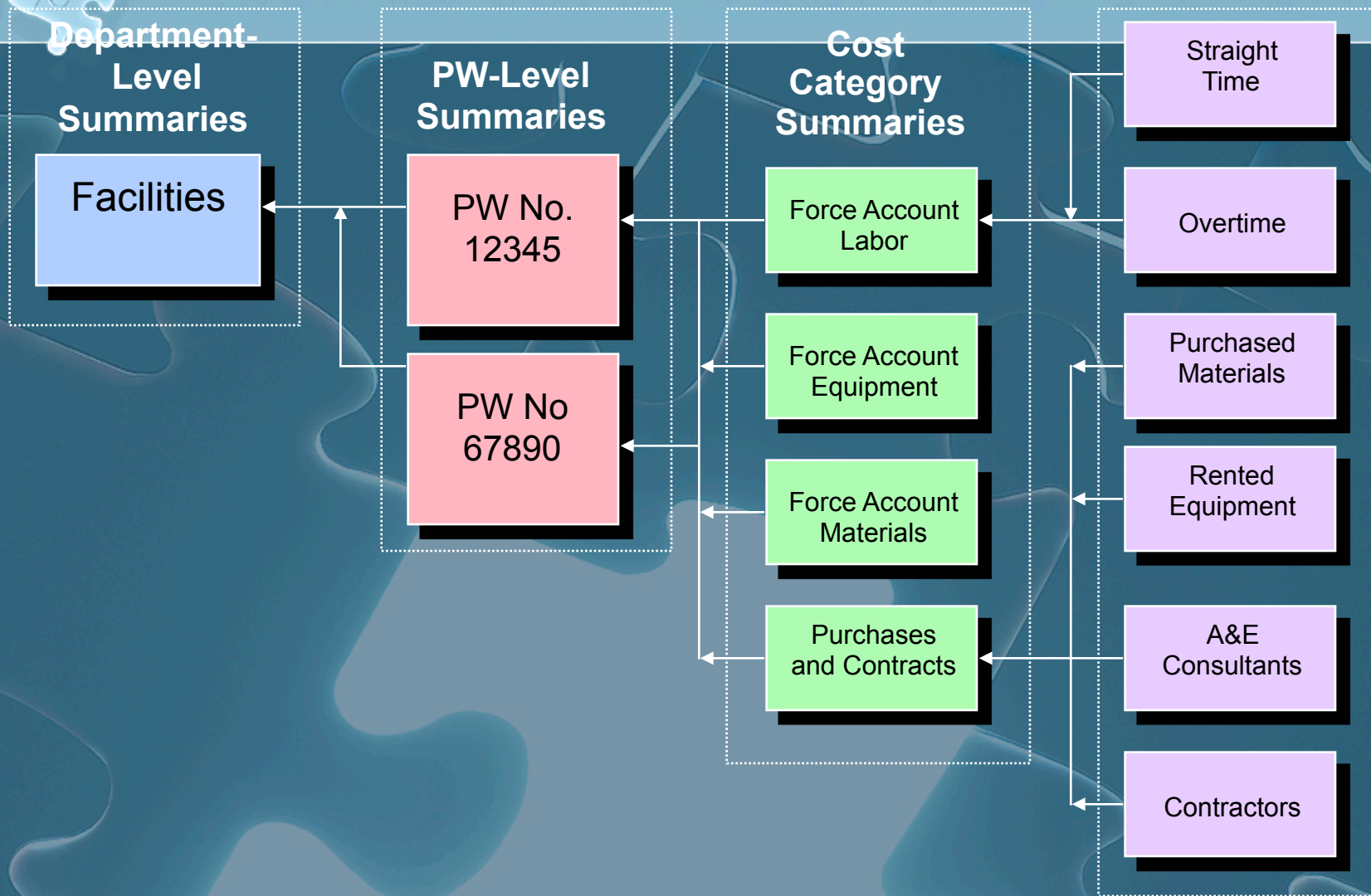
Room: UNIT 131

DESCRIPTION	QNTY	REMOVE	REPLACE
WINDOW NEEDS TO BE RESEALED			
Mask and prep for paint	82.00 LF	0.00	0.90
Insight environmental/ Initial inspection fee for each unit.	1.00 EA	0.00	375.00
Building Permits	1.00 EA	0.00	112.20
Geneko Electric/Electrical repairs per invoice (11-20-04)	1.00 EA	0.00	976.05
R&R RS Construction/dry wall installation per invoice(1-4-05)	1.00 EA	0.00	48.00
R&R RS Construction/dry wall installation per invoice(12-29-04)	1.00 EA	0.00	1,465.00

DESCRIPTION	QNTY	REMOVE	REPLACE	TOTAL
Mask and prep for paint	96.00 LF	0.00	0.90	86.40
Insight environmental/ Initial inspection fee for each unit.	1.00 EA	0.00	375.00	375.00
Building Permits	1.00 EA	0.00	112.20	112.20
Anytime Anywhere Restoration/per invoice (12-1-04)	1.00 EA	0.00	1,825.00	1,825.00
R&R RS Construction/dry wall installation per invoice(1-4-05)	1.00 EA	0.00	168.00	168.00
R&R RS Construction/dry wall installation per invoice(12-29-04)	1.00 EA	0.00	3,547.00	3,547.00
R&R JS Plastering/dry wall installation per invoice (1-3-05)	1.00 EA	0.00	1,217.10	1,217.10
Eagle Tri-Con Services for fire caulk per invoice (12-23-04)	1.00 EA	0.00	324.32	324.32
Eagle Tri-Con Services for fire caulk per invoice (12-23-04)	1.00 EA	0.00	1,038.00	1,038.00

CONTINUED - UNIT 136				
DESCRIPTION	QNTY	REMOVE	REPLACE	TOTAL
R&R RS Construction/dry wall installation per invoice(1-4-05)	1.00 EA	0.00	216.00	216.00
R&R RS Construction/dry wall installation per invoice(12-29-04)	1.00 EA	0.00	2,290.00	2,290.00
Eagle Tri-Con Services for fire caulk per invoice (12-23-04)	1.00 EA	0.00	405.26	405.26
Electrical Permits	1.00 EA	0.00	79.50	79.50
R&R RS Construction/dry wall installation per invoice(1-10-05)	1.00 EA	0.00	1,231.00	1,231.00
Geneko Electric/Electrical repairs per invoice (12-13-04)	1.00 EA	0.00	720.29	720.29
Geneko Electric/Electrical repairs per invoice (1-30-05)	1.00 EA	0.00	587.26	587.26
John Maier Cleaning Service/per invoice (2-28-05)	1.00 EA	0.00	574.00	574.00
Servpro of Indian River County/per invoice (10-27-04)	1.00 EA	0.00	377.05	377.05
Room Totals: UNIT 136				10,456.94
Area Items Total: FIRST FLOOR				95,205.70

# Cost Tracking Flow Diagram







# Insurance Apportionment

Insured FEMA-eligible	Insured FEMA-ineligible
Uninsured FEMA-eligible	Uninsured FEMA-ineligible



# Insurance Apportionment

Insured  
FEMA-eligible

Insured  
FEMA-ineligible





# Clouded Settlements

Raise questions only FEMA must resolve

- Available insurance proceeds
- Estimated insurance proceeds
- Actual insurance proceeds



# Stafford Act, Section 311

- ...with respect to any property to be replaced, restored, repaired, or constructed with such assistance, such types and extent of insurance will be ***obtained and maintained*** as may be reasonably available, adequate, and necessary, to protect against future loss to such property....





# Stafford Act, Section 311

(b) Maintenance of insurance - No applicant for assistance under section 5172 of this title (relating to repair, restoration, and replacement of damaged facilities), section 5189 of this title (relating to simplified procedure), or section 3149(c)(2) of this title) may receive such assistance for any property or part thereof for which the applicant has previously received assistance under this Act unless all insurance required pursuant to this section has been obtained and maintained with respect to such property.



# DAP 9580.3

## Insurance Considerations for Applicants:

### Page 3, Paragraph #4:

#### Does the PA Program fund deductibles?

In the first disaster, FEMA deducts the total insurance proceeds received or anticipated from the total eligible cost of the project. The remaining amount is reimbursed, which usually includes deductibles, non-recoverable costs, or uninsurable losses. However, a deductible, up to and including the amount of eligible damages incurred in a previous disaster, is not eligible for the same facility in a subsequent disaster of the same type. The portion of a deductible in excess of the previous disaster damages is eligible.





# Flood Insurance

- In a Special Flood Hazard Area (SFHA), amount of eligible funding for damages caused by flood is reduced by the maximum amount of coverage available under NFIP “standard” flood insurance policy:
  - \$500,000 Building
  - \$500,000 Contents
  - \$5,000 deductible
- Damaged facilities are valuated on an Actual Cash Value (ACV) basis



# Adjusters International

[www.adjustersinternational.com](http://www.adjustersinternational.com)

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