Integrating Property Insurance Recoveries & FEMA Public Assistance

Peter Potemkin
Deputy Director

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

Department-Level Summaries
- Facilities

PW-Level Summaries
- PW No. 12345
- PW No. 67890

Cost Category Summaries
- Force Account Labor
- Force Account Equipment
- Force Account Materials
- Purchases and Contracts

A&E Consultants
- Straight Time
- Overtime
- Purchased Materials
- Rented Equipment
- Contractors
The Integration of FEMA & Insurance
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)
### Room: UNIT 130

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>QNTV</th>
<th>REMOVE</th>
<th>REPLACE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark and prep for paint</td>
<td>420.00</td>
<td>0.00</td>
<td>6.90</td>
<td>436.90</td>
</tr>
<tr>
<td>R&amp;R Aluminum window, single hung 9-12</td>
<td>2.00</td>
<td>0.00</td>
<td>0.00</td>
<td>2.00</td>
</tr>
<tr>
<td>R&amp;R Aluminum window, single hung 13-19</td>
<td>1.80</td>
<td>0.00</td>
<td>0.00</td>
<td>1.80</td>
</tr>
<tr>
<td>Insight environmental initial inspection fee for each unit</td>
<td>1.80</td>
<td>0.00</td>
<td>375.00</td>
<td>376.80</td>
</tr>
<tr>
<td>Building Permits</td>
<td>1.00</td>
<td>0.00</td>
<td>112.20</td>
<td>112.20</td>
</tr>
<tr>
<td>Anytime Anyhere Restoration per invoice (12-1100)</td>
<td>1.00</td>
<td>0.00</td>
<td>1,825.00</td>
<td>1,825.00</td>
</tr>
<tr>
<td>R&amp;R RS Construction/drywall installation per invoice (1-1000)</td>
<td>1.00</td>
<td>0.00</td>
<td>168.00</td>
<td>168.00</td>
</tr>
<tr>
<td>R&amp;R RS Construction/drywall installation per invoice (1-1002)</td>
<td>1.00</td>
<td>0.00</td>
<td>3,547.00</td>
<td>3,547.00</td>
</tr>
<tr>
<td>R&amp;R RS Construction/drywall installation per invoice (1-1004)</td>
<td>1.00</td>
<td>0.00</td>
<td>1,217.10</td>
<td>1,217.10</td>
</tr>
<tr>
<td>Eagle Tri-Con Services for fire call per invoice (12-25-04)</td>
<td>1.00</td>
<td>0.00</td>
<td>332.32</td>
<td>332.32</td>
</tr>
<tr>
<td>Eagle Tri-Con Services for fire call per invoice (12-25-04)</td>
<td>1.00</td>
<td>0.00</td>
<td>1,038.00</td>
<td>1,038.00</td>
</tr>
<tr>
<td>Genesis Electric/ Electrical invoice (13-0046)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Room Totals</strong>: UNIT 130</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Room: UNIT 131

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>QNTV</th>
<th>REMOVE</th>
<th>REPLACE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Windows Needs TO BE RESEALED</td>
<td>82.00</td>
<td>0.00</td>
<td>35.80</td>
<td>117.80</td>
</tr>
<tr>
<td>Mark and prep for paint</td>
<td>420.00</td>
<td>0.00</td>
<td>6.90</td>
<td>436.90</td>
</tr>
<tr>
<td>Insight environmental initial inspection fee for each unit</td>
<td>1.00</td>
<td>0.00</td>
<td>375.00</td>
<td>376.80</td>
</tr>
<tr>
<td>Building Permits</td>
<td>1.00</td>
<td>0.00</td>
<td>112.20</td>
<td>112.20</td>
</tr>
<tr>
<td>Genesis Electric/Electrical repairs per invoice (11-2004)</td>
<td>1.00</td>
<td>0.00</td>
<td>976.05</td>
<td>976.05</td>
</tr>
<tr>
<td>R&amp;R RS Construction/drywall installation per invoice (1-1000)</td>
<td>1.00</td>
<td>0.00</td>
<td>48.00</td>
<td>48.00</td>
</tr>
<tr>
<td>R&amp;R RS Construction/drywall installation per invoice (1-1002)</td>
<td>1.00</td>
<td>0.00</td>
<td>1,480.00</td>
<td>1,480.00</td>
</tr>
</tbody>
</table>

**Room Totals**: UNIT 131

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>QNTV</th>
<th>REMOVE</th>
<th>REPLACE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area Item Total: FIRST FLOOR</td>
<td></td>
<td></td>
<td></td>
<td>10,456.94</td>
</tr>
<tr>
<td><strong>Total</strong>:</td>
<td></td>
<td></td>
<td></td>
<td>9,205.70</td>
</tr>
</tbody>
</table>
Insurance Apportionment

<table>
<thead>
<tr>
<th>Insured FEMA-eligible</th>
<th>Insured FEMA-ineligible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uninsured FEMA-eligible</td>
<td>Uninsured FEMA-ineligible</td>
</tr>
<tr>
<td>Insurance Apportionment</td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
<td></td>
</tr>
<tr>
<td>Insured FEMA-eligible</td>
<td></td>
</tr>
<tr>
<td>Insured FEMA-ineligible</td>
<td></td>
</tr>
</tbody>
</table>

**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
...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....
(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.
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 valued on an Actual Cash Value (ACV) basis
Adjusters International

www.adjustersinternational.com
800-382-2468