



FEMA

W-12090

November 6, 2012

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators, WYO Vendors, NFIP Servicing Agent, and Independent Adjusting Firms

A handwritten signature in black ink, appearing to read "James A. Sadler".

FROM: James A. Sadler, CPCU, AIC  
Director of Claims  
National Flood Insurance Program

SUBJECT: Debris Removal

Sandy caused moderate to severe damage to insured buildings and contents. Many of the contents items must be removed from the building for health and /or safety reasons and to mitigate damage. In those instances where the contents have been removed from the property and deemed debris, it should be understood that the insured is required to substantiate their loss.

The Standard Flood Insurance Policy (SFIP) provides up to a maximum of \$100,000 coverage for contents in a dwelling and up to \$500,000 for commercial contents/inventory/ stock. The amount of contents coverage that any individual policy provides is based upon the coverage limits applied and paid for by the insured, and the form of the SFIP issued. Our information is that more than 50% of the policies in the inundation area have contents coverage. The SFIP, a federal regulation whose forms are found in the appendices to 44 C.F.R. Part 61, requires the policyholder to separate damaged from undamaged property putting it in the best possible order so the adjuster may examine it.

It is the policyholder's duty to prove their loss including the separation described above and preparing an inventory of damaged property including the key descriptors: quantity, description, actual cash value, and the total amount of loss claimed. Any bills, receipts, photographs of damages, and related documents should be attached to the inventory.

However, if dwelling building or dwelling contents flood damaged debris must be removed before the adjuster is able to examine it, it is still the policyholder's duty to prove their loss. If clear color photographs of the damaged property can be taken, targeting any high ticket items and demonstrating that they were actually disposed of and samples or swatches of carpeting, wallpaper, furniture upholstery, window treatments, and other items where the type and quality of material will impact the amount payable on the claim can be kept for the adjuster, it should minimize any potential problems. Photos should also include groups of other clothing,

kitchen, and furniture items. These items, along with the insured's written inventory of damaged contents, will be given proper consideration by the insurer.

This process applies to all contents that are damaged and will be claimed, including those contents in attached garages, detached garages and other structures that meet the SFIP's definition of a "building." Note: unless those other buildings also have a separate SFIP issued for them, damages to those buildings are not covered, but contents in them may be covered. There is a one-policy-per-building requirement in the NFIP.

This exception cannot fully apply to Commercial Policies with contents coverage. In many cases the commercial contents/stock/inventory claim can require an expert to determine the contents/stock/inventory loss. If the policyholder has already hired an expert to help prove the loss, the insurer will give proper consideration of that action. Commercial policyholders should alert their insurer of such action. Insurers should also be notified if the commercial contents/stock/inventory presents health concerns.

*This bulletin fully applies to any building debris that is removed.*

Any other questions or comments should be directed to Russ Tinsley, AIC. Mr. Tinsley's email address is [Russell.Tinsley@fema.dhs.gov](mailto:Russell.Tinsley@fema.dhs.gov).

cc: Vendors, IBHS, and Government Technical Representative

Required Routing: Reporting and Independent Adjusting Firms