

[FEMA re-opens claims, but some Sandy victims say 'no thanks'](#)

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A few weeks ago, FEMA sent out 146,000 letters to homeowners who were possible victims of Sandy-related flood insurance fraud, offering to reevaluate their damage awards and make them whole. That's a lot of people with a lot of money at stake. FEMA is also offering to review the claim of anyone else in the National Flood Insurance Program (NFIP) who feels they were short-changed over Sandy claims. That's even more people. But not everyone is rushing to take FEMA up on their offer. Call it PSTSD — Post Sandy Traumatic Stress Disorder. "People live by the water because it is serene and peaceful," said Bill Kelly, one of the first attorneys to represent fraud victims. "The storm destroyed that, and then the recovery was a mess. So the people who are finally back don't want any more ugliness to disrupt their peace. They're done with it." HOW TO PROCEED National Flood Insurance Program policyholders who want their file reviewed can call FEMA toll-free at (866) 337-4262 or visit fema.gov/sandyclaims. Anyone who had NFIP flood insurance on the date of Hurricane Sandy is eligible. POLICYHOLDERS ALSO CAN: Download the request form and email it to FEMA-sandyclaimsreview@fema.dhs.gov or fax it to (202) 646-7970. • Individuals who are deaf, hard of hearing or have a speech disability, using 711 or VRS, can call (866) 337-4262. Individuals using a TTY can call (800) 462-7585. • Callers are asked a series of questions to determine whether they qualify for review. • Most reviews will be concluded within 90 days. • FEMA maintains a webpage with information and updates for National Flood Insurance Program policyholders affected by Hurricane Sandy at fema.gov/hurricane-sandy-nfip-claims One such person is a man named Ed who lives in a barrier island hamlet north of Seaside Heights. Ed, who asked that his last name and town not be revealed, had \$250,000 worth of flood insurance, but his carrier only paid \$100,000 of the \$150,000 needed to repair the house. He made up the difference with his own savings. Ed was one of 146,000 people FEMA suspects may have been cheated by insurance companies that doctored engineering reports often citing soil shift, rather than flooding, as the reason a home collapsed. But he isn't interested in dealing with FEMA again – even if it means leaving \$50,000 on the table. And Ed said some of his neighbors feel the same way. "I know of at least eight people who are not going to do

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anything," he wrote in an email. "They are fearful that FEMA will just find issues with the settlement they received. And so am I. We have turned the page ... and given the present climate of government relations at the federal level, most of us are very fearful of retribution." If this sounds crazy to you, you haven't been through the interminable bureaucratic nightmare of Sandy recovery. Because everyone - victims, activists, lawyers, even FEMA - agrees that fear and distrust will keep thousands from renewing their claims. George Kasimos is one of the founders of the group Stop FEMA Now, a grassroots organization formed in Toms River to fight the Federal Emergency Management Agency after flood insurance rates and flood-zone maps caused insurance rates to skyrocket after Hurricane Sandy. "I hear this 35 times a day," said George Kasimos, of Toms River, the founder of Stop FEMA Now, a grassroots organization of Sandy victims, with 30,000 members nationwide. "People are afraid to let the government back in their lives." Those were almost the exact same words spoken by Rafael Lemaitre, FEMA's director of public affairs in Washington. "We understand people don't want the government back in the lives," Lemaitre said this week from Washington. "But we're determined to restore trust and fulfill our obligations to policy holders." Kelly said he's surprised at how few people want to fight for their "fair settlement." "We're determined to restore trust and fulfill our obligations to policy holders." Rafael Lemaitre, FEMA "The majority just seems to think, 'It's over, I lost.' Defeat has set in. They've been beaten down," said Kelly, who represents 800 Sandy victims. "But every time we stepped to the plate, we got people their money, a dollar on a dollar. FEMA is saying they want to settle." Allegations that NFIP policy holders were being short-changed began almost immediately after the hurricane. A "60 Minutes" report in February blew it wide open. Since then, there has been a congressional task force led by Sen. Robert Menendez (D-N.J.), and state and federal investigations. "We're looking into all the allegations surrounding this problem of insurance companies low-balling Sandy victims," said Paul Loriquet, spokesman for the state attorney general. "But we're not discussing details at this time because it is our policy to neither confirm nor deny investigations." Lemaitre said the scandal forced a "cultural change" at FEMA, in an attempt to "regain the trust" of the public. "For too long the bureaucracy has served the bureaucracy and not the public," he said. "We were working under a defensive strategy to litigate claims, rather than find quick settlements. The fact is, it was cheaper to settle." Lemaitre and Menendez' office said people willing to reopen claims won't be faced with the original daunting, head-spinning process. Kim Ely, from Shore Acres in Brick, had to exhaust part of her retirement savings to fix her house. She says she's "terrified" of another round of "collecting all the paperwork," but will resume her case "very reluctantly." But Lemaitre wanted to assure people that paperwork won't be an issue this time. "We already have their files, so there's not a whole lot more they have to do," he said. One of the biggest complaints in the recovery process was that victims were handed off down a seemingly endless line of

FEMA case managers. Lemaitre said that, too, will change if people decide to reopen their claims. “Everyone will have just one individual FEMA case manager to get them through the process, all the way to the conclusion,” he said. In addition, FEMA has contracted with independent third-party arbitrators to resolve disputes. That effort will include New York’s Touro Law Center professor Benjamin Rajotte, a nationally recognized expert on disaster relief. Aides to Menendez said he insisted on these changes after hearing complaints from constituents. “The trust has been down,” said Menendez aide Jason Tuber. “The senator pushed FEMA to acknowledge the mistakes that had been made, and to identify and fix the problems quickly.” There remains one unresolved issue and that is over the regulations regarding “substantial damage.” According to FEMA rules, homeowners who collect more than 50 percent of their home’s value in damages are then subjected to local ordinances for future mitigation, such as raising the home above flood levels. “This is what people are afraid of,” said Kasimos. “So say you got \$40,000 of the \$100,000 you needed to fix your house. Now, FEMA comes along and gives you another \$20,000. Now, you’re past that 50 percent threshold. Now what? Now your town says you have to start over and raise your house. Is it going to cost you another \$150,000 because you got the \$20,000?” Menendez’s aides said he was assured by FEMA that new awards would not impact previous “substantial damage” decisions. “But we want to see something in writing,” Tuber said. Still, if it comes down to a local decision, Kasimos said homeowners fear the various governments — federal, state and local — aren’t on the same page. “We’ve seen how that goes,” he said, referring over confusion on elevation levels that have persisted since FEMA released its initial new flood maps in 2013. “You can’t blame people for not believing these promises.” “It’s like Lucy pulling the football away from Charlie Brown,” Kelly said. “How many times can you fool people? I don’t agree with that — I think people should hire a lawyer and get their money. But you can’t blame them for being afraid.”