

[FEMA Sued Over Records Related To Superstorm Sandy Victims And Other Flood Insurance Claims](#)

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The Federal Emergency Management Agency is facing a new lawsuit filed by a nonprofit organization that wants a look at FEMA's inner workings, especially the way its officials decide the fate of insurance appeals made by flood victims.

United Policyholders, a San Francisco-based group that advocates for consumers of insurance products, sued FEMA in federal court in Washington this week. Brought under the Freedom of Information Act, the suit claims the agency has improperly withheld records related to its National Flood Insurance Program, or NFIP, the main source of flood coverage for U.S. homeowners.

By and large, private insurance companies offer NFIP policies for sale and then handle the associated claims for the federal program. If a company denies a claim and a homeowner wants to dispute its finding — short of filing a lawsuit — the policyholder can write a letter to FEMA.

Amy Bach, United Policyholders' executive director, said she's concerned about consumers' abilities to enforce their rights and have their appeals heard. "We want to ascertain whether the appeal process gives NFIP policyholders a real impartial independent dispute-resolution forum, or whether it allows the NFIP to be its own judge and jury," she said.

A FEMA representative said the agency could not comment on the lawsuit.

Bach's group began requesting data from FEMA last March. The records it's seeking would encompass FEMA's decisions since the inception of the appeals process in 2006 — a period covering almost two dozen major flooding events, not only along the Eastern Seaboard but also in Texas, Illinois and Colorado. Responding to United Policyholders' requests for information, FEMA has so far acknowledged a set of 2,647 appeals associated with 2012's Superstorm Sandy alone. But the agency hasn't provided any details about the agency's decision-making on the Sandy appeals — or those related to other floods — according to the lawsuit.

The filing of the suit coincides with FEMA's efforts to settle insurance lawsuits with some 1,500 Sandy victims in New York and New Jersey, after allegations of altered engineering reports attracted widespread attention. Some of those storm victims appealed to FEMA before bringing lawsuits, and, in court filings, have since questioned the denials they received from the agency.

Post-Sandy, Tuoro Law Center's disaster-relief clinic on Long Island in New York has assisted more than 1,500 households with issues running the gamut from problems with contractors to resolving flood-insurance claims. Insurance disputes commonly center on the value of the loss or on the scope of what a policy covers. When it comes to the NFIP appeal process, however, "I have not personally seen any appeal decision that found for policyholders favorably on an issue of value or scope," said Benjamin Rajotte, the director of the disaster-relief clinic.

So little is known about how the NFIP appeal process works, Rajotte said, that United Policyholders' records request could help answer fundamental questions about any checks and balances that may exist: "Is there an impartial decision-maker? Who is that person? How does the agency come to a decision?" United Policyholders wants to be able to analyze that kind of information, according to its suit. The group already provides resource guides and self-help tools to disaster victims. In terms of affordable options for disputing flood-insurance payouts, Bach said, "The appeals process is really the only remedy for most people."

The FEMA settlement of Sandy claims will include consumer-oriented reforms to the flood-insurance program, according to attorneys involved in the talks. Even so, Bach said, another goal in filing the lawsuit is "is to make sure there are safeguards implemented, and fast and fair settlement options available to future claimants."