

## **Flaws but no abuse, Senate finds in Superstorm Sandy flood insurance study, Reuters reports**

New Orleans Times-Picayune

The Senate Banking Committee will release a report that calls the appeals process for federal flood insurance claims after Super Storm Sandy badly flawed, but also that it found no signs of systematic underpayments to victims, Reuters reports. "Despite widespread concerns, it does not appear that systematic incentives exist for any participant in the program to underpay on claims," according to a draft of the report obtained by the news agency Sunday (June 21). The report is slated to be released Tuesday. In a similar manner to Hurricane Katrina, reports and allegations that claims were mishandled were prevalent after Sandy caused substantial damage in 2012 to heavily populated areas of New Jersey, New York and Connecticut. The CBS show "60 Minutes" reported some engineering firms had badly underestimated the extent of damage, prompting FEMA to agree to review all claims where Sandy homeowners say they weren't fairly compensated fairly. Stop FEMA Now, a group that led the fight to successfully block large increases in flood insurance premiums, doesn't buy the report's conclusion of no systematic problems. "I guess the Senate staffers did not see Sharyn Alfonsi's 60 Minutes report," the group said in a statement. Meanwhile, there is a new dispute over whether homeowners seeking a bigger payout from their flood insurance policies are wise to seek legal assistance. Sen. Bob Menendez, D-N.J., said he fears some homeowners are being roped into agreeing to legal fees for services they don't need. "The last thing Sandy victims need, after they waited so long to get this second chance to have their claims reopened by FEMA, is to have to pay money they don't have just to get the insurance proceeds they deserve," Menendez said. "I fought tooth and nail to get FEMA to reopen the claims process to get justice for Sandy survivors, not to pad the profits of unscrupulous individuals just looking to make a quick buck. FEMA has assured me that the process is simple, easy to navigate and designed to be completed by the homeowner without the need for outside assistance. In addition, there are several non-profit, legal service providers that are ready to offer free legal advice and answer any questions you

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may have."But August Matteis, partner in the Washington law firm Weisbrod, Matteis & Copley, said Katrina victims benefited from legal assistance, and so will victims of Sandy."If the senator suggests homeowners should not retain lawyers to handle their reopened FEMA claims, thousands of Gulf Coast homeowners would completely disagree," Matteis said, in a statement to the Asbury Park Press. "To tell people that FEMA and its insurers will do the right thing for homeowners this time around is either naïve, political or both."FEMA now has a new official overseeing the flood insurance program, Deputy Associate Administrator Roy Wright.You can read the Reuters story [here](#).