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# FEMA Statement provided to CBS News from Public Affairs Director William Booher

**Release date:** May 1, 2018

**Release Number:** HQ-18-044

*The fact is that FEMA will pay every dime to a policyholder that they are due based on the coverage in their policies and the damage that occurred. For the 2016 floods in Louisiana, the NFIP had over 29K claims with just over 300 appeals and has paid out \$2.4B to date for an average claims payment of over \$80K. Of this \$2.4B only \$482K has gone toward litigation expenses associated with these claims (less than 0.0002%). For the 2017 disasters the NFIP has paid out \$9B in claims to date.*

*Everyone has a right to seek legal advice, but the NFIP already has a very policyholder-oriented system in place to make sure claimants receive every dollar they are entitled to. A policyholder that has a dispute or believes that they are owed more should first start by simply contacting their insurer. The insurer can provide guidance and if additional payment is due they will make that payment or send an adjuster for another visit to assess the damages. If the policyholder is still dissatisfied with their claim, they can again go to FEMA free of charge through its new Appeals process. This customer-centric process will educate the policyholder on their coverages and their options and review additional information and receipts provided.*

*Since Hurricane Sandy, a set of law firms have found a cottage industry where they are trying to profit from the NFIP during large claims events. These firms are aggressively targeting policyholders and the media to promote their services. These law firms will often take \$1 of every \$3 that is paid to policyholders, resulting in less money in the hands of survivors. FEMA charges no such fee. However, we have seen an increase in litigation as a result of these law firms' aggressive tactics. This results in additional litigation expenses for FEMA and a drain on program and policyholder resources.*

*To address this, FEMA has established an oversight team that works closely with the NFIP to address standard billing practices, provide litigation-related advice and concur on litigation settlements on NFIP cases when asked by a Write Your Own (WYO) company. Additionally, FEMA issued two memos to WYO companies in 2016 on enhanced oversight for WYO litigation. The first created the WYO Litigation Oversight Team, which is a team of FEMA attorneys dedicated to overseeing WYO litigation, <https://bsa.nfipstat.fema.gov/wyobull/2016/w-16033.pdf>. (<https://bsa.nfipstat.fema.gov/wyobull/2016/w-16033.pdf>). The second WYO bulletin, improved FEMA's oversight of WYO litigation expenses by requiring FEMA approval off all litigation expense prior to payment and imposed strict limits on reimbursement for WYO counsel overhead expenses and unnecessary discovery costs. See <https://nfip-iservice.com/Stakeholder/pdf/bulletin/w-16045.pdf> (<https://nfip-iservice.com/Stakeholder/pdf/bulletin/w-16045.pdf>).*

*FEMA is transforming the NFIP with a focus on customer experience and ensuring policyholders and communities become more disaster resistant and resilient. FEMA's commitment begins when a policyholder purchases a Federal flood insurance policy and does not end until after a claim has been resolved.*

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*FEMA's mission is helping people before, during, and after disasters.*

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Last Updated: May 1, 2018 - 14:15

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