

# FEMA agrees to reopen 142,000 flood insurance claims

Written by Michael Feely Thursday, March 12, 2015 [www.shorenewstoday.com](http://www.shorenewstoday.com)

***"They've been running it as an insurance industry would run it. An insurance industry is looking to mitigate claims, not to make people whole."***

– Sen. Bob Menendez

The Federal Emergency Management Agency agreed Wednesday after a meeting between FEMA administrator Craig Fugate and U.S. Sens. Bob Menendez and Cory Booker of New Jersey and Charles Schumer and Kirsten Gillibrand of New York to reopen claims filed by nearly 142,000 homeowners whose properties were damaged by Hurricane Sandy.

"If they feel their claims were unjustly denied or lowballed, they will be able to move forward," Menendez said. "This is a very significant turnaround in this process."

The Beachcomber News has previously reported on the engineering claim issues, and a recent report by CBS' "60 Minutes" highlighted the deceptive practices used by some flood insurance companies.

FEMA will send letters to the affected homeowners, and the senators said they will use social media and other vehicles to get the word out to residents who have moved since Hurricane Sandy. If the homeowners are found to have received less in compensation than they should have gotten, they will get more money – up to the maximum of \$250,000 for their property and \$100,000 for dwelling contents.



In New Jersey, 74,052 damage claims have been filed, and more than 1,100 victims have filed suit, according to U.S. Rep. Frank Pallone Jr., who represents part of the Jersey Shore.

"We had a very good meeting today with FEMA Administrator Fugate, who not only reaffirmed that the agency is implementing the comprehensive reforms we have demanded, but that FEMA has begun to set in place a process to reopen and review every flood insurance claim filed by Sandy victims who are not in litigation," Menendez said in a news release.

It was the latest in a series of actions taken by federal lawmakers in response to complaints about FEMA improperly taking care of Hurricane Sandy victims who had federal flood insurance.

At issue are allegations that engineering companies or the insurance companies that hired them produced false or altered reports to avoid properly reimbursing homeowners for damage caused by Hurricane Sandy. The Homeland Security inspector general is currently investigating the reports.

Earlier, FEMA agreed to accept appeals by Sandy victims who had missed the original deadline and to set up an office to help Sandy homeowners and other participants in the National Flood Insurance Program. Officials said FEMA would review all engineering costs before an insurance company could be reimbursed, and can reject payment if a firm hired to assess homeowner damages has a questionable history.

The agency also agreed to take steps to make sure that victims of natural disasters do not have to go through what the Sandy victims have, Menendez said. "They've been running it as an insurance industry would run it," Menendez said. "An insurance industry is looking to mitigate claims, not to make people whole."

A task force consisting of representatives of the senators and FEMA are expected to start meeting in April with the responsibility of looking at ways to change a system in which insurance companies are penalized for overpaying claims but not for underpaying them.