

FLOYD -2

Notice Number

New Jersey Department of Community Affairs
Division of Local Government Services

2/24/2000

Date

LOCAL FINANCE NOTICE

CHRISTINE TODD WHITMAN
GOVERNOR

JANE M. KENNY
COMMISSIONER

ULRICH H. STEINBERG, JR.
DIRECTOR

Hurricane Floyd Federal Disaster Assistance Reimbursement Update

The Federal Emergency Management Agency has advised State officials that there has been significant non-compliance with insurance reimbursement requirements to receive federal disaster assistance for damages caused by Hurricane Floyd in the presidentially declared area. Failure to fulfill these requirements could at best cause delay in receiving federal disaster assistance and at worst make federal disaster assistance unavailable for certain claimed damages.

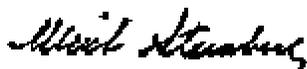
FEMA also indicates that its review of insurance policies found that there exists coverage for certain damages which some applicants assumed did not exist particularly relating to Category A, debris removal, and Category B emergency protective measures. FEMA advises that the following measures should be taken by all eligible applicants for federal disaster assistance **IMMEDIATELY**:

- Every applicant should provide a copy of its insurance policy in force during the disaster to FEMA if it has not already done so.
- FEMA recommends that it is advisable for an applicant to file a claim with its insurer for all categories of damage, including Category A and Category B.
- Every applicant should provide FEMA with a copy of any claim filed with an insurer and copies of all correspondence regarding the claim. Applicants must be sure to keep a copy of all application related documents to ensure they have replaced them in the event of document loss.
- An applicant must report the receipt of any settlement check received from an insurer. This information should be accompanied by a copy of a "Statement of Loss" provided by the insurer which breaks down the specific losses for which the insurer is paying.

FEMA will analyze the insurance policy coverage and insurance claims submitted by each applicant for federal disaster assistance. **Any damage claim not submitted to an insurer which FEMA determines is within insurance policy coverage will not be eligible for federal disaster assistance.**

There is no question that the reimbursement process is a time-consuming and tedious one that rests on careful documentation and adherence to instructions. The process has been complicated by relations with insurers (including joint insurance funds) and turnover in FEMA project officers. Nonetheless all participants must work hard to resolve their issues so that reimbursement applications meet the required standards so payments can be processed.

Municipalities experiencing cash flow difficulties because of Floyd related expenses are reminded that they may be eligible for cash flow loans to assist them. Please see Local Finance Notice Floyd-1 for information on this program or call this Division at 609-984-9525.



Ulrich H. Steinberg, Jr., Director
Division of Local Government Services

Distribution: Chief Financial Officers

Director's Office
(609) 292-6613

Local Government
Research
(609) 292-6110

Financial Regulation
and Assistance
(609) 292-4806

Local Finance
Board
(609) 292-0479

Local Management
Services
(609) 292-7842

Authority Regulation
(609) 984-0132

Fax
(609) 984-7388

101 South Broad Street

P.O. Box 803

Trenton, New Jersey 08625-0803

<http://www.state.nj.us/dca/lgs/pages/dcadlgs.htm>