

Clarification to the Addendum to the NFIP Adjuster Claims Manual

Special Adjustment Issues, Part 3 – Section VIII

The Addendum to the NFIP Adjuster Claims Manual under Special Adjustment Issues, Part 3 – Section VIII provides claims handling guidance addressing “Common Countertop Types and their Repair or Replacement.” Adjusters should reference the guidance covering specific materials when handling related claims. The following provides clarification on the countertop addendum, addresses similar adjustment concerns, and outlines a protocol for adjustment of these items.

Countertops and other similar adjustment concerns

1. *Adjuster Documentation.* At the initial loss inspection, the adjuster should examine, photograph, and document the condition of the surface, edge, and underside of the countertop in a narrative report. The adjuster should note the number adjoining seams of the countertop, as well as the material thickness. Granite thickness measurements should be in centimeters. The adjuster should note substrate material covering any cabinet framing located underneath the countertop. This documentation process applies to any countertop, sink, toilet, vanity top, bathtub, shower stall, or other such fixture.
2. *Discussion with Policyholder.* The adjuster should discuss removal/re-installation with the policyholder and contractor (if present) at the initial loss inspection. The adjuster should set the expectation that the policyholder and contractor salvage any countertop, sink, toilet, vanity top, bathtub, shower stall or other similar items for re-utilization. The adjuster should inform the policyholder to immediately notify the adjuster if damage occurs during removal. The policyholder must retain and not discard items damaged during removal.
3. *Determining Unavoidable Damage.* Policyholders and contractors repairing or replacing damaged items must use reasonable care when removing undamaged items. When the removal process irreparably damages a previously undamaged item, the removal effort must support a finding that the damage was unavoidable. The Standard Flood Insurance Policy (SFIP) covers direct physical loss by or from a flood. The SFIP will not cover avoidable damage.
4. *Policyholder Documentation.* The policyholder can best support a request for payment when unavoidable damage occurs during the removal and replacement process with the following:
 - a. Clear photographs of the damage at the point of occurrence.
 - b. A signed detailed statement from the removal or repair person.
 - c. The signed detailed statement must:
 - Explain in detail the action taken to remove the item.
 - State how the damage occurred.
 - Address salvage.
5. *Completing the Adjustment.* Once the policyholder provides the documentation noted above, the adjuster should adjust the claim accordingly. Adjusters should not price the removal and replacement of salvageable items as equivalent to removing a non-salvageable item because of the additional time taken during the removal and replacement process. The adjustment should also apply the appropriate credit reflecting any previously estimated allowance to reinstall. If the adjuster recommends no payment, the adjuster should include an explanation in the estimate and narrative report.