

United States Senate
WASHINGTON, DC 20510-2002

September 15, 2004

Mr. David Maurstad
Federal Insurance Administrator
Federal Emergency Management Agency
500 C Street, S.W.
Washington DC 20472

Dear Mr. Maurstad:

We want to thank you for meeting with us yesterday to discuss the status of the Hurricane Isabel reviews being conducted by FEMA and to address our concerns about the manner in which these reviews have been conducted. As a result of yesterday's meeting, we believe we have your agreement to do the following: (1) focus your efforts on settling the remaining Hurricane Isabel claims which are still open; (2) hold in-person meetings with flood victims whose claims are still in dispute; and (3) reconsider the decision to halt the independent review of all disputed claims. These steps are important in ensuring that Marylanders and other Hurricane Isabel victims are able to fairly collect under their flood insurance policies.

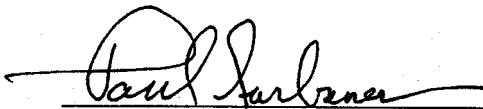
(1) Based on our meeting, we understand that you will undertake a determined effort to close out all remaining Hurricane Isabel claims in a timely manner. While we appreciate your efforts to review Hurricane Isabel cases, and the progress you have made, we are concerned that some of our constituents are still living in FEMA trailers, unable to rebuild or repair their homes because of disputes with FEMA. According to the information you presented today, it is our understanding that you believe that under 30 Marylanders have open claims with FEMA. We are hopeful that based on today's conversation you will quickly move forward to fairly settle these claims.

(2) We understand that you will make FEMA officials available to meet with flood victims who still have disputed claims as soon as possible. Many victims have received little information about the reviews of their claims and the reasons for FEMA settlement offers. Just yesterday we heard from a constituent, who lives in a FEMA trailer with her 3 children, that she has received only one phone call from FEMA since the review process began. She has received nothing in writing from FEMA and is unsure when she will be able to begin the arduous task of rebuilding her home. As we approach the one-year anniversary of this devastating storm, it is critical that she and other Hurricane Isabel victims who remain in temporary housing and who have been unable to come to settlement with FEMA, have an opportunity to meet with FEMA representatives in-person about their claims.

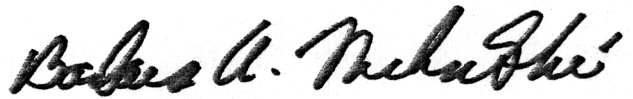
(3) Despite assurances that some claims were being referred to an independent review (as evidenced in the attached email), we were surprised to learn yesterday that the contract for this review has been suspended at the urging of your General Counsel, and that no claims have been referred. It is our understanding that your General Counsel has determined that the independent review cannot move forward as planned because of impending lawsuits. We are disappointed that our constituents, especially those who are not involved in any legal actions, will not have their claims reviewed as promised. This turn of events is even more troubling in light of recent allegations that FEMA adjusters are using inaccurate price guides and are not evaluating claims consistently. We understand that at a minimum, you will ask your General Counsel whether those claimants who are not involved in any lawsuits can have their claims reviewed as planned.

Again, we thank you for meeting with us, and look forward to the fair and quick resolution of the outstanding claims. Those flood victims with open claims have spent one full year out of their homes, and it is critical that we help them to rebuild their homes and their lives as quickly as possible.

Sincerely,



Senator Paul S. Sarbanes



Senator Barbara A. Mikulski