

State Farm would like to offer two comments on FEMA's interim final rule on flood claim appeals:

1) Under either paragraph (b) or (c) of new § 62.20, 44 CFR, FEMA should consider adding language permitting appeals only after the policyholder has given management-level personnel within the WYO Company an opportunity to review the policyholder's concerns, in the case of disputes arising under a SFIP issued by a WYO Company. Such a change encourages handling of serious disputes at the appropriate level within the WYO Company and should serve to reduce the number of appeals that must be processed by FEMA.

2) FEMA should consider amending 44 CFR § 62.20 or the SFIP, as necessary, to require policyholders to commence and complete *either* the appraisal process provided for in the SFIP *or* the appeal process described in § 62.20 prior to filing suit. Such a change should reduce total litigation costs under the NFIP and encourage policyholders to take advantage of these alternative dispute mechanisms.