

Common Reasons Claims are Closed without Payment

List Source: OIR CRF 24.01.A

There are several valid reasons why a claim may be closed without payment. One of the most common reasons is that the cost of the claim falls below the deductible amount, which is the portion of the insurance that is the homeowner's responsibility. If the damages cost less than the deductible amount, the insurer does not have an obligation to pay for those damages. A second common reason is when there is no coverage for the losses claimed. If a homeowner files a claim for damage not covered by the policy, the claim will be denied and closed without payment.

A property claim may also be closed without payment if the claim is for damage caused by storm surge or local flooding, which is generally not covered. After major hurricanes, FEMA provides disaster assistance to those affected. However, to qualify, homeowners must file a claim with their insurer first, even if they know the damage is from flooding and not covered by their policy. The denial of the claim is required for FEMA to step in and provide financial assistance.

Reasons Claims are Closed without Payment (OIR CRF 24.01.A):

- *Denial of coverage*
- *Denial of coverage for flood damage*
- *Damage below deductible amount*
- *No damage*
- *Inquiry only*
- *Duplicate claim*
- *Incorrect date of loss*
- *Claim reopened*
- *Claim withdrawn by insured*
- *Fraud*
- *Lack of cooperation by insured*
- *No contact by insured*
- *Claim opened in error*
- *No policy in force*
- *Partial denial*
- *No coverage (i.e. ex-wind)*
- *Claim system not capturing specific data points*

