INSURANCE PAYS FIRST QUICK CARD

The operational sequencing protocol for carrier claims desks, brokers, and public-entity risk managers reconciling FEMA Region 6's September 30, 2026 funding tranche ($141.6M) against primary property insurance policies.

CORE DIRECT ANSWER: THE RECOVERY SEQUENCING RULE

Private insurance pays first and fastest for covered property loss. FEMA Region 6's September 30, 2026 obligation of more than $141.6 million pays later as supplemental federal aid to eligible state and local applicants in Arkansas, Louisiana, New Mexico, Oklahoma, and Texas—**not as a replacement policy**.

Public Assistance is not a property policy, not a builders risk form, and not a professional liability tower. Carriers and brokers must treat the release as a grant ledger, audit for duplication against closed claims, and maintain separate accounting columns.

1. The Private Insurance Clock

- **Trigger:** Direct physical loss or damage from covered peril.
- **Timing:** First notice through settlement; funds emergency work, business interruption, and permanent repairs.
- **Primary Obligation:** Insurance proceeds respond first and fastest on the policy's timeline.
- **Governing Standard:** Policy terms, proof of loss, adjusters' scope, invoices, photos.

2. The FEMA Public Assistance Clock

- **Trigger:** Stafford Act disaster declaration for eligible public/PnP applicants.
- **Timing:** Reimburses eligible public costs on FEMA's timeline—often years after triggering event.
- **Supplemental Nature:** Secondary payer; does not replace or top-up property limits.
- **Governing Standard:** Grant worksheets (PWs), applicant eligibility, actual incurred costs.

September 30, 2026 Region 6 Funding Tranche Breakdown

Funding Bucket	Tranche Amount	Eligible States	Policy & Underwriting Treatment
Public Assistance (PA)	Nearly $126.4 Million	AR, LA, NM, OK, TX	Supplemental public infrastructure grants. Check for duplication against closed property claims.
Hazard Mitigation (HMGP)	More than $15.1 Million	Arkansas and Texas	Future loss reduction (safe rooms, warning systems). Exposure changes only when actually built.
BRIC Planning Grant	$168,000	Louisiana	Kenner & Jefferson Parish 2020 Plan. Scoping dollars; zero builders risk capacity.
Total Region 6 Tranche	**More than $141.6 Million**	5-State Region	Grant obligations on eligible applicants—NOT a catastrophe load revision or insured loss estimate.

⚠ CRITICAL ACCOUNTING SEPARATION: HERMIT'S PEAK / CALF CANYON FIRE

The Region 6 bulletin explicitly states awards run through the Stafford Act and are **separate from Hermit's Peak/Calf Canyon Fire compensation** in New Mexico. That separation is the first coverage point: **Do not book fire-compensation reserves against this pot.** Keep fire claims in a strictly isolated ledger column.

DUPLICATION OF BENEFITS & RESERVE BOOKING GUARDS

THE DUPLICATION RULE (STAFFORD ACT)

Stafford Act Public Assistance does not pay costs insurance already covered. On a playground district, a hospital, or an electric co-op, the adjuster who closed the file is not done if the applicant is now drawing federal dollars for the same physical scope. If a property policy paid temporary lighting, emergency protective measures, code upgrade, or permanent repair, the applicant's grant file and the carrier's closed file can describe the same physical assets.

Named Region 6 Line Items (The Pull Index)

Applicant & Location	Declared Event	Grant Obligation	Physical Scope / Coordination Question
Doña Ana County, NM	2025 storms, flood, landslide	Nearly $8 Million	Permanent repairs to Vado Channel. Compare drainage repair scope vs. closed county policy files.
Lake Charles Playground District, LA	Hurricane Laura (2020)	More than $1.9 Million	Stadium lights. 6-year lag. Did property policy pay temporary lights, code upgrades, or poles?
Craighead Electric Cooperative, AR	2025 storms, tornado, flood	More than $1.5 Million	Power distribution system repair in Jonesboro. Verify line/pole repair invoices against utility claim.
Comanche County Memorial Hospital, OK	2023 storms, winds, tornado	Nearly $230,000	Emergency protective measures in Lawton. Hospital overlap: emergency services vs. property policy scope.
City of Austin, TX	2015 storms, tornadoes	More than $191,000	Bridge and bypass drain channel repair. 11-year lag. Policy closed; worksheets still moving.
Yellville School District, AR	2024 severe storms	More than $247,000	Safe room (HMGP). Insurable building improvement—add to schedule only once completed.
City of Groom, TX	2025 Welder Fire	Nearly $105,000	Warning system (HMGP). Siren generally not a property schedule item.
Kenner & Jefferson Parish, LA	2020 Multi-Jurisdictional Plan	$168,000	BRIC wastewater & lift-station scoping. Planning dollar only; no builders risk capacity credit.

Three Underwriting & Booking Guards

- **Guard 1: Obligation ≠ Cat-Load Revision.** Region 6 published grant obligations, not modeled loss or deductible guidance. Do not adjust cat loads.
- **Guard 2: Diary the Applicant, Not the Inception Date.** Worksheets move 6 to 11 years after landfall (Laura 2020, Austin 2015). Track entity recovery diaries.
- **Guard 3: Mitigation Is Not an Endorsement.** HMGP/BRIC funds change exposure only when physical construction or acquisition title transfers are complete.

Desk Action Protocol This Week

1. Pull open and recently closed files for the named applicants and events.
2. Compare physical scope line-by-line against grant worksheet descriptions.
3. If paid scope overlaps, issue a formal duplication inquiry before grant funds are spent.
4. If scope is distinct or outside insured property, leave policy limits closed.
5. Do not treat FEMA as an excess or "top-up" carrier for disputed claims.