



FEMA

W-18026

October 16, 2018

MEMORANDUM FOR: Write Your Own (WYO) Principal Coordinators, WYO Vendors, and the National Flood Insurance Program (NFIP) Direct Servicing Agent

FROM:

A handwritten signature in black ink that reads "Paul Huang".

Paul Huang
Assistant Administrator for Insurance
Federal Insurance and Mitigation Administration

SUBJECT: Hurricane Michael Claims Payment Process

Hurricane Michael has caused widespread flooding in Florida, Georgia, South Carolina, North Carolina, and Virginia. Due to the catastrophic flooding impacts of Michael, the Federal Emergency Management Agency (FEMA) is issuing this bulletin to ensure quality customer service in these extreme circumstances. This bulletin describes the claims process and the responsibilities of the NFIP insurers (WYO Companies and the NFIP Direct).

I. Authorization to Evaluate and Pay Claims based on Unsigned Adjuster's Report

Pursuant to my authority under the Standard Flood Insurance Policy (SFIP) and FEMA's regulations, I direct NFIP insurers to exercise their option to accept their adjuster's report to evaluate and pay a claim instead of a signed proof of loss. Additionally, I conditionally waive the requirement that the policyholder must sign the adjuster's report.¹ To issue payments under this conditional waiver, NFIP insurers must provide policyholders with the following:

1. A copy of the adjuster's report supporting the claim payment(s);
2. If the payment is less than the adjuster's report, a written explanation of the difference; *and*
3. A letter in the form and substance of the template attached to this bulletin (Adjuster Report Claim Payment Letter).

¹ As a condition to receiving a claim payment, the Standard Flood Insurance Policy (SFIP) requires a policyholder to first submit either a signed proof of loss or the insurer, at its option, may accept a signed adjuster's report instead of a Proof of Loss. Article VII.J of the Dwelling Form of the SFIP (Appendix A (1) to 44CFR Part 61); Article VII.J of the General Property Form of the SFIP (Appendix A(2) to 44 CFR Part 61); Article VIII.J (Appendix A(3) to 44 CFR Part 61).

NFIP insurers may also make supplemental payments on a claim using this conditional waiver. This conditional waiver is effective through the expiration of the applicable deadline to submit a proof of loss.

A policyholder may still submit a signed proof of loss when they disagree with the adjuster's report. When this occurs, the policyholder must provide their NFIP insurer with a signed proof of loss with supporting documentation, such as a contractor's estimate, bills, receipts, photographs, and other related documents. This conditional waiver allows payment without the policyholder filing a proof of loss, but does not remove the right of the policyholder to request payment under the policy through the use of a proof of loss.

II. Proof of Loss Deadline Extension

To allow enough time for policyholders to evaluate their losses and the adjusters' reports, I am extending the 60-day proof of loss deadline. The deadline for submitting a compliant proof of loss for Michael is 365 days (one year) from the date of loss.

III. Applicability

This bulletin applies to all NFIP claims associated with the following FICO numbers:

- FICO Number 689 – Florida
- FICO Number 370 – Georgia
- FICO Number 371 – South Carolina
- FICO Number 372 – North Carolina
- FICO Number 373 – Virginia

IV. Authority

This bulletin is authorized under 42 U.S.C. 4019(a); 44 CFR §§ 61.13(d), 62.23(k); SFIP Dwelling Form, Article VII.D; SFIP General Property Form, Article VII.D; SFIP Residential Condominium Building Association Policy Form, Article VIII.D; WYO Financial Assistance/ Subsidy Arrangement, Article II.G.1.

Please direct any questions regarding this bulletin to FEMA-FIDClaimsMailbox@fema.dhs.gov.

Attachment: Adjuster Report Claim Payment Template Letter

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Claims, Training, Underwriting, Adjusting Firms, Independent Flood Adjusters

ADJUSTER REPORT CLAIM PAYMENT LETTER

Dear [NAME OF INSURED]:

Thank you for trusting the National Flood Insurance Program (NFIP) with your flood insurance needs. We are sorry for your flood loss and hope that your flood insurance policy will help you recover quickly. At this time, we have determined that you are owed \$XXX.XX (building) and \$XXX.XX (contents) under your flood insurance policy. The following is your covered flood claim breakdown:

Building Covered Damages:	\$	Contents Covered Damages:	\$
Previous Building Payment:	\$	Previous Contents Payment:	\$
Building Deductible:	\$	Contents Deductible:	\$
Building Payable Amount:	\$	Contents Payable Amount:	\$

We have exercised our option to accept your adjuster’s report of your flood loss instead of a signed proof of loss to evaluate and pay your claim. Enclosed you will find one or more checks for the amounts indicated above. The adjuster’s report accompanying this letter explains the basis for the enclosed payments. Please carefully review the report and contact your adjuster to discuss any questions.

Per your flood insurance policy, building coverage payment checks may also include any mortgage lenders or other loss payees determined to exist at the time of the loss. Mortgage lenders and other loss payees included on your payment will provide you with information on how to access the claim funds.

Accepting this payment does not waive any of your rights to seek further payments under your flood insurance policy. If you find additional flood damage that was not included in the adjuster’s estimate or if the cost to repair the flood damage exceeds the adjuster’s estimate, you may request an additional payment.

If you believe you are owed more under your policy than the amount indicated in the adjuster’s report(s), you may request an additional payment by providing us with a signed proof of loss with supporting documentation, such as a contractor’s estimate, bills, receipts, photographs and other related documents within [LENGTH OF EXTENDING DEADLINE] following the date of loss. Our records indicate that the date of loss for your claim is [DATE OF LOSS]. Even after the deadline passes, we will continue to consider requests for additional payment and pay the full amount due under your flood insurance policy.

In the event your insured property experiences another flood loss, your flood insurance adjuster may ask you to provide evidence that you repaired or replaced the items for which you received a previous payment under your flood insurance policy. We recommend that you keep all repair receipts and invoices documenting the completion of any building repairs and, if applicable, receipts showing the repair or replacement of your personal property. You should keep these documents in a safe place out of reach from future flooding.

If you have any questions, have additional documentation for us to review, or need additional assistance, please contact your adjuster or our claims representative at (800) XXX-XXXX.

Sincerely,