Appendix A:
NFIP Forms Used in Claims Adjustment

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DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY

ADJUSTER CERTIFICATION APPLICATION

NATIONAL FLOOD INSURANCE PROGRAM

O.M.B. No. 1660-0005
Expires September 30, 2010

Privacy Act Statement

The information requested is necessary to process the subject loss. The authority to collect the information is Title 42, U.S. Code, Section 4001 to 4028. It is voluntary on your part to furnish the information. However, omission of an item may preclude processing of the form. The information will not be disclosed outside of the Federal Emergency Management Agency, except to the servicing agent, acting as the government's fiscal agent; to claims adjusters to enable them to confirm coverage and the location of insured property; to certain Federal, State, and Local Government agencies for determining eligibility for benefits and for verification of nonduplication of benefits; to the Department of Justice for purposes of litigation or as required by law; and to State and Local agencies for acquisition and relocation-related projects, consistent with the National Flood Insurance Program and consistent with the routine uses described in the program's system of record. Failure by you to provide some or all of the information may result in delay in processing or denial of this claim and/or application.

Paperwork Burden Disclosure Notice

Public reporting burden for this form is estimated to average 15 minutes per response. The burden estimate includes the time, effort or financial resources expended by persons to generate, maintain, retain, disclose, or provide information to the Mitigation Division or its agent. You are not required to respond to this collection of information unless a currently valid OMB control number and expiration date is displayed in the upper right corner of the these forms. Send comments regarding the accuracy of the burden estimate and suggestions for reducing the burden to: Information Collections Management, Department of Homeland Security, Federal Emergency Management Agency, 500 C Street, S.W., Washington, DC 20472, Paperwork Reduction Project (1660-0005). **NOTE: Do not send your completed form to this address.**

☐ Recertification ☐ New Certification ☐ Staff Adjuster ☐ Yes ☐ No

Please complete Section I below in its entirety. Then turn the form over and complete all applicable parts in Section II. Sign and date the form and mail it to: NFIP Bureau & Statistical Agent, Certification Coordinator, P.O. Box 310, Lanham, MD 20703-0310.

SECTION I – PLEASE PRINT

1. NAME

2. FLOOD CERTIFICATION NUMBER (FSN)

3. STREET ADDRESS *(include city, state, and zip code)*

a. DAYTIME PHONE NO.

b. EVENING PHONE NO.

c. E-MAIL ADDRESS

d. FAX NO.

4. Are you a licensed adjuster? ☐ Yes ☐ No If yes, which state(s)?

5. Number of years of flood adjuster experience Number of years of property adjuster experience

6. Has your license ever been revoked? ☐ Yes ☐ No
If yes, reason:

7. Have you ever been suspended or terminated by the NFIP? ☐ Yes ☐ No
If yes, reason:

8. Have you ever attended an NFIP Claims Presentation? ☐ Yes ☐ No
If yes, location:

9. Did you attend a company sponsored training session? ☐ Yes ☐ No
If yes, location: Company: Date Attended:

10. Present Errors and Omissions Carrier:

SECTION II – PLEASE PRINT

Check "Yes" or "No" to indicate the category(s) in which you are seeking certification:

11. Residential *(Dwelling)* ☐ Yes ☐ No

12. Manufactured *(Mobile)* Home/Travel Trailer ☐ Yes ☐ No

Commercial *(General Property)*

13. Small Commercial *(up to $100,00)* ☐ Yes ☐ No

14. Large Commercial *(from $100,001 to $500,000)* ☐ Yes ☐ No

15. Condominium *(RCBAP)* ☐ Yes ☐ No

FEMA Form 81-110, OCT 07 REPLACES ALL PREVIOUS EDITION. F-673

SPECIMEN

Exhibit 1. Adjuster Certification Application (F-673/81-110), front
(PDF available at http://www.fema.gov/library/viewRecord.do?id=2581)

SECTION II – (continued)

For the category(ies) that you have selected, answer the following questions:

* What is the building dollar limit estimate that you have prepared in this category?

* What is the dollar limit on contents inventory that you have prepared?

* What is the largest combined loss and claim that you have adjusted?

Building $ _____ Contents $ _____ Total Amount $ _____

If you have adjusted a condominium loss, provide the name, date of loss, location *(complete address)*, and contact individual, along with telephone number.

If you are applying for Large Commercial or RCABAP authorization, provide the names of three insurance company claims personnel who can be contacted to reference your adjusting experience and professionalism.

NAME	COMPANY	DATE
NAME	COMPANY	DATE
NAME	COMPANY	DATE

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DECLARATION AND ACKNOWLEDGEMENT.

I declare that I have read the current Standard Flood Insurance Policies (the Dwelling Form, the General Property Form, and the Residential Condominium Building Association Policy) and that all responses on this application are true and accurate.

I acknowledge that misrepresentation of any information provided on this application is grounds for denial of certification, or for suspension or termination of certification if misrepresentation is discovered after certification has been granted.

_____ Signature

_____ Date

Exhibit 1. Adjuster Certification Application (F-673/81-110), back
(PDF available at http://www.fema.gov/library/viewRecord.do?id=2581)

DEPARTMENT OF HOMELAND SECURITY FEDERAL EMERGENCY MANAGEMENT AGENCY ADJUSTER PRELIMINARY DAMAGE ASSESSMENT	*NATIONAL FLOOD INSURANCE PROGRAM*	*O.M.B. No. 1660-0005* *Expires September 30, 2010*

Privacy Act Statement

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Paperwork Burden Disclosure Notice

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WYO COMPANY	DATE OF LOSS	ADJUSTER	FICO NUMBER

This form is to be used for advisory purposes in helping FEMA and communities identify potential substantially damaged buildings. The adjuster will use "replacement cost" when completing this form; however, the community is required under the National Flood Insurance Program to use "market value" in determining substantial damage.

PLEASE PRINT LEGIBLY

POLICY HOLDER	POLICY NUMBER
PROPERTY ADDRESS *(include zip code)*	

**PROBABLE REPAIR COST	BUILDING REPLACEMENT COST VALUE	BUILDING ACTUAL CASH VALUE
	$	$

POLICY HOLDER	POLICY NUMBER
PROPERTY ADDRESS *(include zip code)*	

**PROBABLE REPAIR COST	BUILDING REPLACEMENT COST VALUE	BUILDING ACTUAL CASH VALUE
	$	$

POLICY HOLDER	POLICY NUMBER
PROPERTY ADDRESS *(include zip code)*	

**PROBABLE REPAIR COST	BUILDING REPLACEMENT COST VALUE	BUILDING ACTUAL CASH VALUE
	$	$

**This is an estimate of the cost to repair the building to its pre-flood condition.

SPECIMEN

FEMA Form 81-109, OCT 07 REPLACES ALL PREVIOUS EDITIONS. F-674

Exhibit 2. Adjuster Preliminary Damage Assessment (F-674/81-109)
(PDF available at http://www.fema.gov/library/viewRecord.do?id=2580)

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DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
CAUSE OF LOSS SUBROGATION REPORT

See reverse side for Privacy Act Statement and Paperwork Burden Disclosure Notice

O.M.B. No. 1660-0005 Expires September 30, 2010

NAME OF INSURED

POLICY NO.

COMPLETE ADDRESS OF PROPERTY DAMAGED

CAUSE OF LOSS (Check the box(es) that apply)

1. ☐ IMPROPER DIVERSION OF WATER
2. ☐ IMPROPER BUILDING
3. ☐ IMPROPER GRADING
4. ☐ DEBRIS ACCUMULATION
5. ☐ INADEQUATE SEWER LINES
6. ☐ IGNORING FLOODPLAIN MANAGEMENT (Regulations)
7. ☐ NEGLIGENT MAINTENANCE OF SEWER LINES
8. ☐ FAILURE TO USE PUMPS
9. ☐ INADEQUATE PUMPS
10. ☐ EXCESSIVE DAM WATER RELEASE
11. ☐ EXCESSIVE WATER RELEASE (Mechanical)
12. ☐ ANY OTHER FACTOR THAT IDENTIFIES A RESPONSIBLE PARTY OR ACT AS THE CAUSE (Explain; use the space below)

IDENTIFICATION OF RESPONSIBLE PARTY

NAME

COMPLETE ADDRESS

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IS THE RESPONSIBLE PARTY INSURED?
☐ YES ☐ NO (If yes, by whom?)

IDENTIFICATION OF ANY STATUTES OR POLITICAL SUBDIVISION THAT WOULD CONTROL, LIMIT, OR TIME BAR A TORT ACTION AGAINST THEM (e.g., a local notice of claim against the municipality or county statute that would preclude suit if the notice was not filed on time - usually a short period of time for filing is provided).

MAKE IMMEDIATE TELEPHONE CONTACT WITH THE NFIP BUREAU AND STATISTICAL AGENT IF EXPIRATION OF TIME IS IMMINENT.

STATE INVESTIGATION PERFORMED TO DATE

PLEASE ATTACH ANY DIFINITIVE MATERIAL TO THIS REPORT.

WHAT FURTHER INVESTIGATION IS CONTEMPLATED?

HAS INSURED BEEN ADVISED OF SUBROGATION RESPONSIBILITIES?
☐ YES ☐ NO (If yes, by when?)

DOES INSURED HAVE AN ATTORNEY?
☐ YES ☐ NO

NAME OF ATTORNEY

FEMA Form 81-63, OCT 07 **REPLACES ALL PREVIOUS EDITION.** **F-092**

Exhibit 3. Cause of Loss and Subrogation Report (F-092/81-63)
(PDF available at http://www.fema.gov/library/viewRecord.do?id=2554)

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U.S. DEPARTMENT OF HOMELAND SECURITY
Federal Emergency Management Agency
National Flood Insurance Program

ELEVATION CERTIFICATE

Important: Read the instructions on pages 1-9.

OMB No. 1660-0008
Expires March 31, 2012

SPECIMEN

SECTION A - PROPERTY INFORMATION

For Insurance Company Use:
Policy Number
Company NAIC Number

A1. Building Owner's Name

A2. Building Street Address (including Apt., Unit, Suite, and/or Bldg. No.) or P.O. Route and Box No.

City ZIP Code

A3. Property Description (Lot and Block Numbers, Tax Parcel Number, Legal Description, etc.)

A4. Building Use (e.g., Residential, Non-Residential, Addition, Accessory, etc.)

A5. Latitude/Longitude: Lat. Long. Horizontal Datum: ☐ NAD 1927 ☐ NAD 1983

A6. Attach at least 2 photographs of the building if the Certificate is being used to obtain flood insurance.

A7. Building Diagram Number_____

A8. For a building with a crawlspace or enclosure(s):
a) Square footage of crawlspace or enclosure(s) _____ sq ft
b) No. of permanent flood openings in the crawlspace or enclosure(s) within 1.0 foot above adjacent grade _____
c) Total net area of flood openings in A8.b _____ sq in
d) Engineered flood openings? ☐ Yes ☐ No

A9. For a building with an attached garage:
a) Square footage of attached garage _____ sq ft
b) No. of permanent flood openings in the attached garage within 1.0 foot above adjacent grade _____
c) Total net area of flood openings in A9.b _____ sq in
d) Engineered flood openings? ☐ Yes ☐ No

SECTION B - FLOOD INSURANCE RATE MAP (FIRM) INFORMATION

B1. NFIP Community Name & Community Number	B2. County Name	B3. State

B4. Map/Panel Number	B5. Suffix	B6. FIRM Index Date	B7. FIRM Panel Effective/Revised Date	B8. Flood Zone(s)	B9. Base Flood Elevation(s) (Zone AO, use base flood depth)

B10. Indicate the source of the Base Flood Elevation (BFE) data or base flood depth entered in Item B9.
☐ FIS Profile ☐ FIRM Community Determined ☐ Other (Describe)

B11. Indicate elevation datum used for BFE in Item B9: ☐ NGVD 1929 ☐ NAVD 1988 ☐ Other (Describe)

B12. Is the building located in a Coastal Barrier Resources System (CBRS) area or Otherwise Protected Area (OPA)? ☐ Yes ☐ No
Designation Date ☐ CBRS ☐ OPA

SECTION C - BUILDING ELEVATION INFORMATION (SURVEY REQUIRED)

C1. Building elevations are based on: ☐ Construction Drawings* ☐ Building Under Construction* ☐ Finished Construction
*A new Elevation Certificate will be required when construction of the building is complete.

C2. Elevations – Zones A1-A30, AE, AH, A (with BFE), VE, V1-V30, V (with BFE), AR, AR/A, AR/AE, AR/A1-A30, AR/AH, AR/AO. Complete Items C2.a-h below according to the building diagram specified in Item A7. Use the same datum as the BFE.

Benchmark Utilized Vertical Datum

Conversion/Comments

Check the measurement used.

a) Top of bottom floor (including basement, crawlspace, or enclosure floor) _____.____ ☐ feet ☐ meters (Puerto Rico only)
b) Top of the next higher floor _____.____ ☐ feet ☐ meters (Puerto Rico only)
c) Bottom of the lowest horizontal structural member (V Zones only) _____.____ ☐ feet ☐ meters (Puerto Rico only)
d) Attached garage (top of slab) _____.____ ☐ feet ☐ meters (Puerto Rico only)
e) Lowest elevation of machinery or equipment servicing the building (Describe type of equipment and location in Comments) _____.____ ☐ feet ☐ meters (Puerto Rico only)
f) Lowest adjacent (finished) grade next to building (LAG) _____.____ ☐ feet ☐ meters (Puerto Rico only)
g) Highest adjacent (finished) grade next to building (HAG) _____.____ ☐ feet ☐ meters (Puerto Rico only)
h) Lowest adjacent grade at lowest elevation of deck or stairs, including structural support _____.____ ☐ feet ☐ meters (Puerto Rico only)

SECTION D - SURVEYOR, ENGINEER, OR ARCHITECT CERTIFICATION

This certification is to be signed and sealed by a land surveyor, engineer, or architect authorized by law to certify elevation information. *I certify that the information on this Certificate represents my best efforts to interpret the data available. I understand that any false statement may be punishable by fine or imprisonment under 18 U.S. Code, Section 1001.*

☐ Check here if comments are provided on back of form.

Were latitude and longitude in Section A provided by a licensed land surveyor? ☐ Yes ☐ No

PLACE SEAL HERE

Certifier's Name License Number

Title Company Name

Address City State ZIP Code

Signature Date Telephone

FEMA Form 81-31, Mar 09 See reverse side for continuation. Replaces all previous editions

Exhibit 4. Elevation Certificate (F-063/81-31), front
(PDF available at http://www.fema.gov/library/viewRecord.do?id=1383)

IMPORTANT: In these spaces, copy the corresponding information from Section A.			For Insurance Company Use:
Building Street Address (including Apt., Unit, Suite, and/or Bldg. No.) or P.O. Route and Box No.			Policy Number
City	State	ZIP Code	Company NAIC Number

SECTION D - SURVEYOR, ENGINEER, OR ARCHITECT CERTIFICATION (CONTINUED)

Copy both sides of this Elevation Certificate for (1) community official, (2) insurance agent/company, and (3) building owner.

Comments

Signature Date

☐ Check here if attachments

SECTION E - BUILDING ELEVATION INFORMATION (SURVEY NOT REQUIRED) FOR ZONE AO AND ZONE A (WITHOUT BFE)

For Zones AO and A (without BFE), complete Items E1-E5. If the Certificate is intended to support a LOMA or LOMR-F request, complete Sections A, B, and C. For Items E1-E4, use natural grade, if available. Check the measurement used. In Puerto Rico only, enter meters.

E1. Provide elevation information for the following and check the appropriate boxes to show whether the elevation is above or below the highest adjacent grade (HAG) and the lowest adjacent grade (LAG).
a) Top of bottom floor (including basement, crawlspace, or enclosure) is _____. ____ ☐ feet ☐ meters ☐ above or ☐ below the HAG.
b) Top of bottom floor (including basement, crawlspace, or enclosure) is _____. ____ ☐ feet ☐ meters ☐ above or ☐ below the LAG.

E2. For Building Diagrams 6-9 with permanent flood openings provided in Section A Items 8 and/or 9 (see pages 8-9 of Instructions), the next higher floor (elevation C2.b in the diagrams) of the building is _____ . ____ ☐ feet ☐ meters ☐ above or ☐ below the HAG.

E3. Attached garage (top of slab) is _____. _____ ☐ feet ☐ meters ☐ above or ☐ below the HAG.

E4. Top of platform of machinery and/or equipment servicing the building is _____. ____ ☐ feet ☐ meters ☐ above or ☐ below the HAG.

E5. Zone AO only: If no flood depth number is available, is the top of the bottom floor elevated in accordance with the community's floodplain management ordinance? ☐ Yes ☐ No ☐ Unknown. The local official must certify this information in Section G.

SECTION F - PROPERTY OWNER (OR OWNER'S REPRESENTATIVE) CERTIFICATION

The property owner or owner's authorized representative who completes Sections A, B, and E for Zone A (without a FEMA-issued or community-issued BFE) or Zone AO must sign here. *The statements in Sections A, B, and E are best to my knowledge.*

Property Owner's or Owner's Authorized Representative's Name

Address State ZIP Code

Signature Date Telephone

Comments

☐ Check here if attachments

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SECTION G - COMMUNITY INFORMATION (OPTIONAL)

The local official who is authorized by law or ordinance to administer the community's floodplain management ordinance can complete Sections A, B, C (or E), and G of this Elevation Certificate. Complete the applicable item(s) and sign below. Check the measurement used in Items G8 and G9.

G1. ☐ The information in Section C was taken from other documentation that has been signed and sealed by a licensed surveyor, engineer, or architect who is authorized by law to certify elevation information. (Indicate the source and date of the elevation data in the Comments area below.)

G2. ☐ A community official completed Section E for a building located in Zone A (without a FEMA-issued or community-issued BFE) or Zone AO.

G3. ☐ The following information (Items G4-G9) is provided for community floodplain management purposes.

G4. Permit Number	G5. Date Permit Issued	G6. Date Certificate Of Compliance/Occupancy Issued

G7. This permit has been issued for: ☐ New Construction ☐ Substantial Improvement

G8. Elevation of as-built lowest floor (including basement) of the building _____. _____ ☐ feet ☐ meters (PR) Datum_____

G9. BFE or (in Zone AO) depth of flooding at the building site _____. _____ ☐ feet ☐ meters (PR) Datum_____

G10. Community's design flood elevation _____. _____ ☐ feet ☐ meters (PR) Datum_____

Local Official's Name Title

Community Name Telephone

Signature Date

Comments

☐ Check here if attachments

FEMA Form 81-31, Mar 09 Replaces all previous editions

Exhibit 4. Elevation Certificate (F-063/81-31), back
(PDF available at http://www.fema.gov/library/viewRecord.do?id=1383)

DEPARTMENT OF HOMELAND SECURITY FEDERAL EMERGENCY MANAGEMENT AGENCY **INCREASED COST OF COMPLIANCE (ICC) ADJUSTERS REPORT**	*NATIONAL FLOOD INSURANCE PROGRAM*	***O.M.B. No. 1660-0005 Expires September 30, 2010***

1. NAME OF INSURED	2. NAME OF INSURER
3. PROPERTY ADDRESS (Include city, state, and zip code)	
4. COMMUNITY NAME/NUMBER	5. FLOOD ZONE
6. POLICY NUMBER	7. POLICY TERM
8. BUILDING POLICY LIMIT	9. DATE OF LOSS
10. OCCUPANCE TYPE	
11. ADJUSTING COMPANY	12. ADJUSTERS FILE NO.

13. Has the Insured received a determination from the community official that the structure must be brought into compliance with the local floodplain management ordiance? ☐ Yes ☐ No Date of Declaration _____

14. Local Official's Name: _____ 15. Telephone Number _____

16. Under the flood loss meet the NFIP/ICC 50% substantial damage or average 25% repetitive loss requirements?

☐ Yes ☐ No

17. Under which provision is the ICC claim based?

☐ Substantial Damage ☐ Repetitive Loss

Mitigation option(s): ☐ Demolition ☐ Elevation ☐ Floodproofing ☐ Relocation ☐ Demolition/Elevation or Floodproofing ☐ Relocation/Elevation or Floodproofing

18. If relocation, indicate the following:

New address: _____ New flood risk zone: _____

19. Current valuation of structure as determined by the community official $ _____

20. Basis of valuation: _____

21. Full cost of compliance not limited to the amount of ICC coverage $ _____

22. Amount paid under the ICC Coverage D (excluding salvage and subrogation) $ _____

If repetitive loss, indicate the following (paid flood building claims only):

Date of Prior Claim within 10 yrs.	Insurer	Policy Number	Building Payment	RCV Damages (whole dollars)	ACV Damages (whole dollars)

23. If repetitive loss, the valuation of the structure as determined by the community official near the date of the prior loss:

$ _____ Date of valuation: _____

24. Basis of valuation: _____

25. DATE OF REPORT	26. ADJUSTERS SIGNATURE	27. ADJUSTER'S FCN

FEMA Form 81-98, JAN 08

SPECIMEN

Exhibit 5. Increased Cost of Compliance Adjusters Report (F-555/81-98)
(PDF available at http://www.fema.gov/library/viewRecord.do?id=2579)

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DEPARTMENT OF HOMELAND SECURITY FEDERAL EMERGENCY MANAGEMENT AGENCY INCREASED COST OF COMPLIANCE PROOF OF LOSS	NATIONAL FLOOD INSURANCE PROGRAM	*O.M.B. No. 1660-0005* *Expires September 30, 2010*

POLICY NUMBER	POLICY TERM	AMOUNT OF BLDG. AT TIME OF LOSS
AGENT	AGENCY AT	DATE OF LOSS

TO THE NATIONAL FLOOD INSURANCE PROGRAM:
At time of loss, by above indicated policy of insurance, you insured the interest of

against loss by flood to the property described according to the terms and conditions of said policy and of all forms, endorsements, transfers and assignments attached thereto.

TIME AND ORIGIN. An increased cost of compliance claim wasfiled on _____ . The mitigation option selected was _____

OCCUPANCY The described building was occupied at the time of the flood loss as follows, and for no other purpose whatever as:

_____

INTEREST No other person or persons had any interest therein or encumberance thereon except

_____

1. FULL AMOUNT OF ICC INSURANCE application to the property for which claim is presented is .....$ _____
2. REPLACEMENT COST VALUE of building structure .....$ _____
3. ACTUAL CASH VALUE of building structure .....$ _____
4. FULL COST OF COMPLIANCE not limited to the amount of ICC coverage .....$ _____
5. AMOUNT PAID under Coverage A .....$ _____
6. AMOUNT PAID under the ICC Coverage D (Net of salvage and subrogation).....$ _____

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The said loss did not originate by any act, design or procurement on the part of your insured, nothing has been done by or with the privity or consent of insured to violate the conditions of the policy, or render it void; no articles are mentioned herein or in annexed schedules but such as were destroyed or damaged at the time of said loss, no property saved has in any manner been concealed, and no attempt to deceive the said insurer as to the extent of said loss, has in any manner been made. Any other information that may be required will be furnished and considered a part of this proof.

I understand that this insurance (policy) is issued Pursuant to the National Flood Insurance Act of 1968, or Any Act Amendatory thereof, and Applicable Federal Regulations in Title 44 of the Code of Federal Regulations, Subchapter B, and that knowingly and willfully making any false answers or misrepresentations of fact may be punishable by fine of imprisonment under applicable United State Codes.

Subrogation - To the extent of the payment made or advanced under this policy; the insured hereby assigns, transfers and sets over the insurer all rights, claims or interest that he has against any person, firm or corporation liable for the loss or damage to the property for which payment is made or advanced. He also hereby authorizes the insurer to sue any such third party in his name.

The insured hereby warrants that no release has been given or will be given or settlement or compromise made or agreed upon with any third party who may be liable in damages to the insured with respect to the claim being made herein.

The furnishing of this blank or the preparation of proofs by a representative of the above insurer is not a waiver of any of its rights.

State of _____ _____
Insured

County of _____ _____
Insured

Subscribed and sworn before me this _____ day of _____ , 20 _____

_____
Notary Public

FEMA Form 81-42A, OCT 07 REPLACES ALL PREVIOUS EDITION. F-101

Exhibit 6. Increased Cost of Compliance Proof of Loss (F-554/81-42A)
(PDF available at http://www.fema.gov/library/viewRecord.do?id=2546)

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DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
NATIONAL FLOOD INSURANCE PROGRAM

MOBILE HOME/TRAVEL TRAILER WORKSHEET

O.M.B. No. 1660-0005
Expires September 30, 2010

(See Privacy Act Statement and Paperwork Burden Disclosure Notice on reverse side)

Insured: _____ **Policy No.:** _____

Location of Risk: _____ **Date of Loss** _____

Year	Manufacturer	Model	Size
Serial Number	Color	No. of Bedrooms	Date of Purchase
New Or Used	Was Land Included	Furniture included	Cost
	☐ Yes ☐ No	☐ Yes ☐ No	
Type Of Foundation	Number Of Axels	Type Of Tie Down	Are Wheels on unit
			☐ Yes ☐ No
Repairs Agreed	R/C Repair Amount	Salvage Value	Salvor Name
☐ Yes ☐ No			

Other Insurance Carrier:

Policy Number	Building Coverage	Contents Coverage	Does It Cover Flood?
			☐ Yes ☐ No

Value New		Options R/C		Total R/C	
Depreciation		Depreciation		Depreciation	
Value Used		Addn/Options A/C		Total ACV	

SPECIMEN

Dwelling Form - Section VII, V., 3., Special Loss Settlement applies to a single family dwelling that is a manufactured or mobile home or travel trailer, which is at least 16 feet wide and has an area of at least 600 square feet within its perimeter walls, which is owner occupied, on a principal basis, and insured to value.

Special Loss Calculation

Mobile Home Used Book Value $ _____ x 1.5 = _____

Replacement Cost Value of Actions, and or Options + _____

Maximum Amount Payable $ _____

(Draw building diagram and dimensions of rooms below, and indicate location of tie downs)

Adjuster: _____ Examiner: _____

FEMA Form 81-96, JAN 08

Exhibit 7. Mobile Home Worksheet (F-136/81-96)
(PDF available at http://www.fema.gov/library/viewRecord.do?id=2578)

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DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
NATIONAL FLOOD INSURANCE PROGRAM

MOBILE HOME CHECKLIST

O.M.B. No. 1660-0005
Expires September 30, 2010

(See Privacy Act Statement and Paperwork Burden Disclosure Notice on reverse side)

DATE OF THE BOOK USED _____

MANUFACTURER _____

MODEL _____ REGION _____

GRAY PAGE NUMBER LISTED _____ TO REFERENCE IN THE YELLOW PAGES

WHITE PAGE NUMBER LISTED FOR NEWEST YEAR BUILT _____ TO REFERENCE IN THE YELLOW PAGES, OR PAGE NUMBER FOR THE OLDEST YEAR ON THAT PAGE _____ TO REFERENCE IN THE GRAY PAGES (for the older home conversion), FOR THE CORRECT YELLOW PAGE NUMBER _____.

SPECIMEN

NEW VALUE _____ USED VALUE _____

(X) LOCATION ADJ. _____ (X) CONDITION ADJ. _____

(X) COMMUNITY ADJ. _____ = TOTAL VALUE _____

ADDITIONS/OPTIONS @ SQUARE FOOT or GREEN SECTION IN WHICH, location, condition and community adjustments apply.

DESCRIPTION _____ = $ _____

_____ = $ _____

_____ = $ _____

_____ = $ _____

_____ = $ _____

_____ = $ _____

_____ = $ _____

_____ = $ _____

_____ = $ _____

REPLACEMENT COST VALUE = $ _____

DEPRECIATION = $ _____

ACTUAL CASH VALUE = $ _____

FEMA Form 81-96A, JAN 08

Exhibit 8. Mobile Home Checklist (F-776/81-96A)

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DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
NATIONAL FLOOD INSURANCE PROGRAM
THE NFIP REQUIRES THAT A PRELIMINARY REPORT BE RECEIVED WITHIN 15 DAYS OF ASSIGNMENT, AND AN INTERIM OR FINAL REPORT NOT LATER THAN EVERY 30 DAYS THEREAFTER.

PRELIMINARY REPORT

O.M.B. No. 1660-0005
Expires September 30, 2010

See Reverse side for Privacy Act Statement and Paperwork Burden Disclosure Notice

INSURED _____ POLICY NUMBER _____
PROPERTY ADDRESS _____ DATE OF LOSS _____
MAILING ADRESS _____ CATASTROPHE NO. _____
INSURED TELEPHONE NUMBER: HOME _____ WORK _____ ADJ. FILE NO. _____
ADJUSTING COMPANY _____ TAX ID NUMBER _____
ADJUSTER ADDRESS _____ ADJ. PHONE NO. _____
DATE LOSS ASSIGNED _____ DATE INSURED CONTACTED _____ DATE LOSS INSPECTED _____

ENCL.
Building worksheets ( ) Photographs ( ) ☐ Proof of Loss ☐ Other _____
Contents worksheets ( ) Narrative (pp) ☐ R/C Proof ☐ Other _____

INSURANCE
Coverage verified from: ☐ NFIP ☐ Agent's Daily ☐ Insured's Policy Program: ☐ Emergency ☐ Regular
Term _____ to _____ ☐ Dwelling ☐ General Property ☐ RCBAP

	Coverage	Deductible	Reserve
	$	$	$
	$	$	$
Building	$	$	$

RESERVES:

ADVANCE PAYMENT REQUESTED? ☐ No ☐ Yes:
If yes, Proof of Loss for amount of payment and supporting documentation must [illegible]

RISK
Type of Building: ☐ Single Family ☐ 2-4 Family ☐ Condo Association ☐ Condo Unit ☐ Other Residential ☐ Non- Residential
☐ Mobile Home/Travel Trailer Make: ☐ Model: _____ Serial Number: _____

Occupancy: ☐ Owner ☐ Tenant ☐ State government owned ☐ Unoccupied Residency: ☐ Principal ☐ Seasonal
Title Verified? ☐ Yes ☐ No ☐ Source of verification: _____

Number of floors in building including basement: ☐ 1 ☐ 2 ☐ 3 or more Is building a split level? ☐ Yes ☐ No
In case of multiple occupancy, indicate floor(s) occupied by insured: ☐ Basement ☐ First ☐ Second and or/above

Type of basement: ☐ None ☐ Unfinished ☐ Finished ☐ Yes ☐ No
Building elevated? ☐ No ☐ Yes Foundation area enclosure? ☐ None ☐ Breakway walls ☐ Unfinished ☐ Finished

Is risk under construction? ☐ No ☐ New building ☐ Improvement in progress
FIRM Date _____ ☐ Pre Firm ☐ Post Firm
Building: ☐ Poor ☐ Fair ☐ Good ☐ Very Good
Contents: ☐ Poor ☐ Fair ☐ Good ☐ Very Good

Piles: ☐ Concrete ☐ Wood post ☐ Concrete slab
Walls: ☐ Wood ☐ Steel ☐ Reinf. concrete ☐ Other
Piers: ☐ Reinf. concrete ☐ Block ☐ Reinf. block ☐ Reinf. concrete shear ☐ Unreinf. block ☐ Treated plywood ☐ Brick ☐ Other

Exterior wall structure: ☐ Reinf. concrete ☐ Concrete bock ☐ Wood stud ☐ Steel and glass ☐ Brick or stone ☐ Other _____
Exterior wall surface treatment: ☐ Stucco ☐ Wood siding ☐ Vinly sheathing/siding ☐ Unfinished ☐ Stone/brick veneer ☐ Metal sheathing/siding ☐ Other _____

☐ Household ☐ Other than household Contents located in: ☐ Basement ☐ First floor ☐ Basement and first floor ☐ First floor and above ☐ Second floor and above

Nearest body of water: Distance from risk:

ORIGIN
Cause of loss: ☐ No: Explain fully under remarks ☐ Yes: Indicate cause of loss
☐ Tidal water overflow ☐ Stream, river, or lake overflow ☐ Alluvial fan overflow ☐ Accumulation of rainfall or snowmelt
☐ Velocity flow ☐ Low velocity flow or ponding ☐ Wave action ☐ Mudflow ☐ Erosion

Did other than natural cause contribute to flooding? ☐ Yes ☐ No If "yes" to either question, complete "Cause of Loss and Subrogation Report"
Date/time water entered building: _____ Water Height or Wave Action: _____
Date/time water receded building: _____ Length of time water remained in building: _____ Apt. Building/condo Unit: _____

Date of Report _____ Adjuster's Signature _____ Adjuster's FC Number _____

FEMA Form 81-57, OCT 07 REPLACES ALL PREVIOUS EDITIONS

SPECIMEN

Exhibit 9. National Flood Insurance Program Preliminary Report (F-093/81-57) (PDF available at http://www.fema.gov/library/viewRecord.do?id=2551)

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DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
NATIONAL FLOOD INSURANCE PROGRAM
The NFIP requires that a Preliminary Report be received within 15 days of Assignment
and an Interim or Final Report Not Later than every 30 days thereafter.

O.M.B. No. 1660-0005
Expires September 30, 2010

NARRATIVE REPORT

(See reverse side for Privacy Act Statement and Paperwork Burden Disclosure Notice)

INSURED _____ POLICY NUMBER _____

PROPERTY ADDRESS _____ DATE OF LOSS _____

ADJUSTING COMPANY _____ ADJ. FILE NO. _____

REMARKS

SPECIMEN

FEMA Form 81-59, OCT 07 REPLACES ALL PREVIOUS EDITIONS. F-095

Exhibit 10. National Flood Insurance Program Narrative Report (F-095/81-59)
(PDF available at http://www.fema.gov/library/viewRecord.do?id=2553)

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DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
NATIONAL FLOOD INSURANCE PROGRAM

O.M.B. No. 1660-0005
Expires September 30, 2010

THE NFIP REQUIRES THAT A PRELIMINARY REPORT BE RECEIVED WITHIN 15 DAYS OF ASSIGNMENT, AND AN INTERIM OR FINAL REPORT NOT LATER THAN EVERY 30 DAYS THEREAFTER.

See reverse side for Privacy Act Statement and Paperwork Burden Disclosure Notice

FINAL REPORT

INSURED _____ POLICY NUMBER _____

PROPERTY ADDRESS _____ DATE OF LOSS _____

ADJUSTING COMPANY _____ ADJ. FILE NO. _____

PREMISES HISTORY

Date risk was originally constructed: _____ Insured at premises since: _____

Date of Alteration	Brief Description of Alteration	Market Value	Cost of Alteration	Type of Alteration	*Substantial Improvement?
				☐ Repair ☐ Recon. ☐ Improv.	☐ Yes ☐ No
				☐ Repair ☐ Recon. ☐ Improv.	☐ Yes ☐ No
				☐ Repair ☐ Recon. ☐ Improv.	☐ Yes ☐ No

* Defined as any repair, reconstruction, or improvement; the cost of which equals or exceeds 50% of the market value of the structure before the damage occurred or the reconstruction or improvement was begun.

Prior losses (approximate dates and amounts of loss):

_____ Repairs completed? ☐ Yes ☐ No Insured? ☐ Yes ☐ No ☐ Insured but no claim made

_____ Repairs completed? ☐ Yes ☐ No Insured? ☐ Yes ☐ No ☐ Insured but no claim made

_____ Repairs completed? ☐ Yes ☐ No Insured? ☐ Yes ☐ No ☐ Insured but no claim made

(Continue under Remarks if additional space is needed for alteration or prior losses.)

INTEREST

Mortgagee(s): _____

Loss Payee(s): _____

Other Insurance: _____ (Company) _____ (Type) _____ (Policy Number) _____ (Conts.) ☐ Yes ☐ No (Covers flood?)

CLAIM SUMMARY

Duration building will not be habitable: ☐ 0-2 days ☐ 3-7 days ☐ 2-4 weeks ☐ 1-3 months ☐ more than 3 months

Claim Recapitulation (See worksheet for details)

	Building		Contents		Totals
Covered Damage (ACV)					
Removal/Protection					
Total Loss (ACV)					
Less Salvage					
Less Deductible					
Excess Over Limit					
Claims Payable (ACV)					

Identify Cause:

Main building RCV: $ _____ ☐ Yes ☐ No ☐ Not applicable

*Includes mobile home. If yes, R/C claim: $ _____ Total buildiing claim: $ _____

EXCLUDED DAMAGES

Excluded Building Damages:	☐ Less than 1,000 ☐ 1,000 - 2,000 ☐ 2,000 - 5, 000 ☐ 5,000 - 10,000 ☐ 10,000 - 20,000 ☐ More than 20,000	☐ Less than 1,000 ☐ 1,000 - 2, 000 ☐ 2,000 - 5, 000 ☐ 5,000 - 10,000 ☐ 10,000 - 20,000 ☐ More than 20,000
Excluded Contents Damages:	☐ Less than - 1, 000 ☐ 1,000 - 2, 000 ☐ 2,000 - 5, 000 ☐ 5,000 - 10, 000 ☐ 10,000 - 20, 000 ☐ More than 20, 000	☐ Less than - 1, 000 ☐ 1,000 - 2, 000 ☐ 2,000 - 5, 000 ☐ 5,000 - 10, 000 ☐ 10,000 - 20, 000 ☐ More than 20, 000

ENCL

☐ Building worksheets ( ) ☐ Photographs ( ) ☐ Proof of Loss ☐ Other _____

☐ Contents worksheets: ( ) ☐ Narrative (pp) ☐ R/C Proof ☐ Other _____

CERTIFICATION

The above statments are true and correct to the best of knowledge. I understand that any false statements may be punishable by fine or imprisonment under 18 U.S. Code Sec. 1001.

County of _____ Insured _____

State of _____ Insured _____

Signed this _____ day of _____, 20 _____ Witness _____

_____ Date of Report _____ Adjuster's Signature _____ Adjuster's FC Number

FEMA Form 81-58, OCT 07 **REPLACES ALL PREVIOUS EDITIONS**

SPECIMEN

Exhibit 11. National Flood Insurance Program Final Report (F-094/81-58)
(PDF available at http://www.fema.gov/library/viewRecord.do?id=2552)

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DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
NOTICE OF LOSS

NATIONAL FLOOD INSURANCE PROGRAM

O.M.B. No. 1660-0005
Expires September 30, 2010

(See reverse side for Privacy Act Statement and Paperwork Burden Disclosure Notice)

1. NAME OF SERVICING OFFICE

2. AGENCY NAME AND MAILING ADDRESS (Rubber stamp or type)

3. INSURED

4. PROPERTY — PHONE NUMBER

5. MAIL ADDRESS — PHONE NUMBER

6. LOCATION OF PROPERTY IF REMOVED FOR PROTECTION

7. POLICY NUMBER

8. POLICY PERIOD (From, To)

9. DATE OF LOSS

10. KIND OF LOSS ☐ Flood ☐ Mudslide

11. Probable Amount of Loss-All Perils $ _____

12. Estimate of Loss-this Policy $ _____

10. KIND OF LOSS ☐ Yes ☐ No ☐ Buildings ☐ Contents

14. REMARKS; BRIEF DESCRIPTION OF DAMAGE (If emergency handling required, explain why)

15. DESCRIPTION OF PROPERTY COVERED

ITEM NO.	AMOUNT INSURANCE	DESCRIPTION
1 Bldg.	$ _____	on the _____ Family_____ Story building of _____ Construction. Basement ☐ Yes ☐ No
2 Conts.	$ _____	On the contents in the Building described above ☐ or in the _____ Building of _____ Construction. Basement ☐ Yes ☐ No

16. MORTGAGE (Build

17. OTHER (E/C Contents)

18. List any other insurance applicable to the property described in item 15 above including: Homeowners, Wind and/or excess policy; Coverage on specifically described articles, e.g., Furs, Jewelry, etc. Please provide policy numbers as applicable.

19. COPIES SENT TO				CATASTROPHE SERIAL NO.	CAT. ZONE NO.	DATED

20. Name of Adjuster To Whom this Notice Has Been Forwarded

21. Name of Adjuster Handling E/C or Other Insurance Loss

THIS SPACE FOR USE BY SERVICING OFFICE

The Standard Flood Insurance Policy is subject to the National Flood Insurance Act of 1968, and any Acts Amendatory thereof, and Regulations issued by the Federal Insurance Administration pursuant to such statute(s).

FEMA Form 81-43, OCT 07 REPLACES ALL PREVIOUS EDITIONS. F-102

SPECIMEN

Exhibit 12. Notice of Loss (F-102/81-43)
(PDF is available at http://www.fema.gov/library/viewRecord.do?id=2547)

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DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
NATIONAL FLOOD INSURANCE PROGRAM

O.M.B. No. 1660-0005
Expires September 30, 2010

PROOF OF LOSS

(See reverse side for Privacy Act Statement and Paperwork Burden Disclosure Notice)

_____
POLICY NO. FL

_____
POLICY TERM

_____
AMT OF BLDG COV AT TIME OF LOSS

_____
AMT OF CONTS COV AT TIME OF LOSS

_____
AGENT

_____
AGENCY AT

TO THE NATION FLOOD INSURANCE PROGRAM:
At time of loss, by above indicated policy of insurance, you insured the interest of _____

_____

against loss by flood to the property described according to the terms and conditions of said policy and of all forms, endorsements, transfers and assignments attached thereto.

TIME AND ORIGIN. A _____ loss occurred about the hour of _____ o'clock ____ M.,

on the ___ day of ____ 20 ___ . The cause of said loss was: _____

_____

OCCUPANCY The premises described, or containing the property described, was occupied at the time of the loss as follows, and for no other purpose whatever: _____

_____

INTEREST No other person or persons had any interest therein or encumbrance thereon except _____

_____

SPECIMEN

1. FULL AMOUNT OF INSURANCE applicable to the property which is represented is ..... $ _____
2. ACTUAL CASH VALUE of building structure ..... $ _____
3. ADD ACTUAL CASH VALUE OF CONTENTS of personal property insured..... $ _____
4. ACTUAL CASH VALUE OF ALL PROPERTY..... $ _____
5. FULL COST OF REPAIR OR REPLACEMENT (Building and Contents)..... $ _____
6. LESS APPLICABLE DEPRECIATION..... $ _____
7. ACTUAL CASH VALUE LOSS is..... $ _____
8. LESS DEDUCTIBLES ..... $ _____
9. NET AMOUNT CLAIMED under above numbered policy is ..... $ _____

The said loss did not originate by any act, design or procurement on the part of your insured, nothing has been done by or with the privity or consent of insured to violate the conditions of the policy, or render it void; no articles are mentioned herein or in annexed schedules but such as were destroyed or damaged at the time of said loss, no property saved has in any manner been concealed, and no attempt to deceive the said insurer as to the extent of said loss, has in any manner been made. Any other information that may be required will be furnished and considered a part of this proof.

I understand that this insurance (policy) is issued Pursuant to the National Flood Insurance Act of 1968, or Any Act Amendatory thereof, and Applicable Federal Regulations in Title 44 of the Code of Federal Regulations, Subchapter B, and that knowingly and willfully making any false answers or misrepresentations of fact may be punishable by fine of imprisonment under applicable United State Codes.

Subrogation - To the extent of the payment made or advanced under this policy; the insured hereby assigns, transfers and sets over the insurer all rights, claims or interest that he has against any person, firm or corporation liable for the loss or damage to the property for which payment is made or advanced. He also hereby authorizes the insurer to sue any such third party in his name.

The insured hereby warrants that no release has been given or will be given or settlement or compromise made or agreed upon with any third party who may be liable in damages to the insured with respect to the claim being made herein.

The furnishing of this blank or the preparation of proofs by a representative of the above insurer is not a waiver of any of its rights.

State of _____ _____
Insured

County of _____ _____
Insured

Subscribed and sworn before me this _____ day of _____ , 20 _____

_____
Notary Public

FEMA Form 81-42, OCT 07 **REPLACES ALL PREVIOUS EDITIONS.** **F-101**

Exhibit 13. Proof of Loss (F-101/81-42)
(PDF is available at http://www.fema.gov/library/viewRecord.do?id=2545)

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DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
NATIONAL FLOOD INSURANCE PROGRAM

O.M.B. No. 1660-0005
Expires September 30, 2010

Statement as to full cost of repair or replacement
under the replacement cost coverage, subject
to the terms and conditions of this policy*

(See reverse side for Privacy Act Statement and Paperwork Burden Disclosure Notice)

Policy No.
FL _____

Agency at _____ Agent _____

Insured _____

Location _____

Type of property involved in claim _____

Date of loss _____

1. Full Amount of Insurance applicable to the property for which claim is presented was ..... $ _____

2. Full Replacement Cost of the said property at the time of the loss was ..... $ _____

3. The Full cost of Repair or Replacement is ..... $ _____

4. Applicable Depreciation is ..... _____

5. Actual Cash Value is (Line 3 minus Line 4) ..... _____

6. Less deductibles and/or participation by the insured ..... $ _____

7. Actual Cash Value Claim is (Line 5 minus Line 6) ..... $ _____

8. **Supplemental Claim,** to be filled in accordance with the terms and conditions of the Replacement Cost Coverage within _____ days from date of loss as shown above, will not exceed ..... $ _____

(This figure will be that portion of the amounts shown on Lines 4 and 6 which is recoverable)

SPECIMEN

** The Standard Flood Insurance Policy is subject to the National Flood Insurance Act of 1968 and any Acts Amendatory thereof, and Regulations issued by the Federal Insurance Administration pursuant to such statute(s).*

_____ Insured

_____ Adjuster

FEMA Form 81-44, OCT 07 REPLACES ALL PREVIOUS EDITIONS. F-103

Exhibit 14. Statement as to Full Cost of Repair or Replacement (F-103/81-44)
(PDF is available at http://www.fema.gov/library/viewRecord.do?id=2548)

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DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
NATIONAL FLOOD INSURANCE PROGRAM

WORKSHEET - BUILDING

O.M.B. No. 1660-0005
Expires September 30, 2010

See reverse side for Privacy Act Statement and Paperwork Burden Disclosure Notice

INSURED AND LOCATION	DATE OF REPORT
	POLICY NO. FL

ADJUSTING FIRM AND ADDRESS	ADJUSTER	Adjuster's File No.	Date of Loss

MEASURE DIMENSIONS AND DRAW DIAGRAM OF GROUND FLOOR AREA. ATTACH SNAPSHOT	Type Of Building		Age
	Building Dimensions	Total Sq. Ft.	No. Rooms
	Type of Foundation	Finished Basement ☐ Yes ☐ No	No. Stories
	Interior Wall Construction	Exterior Wall Construction	No. Baths
	Estimated Replacement Cost		
	Less Depreciati		
	No		

SPECIMEN

Quantity	Detailed Descriptio	Est. Cost Repair	Depreciation	Flood Loss	Wind Loss (If any)

FEMA Form 81-41, OCT 07 REPLACES ALL PREVIOUS EDITIONS. F-099

Exhibit 15. Worksheet - Building (F-099/81-41)
(PDF is available at http://www.fema.gov/library/viewRecord.do?id=2543)

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DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY\
NATIONAL FLOOD INSURANCE PROGRAM

WORKSHEET - BUILDING (Continued)

(See reverse side for Privacy Act Statement and Paperwork Burden Disclosure Notice)

O.M.B. No. 1660-0005
Expires September 30, 2010

Adjuster's File

Quantity	Detailed Description	Full Cost Repair	Depreciation	Flood Loss	Wind Loss (If any)

SPECIMEN

FEMA Form 81-41A, NOV 08 REPLACES ALL PREVIOUS EDITIONS F-100

Exhibit 16. Worksheet - Building (Continued) (F-100/81-41A)
(PDF is available at http://www.fema.gov/library/viewRecord.do?id=2544)

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DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY

WORKSHEET – CONTENTS – PERSONAL PROPERTY

(See Privacy Act Statement and Paperwork Burden Disclosure Notice on reverse)

O.M.B. No. 1660-0005
Expires September 30, 2010

DATE OF REPORT

INSURED AND LOCATION			POLICY NO. FL	
ADJUSTING FIRM AND ADDRESS		(ADJUSTER)	Adjuster's File No.	Date of Loss

1	2	3	4	5	6	7	8	9
Item	Description	Quantity	Age	Replacement Cost	Loss or Damage	Depreciation	A.C.V. Flood Loss	A.C.V. Wind Loss

SPECIMEN

FEMA Form 81-40, OCT 07 REPLACES ALL PREVIOUS EDITIONS.

Exhibit 17. Worksheet – Contents – Personal Property (F-098/81-40)
(PDF is available at http://www.fema.gov/library/viewRecord.do?id=2542)

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Appendix B:
FEMA Bulletins

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U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

FEMA

Memorandum

W-04011

To: WYO Company Principal Coordinators and
NFIP Servicing Agent

From: Anthony S. Lowe
Director
Mitigation Division
Emergency Preparedness and Response Directorate

Date: March 10, 2004

Re.: Claim Payments on Enclosures at or above the Base Flood Elevation (BFE)

Recent claims adjustments from Hurricane Isabel have shown that some elevated buildings in A zones are situated on land that is at or above the BFE. Payments for enclosures and their contents for such buildings are being limited based on the elevated building coverage limitation in the Standard Flood Insurance Policy (III. Property Covered, A.8.). The elevated building coverage limitation will not apply if owners of such buildings apply for and receive a Letter of Map Amendment (LOMA) or a Letter of Map Revision (LOMR) removing the property from the Special Flood Hazard Area (SFHA), even if the LOMA or LOMR application is made after the claim. (See attached Policy Issuance.) LOMAs and LOMRs are granted only if the elevation of the lowest adjacent grade next to the building is at or above the BFE.

NFIP insurers should immediately begin reviewing closed and open claims resulting from Hurricane Isabel to see if any meet these criteria.

Qualifying insureds should be notified of the LOMA or LOMR opportunity and the process involved in obtaining one. Information for this can be found on the NFIP portion of FEMA's web site for flood hazard mapping at www.fema.gov/fhm/ot_lmreq.shtm, where information, tutorials, and the necessary forms can be downloaded. For those with questions or without access to the Internet, the FEMA Map Assistance Center at 1-877-336-2627 should be contacted. Depending on what form is required, there may be charges or fees for processing the request.

In addition, insureds should be informed that removing a building from the SFHA with a LOMA or LOMR could increase their premium. If so, they will be required to pay additional premium for the policy term applying to the loss as well as one prior policy term if one existed. To expedite processing of requests for

www.fema.gov

Exhibit 1. Claims Payments on Enclosures at or above the Base Flood Elevation (W-04011), page 1 of 3

LOMAs or LOMRs in this situation, the insured should not send the request to the address on the web site or on the forms. Instead, completed forms, with fees if appropriate, should be sent to the following address: FEMA, 500 C Street, SW, Room 433, Washington, DC 20472 to the attention of the Underwriting Section. Applying to FEMA for a LOMA or LOMR should not stop any open claim payment from proceeding based on the elevated building coverage limitation. In the event the request is approved, a supplemental claim payment can be made.

cc: Vendors, IBHS, FIPNC, WYO Marketing Committee,
Government Technical Representative

Required Routing: Claims, Underwriting

Exhibit 1. Claims Payments on Enclosures at or above the Base Flood Elevation (W-04011), page 2 of 3

National Flood Insurance Program

Policy Issuance 1-2004

Subject: Elevated Building Coverage Limitations – Map Changes

Background: The NFIP has received Hurricane Isabel claims for elevated buildings with enclosures in A zones with lowest adjacent grade elevations at or above the Base Flood Elevation.

Under the Standard Flood Insurance Policy (SFIP), limited coverage exists for enclosures below the lowest elevated floor of an elevated building for Post-FIRM buildings located in Special Flood Hazard Areas (SFHAs), which include the A zones listed in the elevated building coverage limitation of the SFIP (III. Property Covered, A.8.). Correctly, NFIP insurers have been applying the elevated building coverage limitation to these enclosures and their contents.

Policy Decision: Where the NFIP map shows a property as being in the A zones listed in the elevated building coverage limitation of the SFIP, so that the elevated building coverage limitation applies, that limitation will not apply if the insured obtains a Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR) removing the property from the SFHA, even though application for the LOMA or LOMR is made after the claim.

March 9, 2004
Date

Anthony S. Lowe
Director
Mitigation Division
Emergency Preparedness
and Response Directorate

Exhibit 1. Claims Payments on Enclosures at or above the Base Flood Elevation (W-04011), page 3 of 3

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U.S. Department of Homeland Security
500 C Street SW
Washington, D.C. 20472

FEMA

Memorandum

W-04020

To: Write Your Own (WYO) Company Principal Coordinators, WYO Vendors, NFIP Servicing Agent, and Independent Adjusting Firms

From: James S. P. Shortley
Director of Claims
Mitigation Division

Date: May 7, 2004

Re: Flood Insurance Claims Guidance

Over the last 6 months we have made the following flood insurance coverage determinations to the benefit of the policyholder:

1. **Increased Cost of Compliance (ICC) Claims –** We require only one contractor's estimate.

2. **Post-Claim Letters Of Map Amendment (LOMA) and Letters of Map Revision (LOMR) –** A LOMA or LOMR for an elevated building, obtained after the loss, will be considered effective as of the date of the loss. The LOMA or LOMR removes the elevated building from the Special Flood Hazard Area, and the elevated building restrictions of the Standard Flood Insurance Policy then do not apply to the area beneath the lowest elevated floor.

3. **Coverage of Connected Heating Machinery –** Heating machinery, in a building, connected to and servicing the insured building, is covered. Reminder: air conditioning compressors in the open, connected to and servicing the building, are covered.

4. **Replacement Cost Loss Settlement –** When insured property is eligible for replacement cost loss settlement, there is no longer any requirement to hold back the recoverable depreciation.

Also, please pay particular attention to the following existing guidance:

1. **Water, Moisture, Mildew, or Mold Damage –** When this damage occurs in connection with a covered direct physical loss by or from flood, it will be covered unless there is clear evidence of the policyholder's failure to inspect and maintain the insured property, where it was feasible to do so. If such damage is the result of wicking, it is covered.

Exhibit 2. Flood Insurance Claims Guidance (W-04020), page 1 of 2

2. **Determination of the Lowest Elevated Floor** – Full coverage for Post-FIRM elevated buildings begins at the lowest elevated floor. This is the lowest floor raised above ground, even if the pilings extend beyond it.

3. **Repair Estimating and Pricing Guidelines** – We expect that the repair estimate be based on current local prices and that the pricing guidelines be used with discretion and flexibility. Repair estimates and corresponding settlements are always to be adjusted in accordance with special conditions (like kind and quality), local pricing, and actual costs as provided by policyholders and their selected contractor.

4. **Unit Cost and File Documentation** – We expect unit costs to include all materials, sales tax, disposable equipment, rented equipment, and any overhead of the contractor. Additionally, we expect estimated costs of personal property to include any delivery costs, setup fees, and sales tax. These are standard practices within the insurance industry. When actual documented costs such as repair invoices from service contractors, receipts, and replacement quotes differ from this standard practice, reasonable additional costs should be paid.

Cc: IBHS, FIPNC, Government Technical Monitor
Suggested Routing: Claims, Underwriting, Data Processing, Marketing

Exhibit 2. Flood Insurance Claims Guidance (W-04020), page 2 of 2

U.S. Department of Homeland Security
500 C Street SW
Washington, D.C. 20472

FEMA

W-04091

November 19, 2004

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators, WYO Vendors, NFIP Servicing Agent, and Independent Adjusting Firms

FROM: James S. P. Shortley, Director of Claims
Claims Section, Risk Insurance Branch
Mitigation Division
Emergency Preparedness and Response Directorate

SUBJECT: Flood Insurance Claims Guidance

1. Limited Coverage for Elevated Building Slabs

The Standard Flood Insurance Policy (SFIP) provides limited coverage for elevated Post-FIRM buildings located in Zones A1-A30, AE, AH, AR, AR/A, AR/AE, AR/AH, AR/A1-A30, V1-V30, and VE (see SFIP III. Property Covered A.8.a. (1)-(17)).

Specifically, SFIP III. A.8.a. (17) states that coverage is limited to "Footings, foundations, posts, pilings, piers, or other foundation walls and anchorage systems required to support a building."

Slabs are covered only if they are part of the foundation. To be part of the foundation, a slab must be at least 6 inches thick containing rebar and tied into the posts, pilings, piers, or other foundation walls required to support the building.

2. Waiver of Elevated Building Coverage Limitation

In our previous Flood Insurance Claims Guidance of May 7, 2004, you were informed that a Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR) for a Post-FIRM elevated building, obtained after the loss, will be considered effective as of the date of the loss. The LOMA or LOMR removes the Post-FIRM elevated building from the Special Flood Hazard Area, and the elevated building limitations of the SFIP then do not apply to the area beneath the lowest elevated floor.

However, if the lowest adjacent grade of the property is below the Base Flood Elevation (BFE), this will prevent a LOMA or LOMR from being issued to the property owner, so that the property owner will not be able to obtain full coverage for the enclosure.

www.fema.gov

Exhibit 3. Flood Insurance Claims Guidance(Elevated Building Slabs) (W-04091), page 1 of 2

We have discovered some buildings where the lowest adjacent grade is below the BFE, but the lowest floor (enclosure floor) is above the BFE. Such buildings comply with the NFIP Floodplain Management Regulations, in that the lowest floor of the building is elevated to or above the community's BFE. This means the enclosure does not have the higher risk of flooding that elevated building enclosures normally have. Claims for such buildings should be sent to FEMA with a request for a waiver of the elevated building coverage limitation.

3. No Coverage for Sewage Grinder Pumps

Properties constructed in the majority of the coastal areas have a sewage grinder pump, which is an integral part of the septic system. The sewage grinder pump pulverizes sewage and converts the sewage to a slurry for pumping. These systems require earth excavation for installation. SFIP IV. Property Not Covered 8. excludes coverage for "Underground structures and equipment, including wells, septic tanks, and septic systems." Thus, sewage grinder pumps are not covered by the SFIP.

cc: IBHS, FIPNC, Government Technical Representative

Suggested Routing: Claims, Data Processing, Marketing, Underwriting,

Exhibit 3. Flood Insurance Claims Guidance(Elevated Building Slabs) (W-04091), page 2 of 2

U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

FEMA

W-06019

March 14, 2006

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators, WYO Vendors, NFIP Servicing Agent, and Independent Adjusting Firms

FROM: David I. Maurstad
Acting Director
Mitigation Division

SUBJECT: Waiver of the Two-Year Time Limit for Increased Cost of Compliance Coverage

The National Flood Insurance Program (NFIP) provides Increased Cost of Compliance (ICC) coverage to pay up to $30,000 for the cost of compliance with State or local floodplain management laws or ordinances (III.D of the Standard Flood Insurance Policy (SFIP)). In the event the required mitigation measures are not completed within two years from the date of the State's or community's declaration of substantial damage and order that mitigation measures be taken, the ICC claim cannot be paid and any advance payment received by the policyholder must be returned (III.D.5 of the SFIP).

In the aftermath of the major hurricanes of last year, we expect a large number of ICC claims in connection with FEMA mitigation grant projects. The mitigation grant process often exceeds the two-year time frame. FEMA is planning to increase the two-year time frame to four years in an upcoming revision to the SFIP. Therefore, in the interim I am waiving the provisions of III.D.5 of the SFIP and granting an additional two years to complete the required mitigation measures. This means policyholders will have four years to complete the required mitigation measures starting from the date of the substantial damage declaration by the State or community. This waiver is effective for all claims on or after June 1, 2005.

This waiver is made pursuant to the provisions dealing with amendments, waivers, and assignments of the SFIP (VII.D of the SFIP Dwelling Form and General Property Form and VIII.D of the SFIP Residential Condominium Building Association Policy Form).

cc: IBHS, FIPNC, Government Technical Representative

Suggested Routing: Claims, Underwriting

www.fema.gov

Exhibit 4. Waiver of the Two-Year Time Limit for ICC (06019)

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U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

FEMA

W-08008

February 25, 2008

MEMORANDUM TO: Write Your Own (WYO) Company Principal Coordinators
National Flood Insurance Program (NFIP) Servicing Agent

FROM: James A. Sadler, CPCU, AIC
Director of Claims
National Flood Insurance Program

SUBJECT: *Wind/Water Investigative Tips*

Hurricanes and other severe storms may result in damage caused by both wind and flood. When handling these claims, adjusters should use proven investigative methods such as those provided in the attached document, which was adapted from the 1998 NFIP pamphlet, *Wind/Water Investigative Tips*. These tips will be included in the revised *NFIP Claims Adjuster Manual*, when published.

Attachment

cc: Vendors, IBHS, Government Technical Representative

Suggested Distribution: Claims Department, Adjusting Firms, Independent Adjusters, and Staff Adjusters Handling NFIP Claims

www.fema.gov

Exhibit 5. Elevation Wind/Water Investigative Tips (W-08008), page 1 of 4

Wind/Water Investigative Tips

Important Things to Do When Investigating a Claim

- Research local newspapers and/or check with the local weather service, the U.S. Weather Bureau, or other agencies to determine the specific data relative to the storm.

- When damage is caused by a hurricane, tropical storm, nor'easter, or other event that may cause both wind and flood damage, determine and record the following (*check and record the timing and duration for each*):

Data Element	Measurement	Timing	Duration
Highest Wind Speed	_____	_____	_____
Barometric Pressure	_____	_____	_____
Amount of Rainfall	_____	_____	_____
Tidal Heights	_____	_____	_____
Storm Surge	_____	_____	_____
Wave Heights	_____	_____	_____

- Record the distance and direction of the insured risk relative to the eye of the storm. Remember that the waves are higher to the right of the storm's path.

- Research and record site conditions:

  - Original ground elevation
  - Distance from body of water
  - After-storm ground elevation or other indications of scour
  - Amount and type of storm debris

- Canvas the neighborhood for eye-witnesses and take their recorded or signed statements. Be certain to identify where each witness was at the time of the storm, the amounts or descriptions of wind and flood each witness saw, and the time of day that each saw it. Record in the claims files only what each witness actually says—not hearsay or your opinion.

- Check for and photograph the debris line. Measure and record how many feet the debris line is from the shoreline and from the insured risk. Be sure to describe the topography in detail.

Exhibit 5. Elevation Wind/Water Investigative Tips (W-08008), page 2 of 4

- Check for and photograph houses and objects adjacent to the insured risk. If damage appears to be different from that of the insured risk, determine why and record the reason in the claim files. Usually, the damage is different for one of two reasons:

  - Different cause of damage (e.g., a tornado can cut a relatively narrow path, leaving neighboring buildings relatively undamaged).

  - Different building construction and anchoring. Look for connectors or tie-down straps for elevated buildings and enclosures beneath elevated buildings. Check the pilings for evidence of scouring. Photograph the remaining pilings, showing patterns of the leaning pilings. Determine how deep the pilings were installed and measure the distance between pilings.

- Determine and record in the claim file a complete description of the damaged or demolished building, including the type of construction; whether elevated (if elevated with an enclosure, be sure to indicate the type of enclosure – breakaway walls, open lattice work, vents, etc.); number of floors (including basement); roof covering and pitch; windows, carports, etc.; and the building's relative position to the wind. It is also important to include a description of the foundation type (slab, piles, piers, etc.) and damage.

- Photograph (close-up) the remains of connectors or tie-downs. Be sure to describe the size, type, brand, method of installation, and if possible the brand name.

- Make a notation in the initial report where evidence suggests the insured risk was not built as securely as neighboring buildings. The flood insurer or coastal plan, for example, may want to check the local building codes to determine if a building construction violation has occurred and document the claim files, both with copies of the code and the evidence of a violation. The age of the building and the effective dates of the building codes need to be documented.

- Check for and photograph any wind-caused openings in the building and/or missing roof shingles.

- Check for and photograph all possible wind-related water marks or stains visible on both the exterior and interior walls and ceilings of the building.

- Check for and photograph all possible flood-related water marks or stains visible on both the exterior and interior of the building.

- Check for and photograph any water marks visible on nearby trees or fence posts, or other buildings.

Exhibit 5. Elevation Wind/Water Investigative Tips (W-08008), page 3 of 4

- Check for and photograph any uprooted trees or trees snapped off at a high level.

- Check for, photograph, and note in the claim files any evidence of severe erosion such as leaning pilings or houses "nosed down" in the ground. Leaning or bent pilings can occur both as a result of flooding and as a result of a building being pushed over by wind forces or blown off its pilings.

Exhibit 5. Elevation Wind/Water Investigative Tips (W-08008), page 4 of 4

U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

FEMA

W-08043

July 8, 2008

MEMORANDUM FOR: Write Your Own (WYO) Principal Coordinators
and the NFIP Servicing Agent
for Dissemination to all Claims Managers, Independent Adjusters,
and Mailing List Adjusting Firms

FROM: James A. Sadler, CPCU, AIC
Director of Claims
National Flood Insurance Program

SUBJECT: CLAIMS GUIDANCE – DETACHED GARAGES, ETC.
1. Detached Garages
2. ICC and Cumulative Substantial Damage or Repetitive Loss Ordinances
3. Formal Appeals Process – Denial Letters
4. Demands for Appraisal
5. Discontinue Use of the Term "SHEETROCK®"
6. Property Removed to Safety

FEMA is issuing the following claims guidance to clarify appropriate handling of the six areas noted in the subject line of this bulletin. THE PROVISIONS OF THIS BULLETIN ARE RETROACTIVELY EFFECTIVE TO JUNE 1, 2008.

1. Detached Garages

The Standard Flood Insurance Policy (SFIP) – Dwelling Form at III.A.3. on page 3 of 19 states:

> **A. COVERAGE A – BUILDING PROPERTY**
>
> We insure against **direct physical loss by or from flood** to:
>
> **3.** A detached garage at the **described location**. Coverage is limited to no more than 10 percent of the limit of liability on the **dwelling**. Use of this insurance is at your option but reduces the **building** limit of liability. We do not cover any detached garage used or held for use for residential (i.e., **dwelling**), business, or farming purposes.

WYO companies and the NFIP Servicing Agent should use the ordinary dictionary meanings of the words "residential" (e.g., suitable for or used as a residence or dwelling) and "dwelling" (e.g., a place to live in, abode) when applying coverage to detached garages. Insurers will no longer broadly apply these words that limit coverage. However, for the purpose of this limitation, kitchen facilities are not required for the space to qualify as residential use or a place to live in.

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Exhibit 6. Claims Guidance-Detached Garages (W-08043), page 1 of 4

2. ICC Claims Involving a Cumulative Substantial Damage Provision or Repetitive Loss Provision of a Community's Floodplain Management Ordinance

The SFIP – Dwelling Form at III.D.3.a.(1)(a)-(d). on page 7 of 19 states:

D. COVERAGE D – INCREASED COST OF COMPLIANCE

3. Eligibility

a. A structure covered under Coverage **A** – Building Property sustaining a loss caused by a **flood** as defined in this **policy** must:

(1) Be a "repetitive loss structure." A repetitive loss structure is one that meets the following conditions:

(a) The structure is covered by a contract of **flood** insurance issued under the **NFIP**.

(b) The structure has suffered **flood** damage on two occasions during a 10-year period which ends on the date of the second loss.

(c) The cost to repair the **flood** damage, on average, equaled or exceeded 25 percent of the market value of the structure at the time of each flood loss.

(d) In addition to the current claim, the **NFIP** must have paid the previous qualifying claim, and the State or community must have a cumulative, substantial damage provision or repetitive loss provision in its floodplain management law or ordinance being enforced against the structure . . . .

A community's substantial damage ordinance includes "damage from any origin." However, the insurer's Increased Cost of Compliance (ICC) decisions consider only damage by or from flood. If the community floodplain management ordinance includes a cumulative substantial damage provision or repetitive loss provision, the insurer should verify that flood damages that resulted in the two NFIP claim payments averaged 25 percent of the market value of the building at the time of the loss.

The second (i.e., current) qualifying flood loss is considered much like ICC losses typically encountered, with no cumulative damage or repetitive loss provision. It is the first qualifying flood loss that should be carefully scrutinized. The first qualifying flood loss may be up to 10 years prior to the second (current) qualifying loss. The SFIP's ICC provisions require that both flood losses must have resulted in paid NFIP claims.

If the community declares a building substantially damaged under the terms of a cumulative substantial damage provision or repetitive loss provision of the community's ordinance, but the records of the insurer and/or the NFIP verify that the first qualifying loss was not a paid NFIP loss, or that the first qualifying loss occurred more than 10 years prior to the second qualifying loss, the community should be tactfully notified of this information.

Exhibit 6. Claims Guidance-Detached Garages (W-08043), page 2 of 4

Also, a community may amend its floodplain management ordinance and cease to enforce a cumulative substantial damage provision or repetitive loss provision after a flood event. When adopted and enforced, the amended provisions apply only forward and may not be retroactively enforced. Permits issued before the community withdraws its cumulative, substantial damage provision or repetitive loss provision will be considered valid. However, if allowed by the community's ordinance, permits may be withdrawn (voided) and reissued after the cumulative, substantial damage provision or repetitive loss provision is withdrawn.

3. Formal Appeals Process – Issuance of the Denial Letter

WYO Clearinghouse Bulletin W-06079, issued on October 13, 2006, announced the Formal Appeals Process and advised the WYO Companies and the NFIP Servicing Agent of the proper procedures regarding issuances of denial letters. We are finding that many companies are not adhering to the specifics of the Bulletin. To reiterate, ". . . the WYO Companies and the NFIP Servicing Agent must make sure that they provide a written denial letter to policyholders when their claim, in whole or in part, is denied. The denial letter should provide specific information on the reasons why the claim was denied."

In the appeals process, we have seen far too many denial letters that simply state "upon conclusion of our investigation, your claim is being denied." This is an unacceptable denial as it does not provide a basis for denial. Denial letters should specifically state all reasons for denial known at the time the letter is written and refer the insured to the applicable section(s) of the SFIP.

The Bulletin goes on to state, "In order for the Federal Insurance Administrator to provide a timely written final appeal decision to the policyholder, it is imperative that any request made to a WYO Company and the NFIP Servicing Agent by FEMA or the NFIP Bureau and Statistical Agent for information is fulfilled within 48 hours. In most cases, a copy of the claim file will be requested (the copy, including all photographs, must be legible). In all cases, the response to a request for information must include a detailed synopsis of the claim handling that focuses on the issues related to the denial."

In many cases, the NFIP Bureau and Statistical Agent is not receiving a legible copy of the file within the required 48-hour time period. If there are time constraint issues, the insurer should immediately advise the requestor.

4. Demands for Appraisal

Requests for appeals are being made through the Formal Appeals Process when insurers refuse the policyholder's and/or his representative's demand for appraisal. Demands for appraisal should be honored when the issue is strictly pricing. All coverage and scoping issues should be resolved prior to agreeing to the appraisal process. Unless these issues are first resolved, both parties could waive any coverage and scoping defenses. The SFIP – Dwelling Form at VII.P. states that "If you and we fail to agree on the actual cash value or, if applicable, replacement cost of your damaged property to settle upon the amount of loss, then either may demand an appraisal of the loss." Requests for appraisals should be responded to within 20 days after receiving a written request and the claim file properly documented with the details of the reason(s) that the request is to be honored or denied.

Exhibit 6. Claims Guidance-Detached Garages (W-08043), page 3 of 4

Please refer to the NFIP *Flood Insurance Claims Handbook* at page 12, which states:

1. Disputes that are or have been subject to appraisal as provided for in the SFIP cannot be appealed.
2. If you file an appeal on any issue, that issue is no longer subject to resolution by appraisal or other pre-litigation remedies.
3. If you file suit against an insurer on the flood insurance claim issue, you are prohibited from filing an appeal. All appeals submitted for decision but not resolved shall be terminated upon notice of the commencement of litigation regarding the claim.

Note that, although appraisal is allowed after commencement of litigation, the filing of an appeal is not allowed after suit is filed and pending appeals are closed.

5. Discontinue Use of the Term "SHEETROCK®"

In WYO Clearinghouse Bulletin W-05014, April 14, 2005, WYO Companies and the NFIP Servicing Agent were advised that we had been notified of the possibility of copyright infringement for use of the term "SHEETROCK®," a registered trademark of USG Corporation's United States Gypsum Company for its brand of gypsum board and related products. This is a reminder that only the generic term "drywall" should be used.

6. Property Removed to Safety

The Property Removed to Safety coverage described in the SFIP – Dwelling Form at III.C.2.b. on page 5 of 19 shall apply both to the cost of removing the covered property from the described location and also to any cost of <u>returning</u> the same covered property to the described location. If there are costs associated with uninstalling and reinstalling the covered property to be removed and returned, these costs are also covered. All such costs must be reasonable and are subject to the $1,000 limit of liability; any payments under this coverage do not increase either the Coverage A or Coverage B limits of liability.

If you have questions about any of the six areas addressed in this claims guidance, please contact the NFIP Bureau and Statistical Agent Claims Department.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Claims and Underwriting

Exhibit 6. Claims Guidance-Detached Garages (W-08043), page 4 of 4

National Flood Insurance Program
U.S. Department of Homeland Security
P.O. Box 310
Lanham, MD 20703-0310

FEMA

W-08052

August 19, 2008

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators, NFIP Servicing Agent, and Independent Adjusting Firms

FROM: WYO Clearinghouse

SUBJECT: NFIP Adjuster Fee Schedule – 2008 Revision

David I. Maurstad, the Federal Insurance Administrator, has approved revisions to the Adjuster Fee Schedule affecting Allocated Loss Adjustment Expense payments (including claims involving Group Flood Policies) to Independent Adjusting Firms hired by the Write Your Own Companies and the NFIP Servicing Agent. Please note that four of the ranges have been compressed to two ranges.

There are no changes to the separate Increased Cost of Compliance (ICC) fee schedule.

The new Adjuster Fee Schedule will be effective for dates of loss on or after September 1, 2008. Please distribute this information to the appropriate personnel in your organization.

Attachments

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Accounting, Data Processing, Claims, Marketing

www.fema.gov

Exhibit 7. NFIP Adjuster Fee Schedule – 2008 Revision (W-08052), page 1 of 3

NFIP Fee Schedule

For Claims with Dates of Loss on or after September 1, 2008

Claim Range	Fee
Erroneous Assignment	$70.00
Closed Without Payment (CWOP)	275.00
.01 - $1,000.00	375.00
1,000.01 – 5,000.00	600.00
5,000.01 – 10,000.00	800.00
10,000.01 – 15,000.00	925.00
15,000.01 – 25,000.00	1,025.00
25,000.01 – 35,000.00	1,175.00
35,000.01 – 50,000.00	1,400.00
50,000.01 – 100,000.00	3% but not less than $1,600
100,000.01 – 250,000.00	2.3%, but not less than $3,000
250,000.01 and up	2.1%, but not less than $5,750

Note: Based on Gross Loss

Gross loss shall mean the agreed cost to repair before application of depreciation, deductible, or other limiting clauses or conditions.

For the purpose of this schedule, should the loss exceed the available coverage, gross loss shall mean the total amount of coverage available.

If the claim involves salvage "buy-back," gross loss shall mean the amount of the claim before the salvage value is deducted.

The Closed Without Payment (CWOP) fee should only be paid after an adjuster site visit, with accompanying photos, and completion of the required forms.

The NFIP reserves the right to withhold compensation on adjustment work that is deemed:

1) Not to comply with NFIP's standards; or
2) Improperly prepared, thereby requiring the claim to be substantially readjusted; or
3) Not timely adjusted, thereby requiring reassignment.

Exhibit 7. NFIP Adjuster Fee Schedule – 2008 Revision (W-08052), page 2 of 3

Increased Cost of Compliance (ICC) Fee Schedule – Allocated LAE
(Used for ICC Claims with Dates of Loss of September 1, 2004, and Later)

Claim Range	Fee
Erroneous Assignment	$60.00
Closed Without Payment (CWOP)	225.00
.01 - $1,000.00	300.00
1,000.01 – 2,500.00	425.00
2,500.01 – 5,000.00	500.00
5,000.01 – 7,500.00	575.00
7,500.01 – 10,000.00	650.00
10,000.01 – 15,000.00	750.00
15,000.01 – 25,000.00	850.00
25,000.01 – 30,000.00	1,000.00

Upon FEMA request, WYO company must provide supporting detail for the reported expense.

Exhibit 7. NFIP Adjuster Fee Schedule – 2008 Revision (W-08052), page 3 of 3

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U.S. Department of Homeland Security
500 C Street SW
Washington, DC 20472

W-08070

September 25, 2008

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators, Vendors, NFIP Servicing Agent, and Selected Adjusting Firms

FROM: James A. Sadler, CPCU, AIC
Director of Claims
National Flood Insurance Program
DHS/FEMA-MT-RN-CA

SUBJECT: Flood Insurance Claims Guidance

In areas affected by **both** Hurricane Gustav and Hurricane Ike, FEMA has learned of many instances in which a claim caused by Gustav could not be inspected prior to the arrival of Ike. Therefore, the following claims guidance is issued for the benefit of policyholders, claim adjusters, WYO companies, and the NFIP Servicing Agent.

1. **Policyholders:**

   Should report all flood damage from either or both of the hurricanes to their carrier. Whether or not insured against flood, property owners and renters who need assistance in addition to or other than that provided by the NFIP should be referred to the Disaster Support Resources area of the FEMA Website at http://www.fema.gov/business/nfip/disaster_res.shtm.

2. **Claim Adjusters:**

   A. Must address prior losses, particularly from Hurricanes Katrina and Rita.

   B. Where possible, should separate, itemize, and document the damages from each hurricane.

   C. Must recognize and avoid duplication of coverage and payment for overlapping damage from prior losses or Hurricanes Gustav and Ike.

   D. Should use proven investigative methods to document windstorm damage to building or contents. See WYO Bulletin W-08008, dated February 25, 2008, for a discussion of Wind/Water Investigative Tips.

   In approaching a flood claim that may also include wind damage, an adjuster should continue to recognize any excluded damages. If there is wind and flood damage, the adjuster should comment on the rationale of his/her decision regarding the separation of wind and flood

www.fema.gov

Exhibit 8. Claims Guidance-Hurricanes Gustav and Ike (W-08070), page 1 of 3

damage. Most of the time this is simple – water line and below is flood; above the waterline is wind. However, when a building has been heavily damaged or destroyed by storm forces, an engineer may be needed to determine causation. Adjusters should photograph the wind damage generally. Photos of wind damage do not have to be exhaustive, unless necessary to document that flood damage is minor or absent.

3. WYO Companies and the NFIP Servicing Agent – Ike and Gustav Overlap:

A. If damages resulting from Hurricane Ike exceed the Hurricane Gustav damages, and the combined damages do not exceed the policy limit of liability, the Hurricane Gustav claim should be closed without payment. All covered damage should be considered under the Hurricane Ike claim.

B. If the covered damage from either event exceeds the policy limit of liability, the adjuster should, to the best of his/her ability, separate and document the damage.

C. The policy limits reinstate after each occurrence.

D. Each claim will be subject to the deductible(s) applicable in the policy.

E. This guidance is applicable to both building and personal property losses.

4. Existing Guidance for Adjusters and Carriers:

A. Coverage of Connected Heating Machinery – Heating machinery, in a building, connected to and servicing the insured building, is covered. Reminder: air conditioning compressors in the open, connected to and servicing the building, are covered.

B. Replacement Cost Loss Settlement – When insured property is eligible for replacement cost loss settlement, there is no longer any requirement to hold back the recoverable depreciation.

C. Water, Moisture, Mildew, or Mold Damage – When this damage occurs in connection with a covered direct physical loss by or from flood, it will be covered unless there is clear evidence of the policyholder's failure to inspect and maintain the insured property, where it was feasible to do so. If such damage is the result of wicking, it is covered.

D. Determination of the Lowest Elevated Floor – Full coverage for Post-FIRM elevated buildings begins at the lowest elevated floor. This is the lowest floor raised above ground, even if the pilings extend beyond it.

E. Repair Estimating and Pricing Guidelines – We expect that the repair estimate be based on current local prices and that the pricing guidelines are used with discretion and flexibility. Repair estimates and corresponding settlements are always to be adjusted in accordance with

Exhibit 8. Claims Guidance-Hurricanes Gustav and Ike (W-08070), page 2 of 3

special conditions of the Standard Flood Insurance Policy[?] (e.g., the requirement for repair or replacement with material of like kind and quality), local pricing, and actual costs as provided by the policyholder and the selected contractor.

F. Unit Cost and File Documentation – We expect unit costs to include all materials, sales tax, disposable equipment, rented equipment, and any overhead of the contractor. Additionally, we expect estimated costs of personal property to include any delivery costs, setup fees, and sales tax. These are standard practices within the insurance industry. When actual documented costs for items of like kind and quality, such as repair invoices from service contractors, receipts, and replacement quotes differ from this standard practice, reasonable additional costs should be considered.

cc: IBHS, FIPNC, Government Technical Representative

Suggested Routing: Claims, Underwriting, Data Processing, Marketing

Exhibit 8. Claims Guidance-Hurricanes Gustav and Ike (W-08070), page 3 of 3

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U.S. Department of Homeland Security
500 C Street SW
Washington, DC 20472

W-08095

December 22, 2008

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators, NFIP Servicing Agent, and Selected Adjusting Firms

FROM: James A. Sadler, CPCU, AIC
Director of Claims
National Flood Insurance Program

SUBJECT: NFIP Case Loss Reserving Procedures

Each year KPMG conducts a Department of Homeland Security (DHS) review of internal control processes within various Agencies that are under the DHS umbrella. For 2008, this review included the National Flood Insurance Program (NFIP) claims and policy files of several WYO Companies and the NFIP Servicing Agent.

The KPMG findings this year indicated that some insurers were not complying with the NFIP case-reserving procedures. Therefore, in response to this review, FEMA's Claims & Appeals Branch has determined that the *NFIP Adjuster Claims Manual*, which KPMG cited as the source of the requirement, incorrectly characterized case reserves and the reserving process that is common throughout the insurance industry and is intended to be followed by the NFIP. The Manual is currently being revised.

This bulletin will serve as a correction and clarification of the reserving process to be used going forward until the revised Manual is published. In addition, reserving practices will be an area of concern during future Operation Reviews. Case loss reserves have little or no effect on the NFIP's balance sheet; therefore, any findings will not be considered critical. Also, we will review other NFIP publications and plans to determine if any reference to case reserving can be clarified to provide KPMG and other auditors of the NFIP with the correct NFIP case reserve procedure.

Case Loss Reserves

The case loss reserve (case reserve) is the Company's estimate of the value of future payments for an individual claim. The incurred loss is the sum of all payments plus any outstanding case reserve.

NFIP case reserves do not include reserves for Allocated Loss Adjustment Expenses (ALAE), Unallocated Loss Adjustment Expenses (ULAE), or reserves for losses that have been Incurred But Not Reported (IBNR).

Exhibit 9. NFIP Case Loss Reserving Procedures (W-08095), page 1 of 2

The initial case reserve may be a system-generated amount based on criteria established by the Company or it may be an individually set case reserve based on the best knowledge of the loss at the time the initial reserve is set. Subsequent adjuster reports should refine the case reserve amount (increase or decrease) as the Company becomes aware of additional facts, inspections, and estimates of damage.

Advance payments and other partial payments will decrease the case reserve. However, at the time an advance payment or other partial payment is made, the Company's estimate of the value of future payments should be reevaluated and the case reserve revised. The goal is that the Company's knowledge of the claim along with any advance or other partial payments will result in a case loss reserve that closely reflects the value of future payments. For example, when the final payment is made it should be in an amount close to the outstanding case reserve just before payment.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Accounting, Claims, Data Processing

Exhibit 9. NFIP Case Loss Reserving Procedures (W-08095), page 2 of 2

U.S. Department of Homeland Security
500 C Street SW
Washington, DC 20472

FEMA

W-09002

January 12, 2009

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators, the National Flood Insurance Program (NFIP) Servicing Agent, and Selected Adjusting Firms

FROM: James A. Sadler, CPCU, AIC
Director of Claims
National Flood Insurance Program

SUBJECT: Formal Appeals Process – Issuance of Denial Letter (Revised)

WYO Clearinghouse Bulletin W-06079, issued on October 13, 2006, announced the Formal Appeals Process – Issuance of Denial Letter as instruction to the WYO Companies and the NFIP Servicing Agent of their role in the Formal Appeals Process. The purpose of the current Bulletin is to reiterate the process, to emphasize the importance of an adequate denial letter, and to provide a revised address for the Federal Insurance Administrator.

As you know, both the Flood Insurance Reform Act (FIRA) of 2004 and the Standard Flood Insurance Policy (SFIP) allow an insured who is dissatisfied with an insurer's decision to deny a claim, in whole or in part, to file a lawsuit in Federal district court for the disallowed portion of the claim, or to invoke the appraisal provision of the SFIP. A final rule published in the Federal Register on October 13, 2006, provides an additional avenue, the formal appeals process, for resolving flood insurance disputes. The formal appeals process is not available to an insured who has filed suit or whose claim is or has been subject to appraisal. Also, the appeals process outlined in the final rule does not abolish or replace the right to file a lawsuit against the insurer pursuant to the National Flood Insurance Act of 1968 as amended, nor does it expand or change the 1-year statute of limitation to file suit against the insurer for the disallowed portion of the insured's claim.

The appeals process is available after the issuance of the insurer's final claim determination, which is the insurer's written denial, in whole or in part, of the insured's claim after the insurer's full and complete investigation of the claim. Therefore, in order for the policyholder to comply with the requirements of the appeals process, the WYO Companies and the NFIP Servicing Agent must make sure that they provide a written denial letter to policyholders when their claim, in whole or in part, is denied. The denial letter should provide specific information on the reasons why the claim was denied. When the reasons given in the denial letter do not agree with the actual facts of the claim, then that letter could be faulty and may not trigger the appeals process required by FIRA 2004. In

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Exhibit 10. Formal Appeals Process – Issuance of Denial Letter (W-09002), page 1 of 2

such a case, FEMA will forward the policyholder's letter to the insurer requesting that they deal directly with the policyholder to close the matter until a final determination is made and an adequate denial letter is sent.

The WYO Companies and the NFIP Servicing Agent should immediately begin to include in their final claim determination denial letters, wording that announces the formal appeals process. FEMA recommends the following language:

> If you do not agree with your insurer's decision to deny your claim or any part of the claim, Federal law allows you to appeal that decision within 60 days of the date of this denial letter. Your appeal must be in writing and include: a copy of this letter, a copy of the completed Proof of Loss form you submitted to the insurer, your written statement of the basis for the appeal in as much detail as possible including relevant policy and claim information, and all the documentation that supports your written statement. The appeal must be sent to: **Federal Emergency Management Agency, Mitigation Directorate, Federal Insurance Administrator, 1800 South Bell Street, Arlington, VA 20598-3010**. To avoid delays, it is critical that you use the complete ZIP + 4 Code given here. You may not appeal if your dispute is or has been subject to appraisal or you have filed suit on the matter(s) upon which the insurer's denial of your claim or any part thereof is based.

In order for the Federal Insurance Administrator to provide a timely written final appeal decision to the policyholder, it is imperative that any request made to a WYO Company or the NFIP Servicing Agent by FEMA or the NFIP Bureau and Statistical Agent for information is fulfilled within 48 hours. In most cases, a copy of the claim file will be requested; the copy, including all photographs, must be legible. In all cases, the response to a request for information must include a detailed synopsis of the claim handling that focuses on the issues related to the denial.

I want to thank each of you again for your continued cooperation in this important endeavor.

Please note that the new mailing address for the Federal Insurance Administrator in the recommended language above is to be used for all correspondence to all branches of the Mitigation Directorate's Risk Insurance Division, including Claims and Appeals, Industry and Public Relations, Operations Management, and Underwriting:

Federal Emergency Management Agency
Mitigation Directorate
[Branch Name Here]
1800 South Bell Street
Arlington, VA 20598-3010

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Claims, Legal, Underwriting

Exhibit 10. Formal Appeals Process – Issuance of Denial Letter (W-09002), page 2 of 2

U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

FEMA

W-09077

November 20, 2009

MEMORANDUM FOR: Write Your Own Principal Coordinators and the NFIP Servicing Agent for Dissemination to all Claims Managers

FROM: James A. Sadler, CPCU, AIC
Director of Claims
National Flood Insurance Program

SUBJECT: Substantially Damaged Structures

On November 11 – 15, 2009, the Nor'easter produced torrential rains which caused moderate to extensive flood damage to residential and commercial properties in the state of Virginia. Early reports indicate that substantially damaged property may result. Please ensure that your claims adjusters follow the guidelines below. Their cooperation will help expedite the community officials' determination of substantially damaged buildings.

- It is mandatory for adjusters to continue to report the statistics promptly.
- After conducting the inspection of the building and identifying it as possibly meeting the criteria for substantial damage, the adjuster is required to enter the information for that building on the attached **"Adjuster Preliminary Damage Assessment"** (APDA) form. An interactive version of this form is available on the FEMA web site at http://www.fema.gov/library/viewRecord.do?id=2580. The form will continue to be used to capture critical information during the adjustment phase.
- Even though the form allows entries for two separate policies, adjuster should not hold the form while awaiting additional or final claims information. **The form must be submitted to the NFIP Bureau and Statistical Agent as soon as the information is completed for a single policy.**
- Adjusters are required to submit daily reports of possible substantially damaged properties to the NFIP Bureau and Statistical Agent by fax at (301) 577-3421, email to **iservice_claims@ostglobal.com**, or by mail to P.O. Box 310, Lanham, MD 20706.
- There may be buildings that were damaged in previous flood events, such as Hurricane Isabel in September 2003. Adjusters should be aware of pre-existing damage and ask specific questions regarding repairs of this damage. Receipts and invoices to support prior repairs may be needed if there are questions. In previous flood events there were many substantially damaged buildings. The adjuster should be aware that these buildings should now be Post-

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Exhibit 11. Substantially Damaged Structures (W-09077), page 1 of 4

FIRM and in compliance with the community's floodplain management law and ordinance. Any questions should be referred to the Company.

We recognize the formidable job that community officials have in handling the substantial damage issue. In many instances, they must survey widespread areas of damage with limited resources. However, by observing the guidelines above, adjusters can help us provide community officials with timely, accurate information that will allow them to make expeditious determinations of substantially damaged buildings.

We ask for your full support. If there are any questions, please contact the NFIP Bureau and Statistical Agent Claims Department.

Attachment

cc: Vendors, IBHS, FIPNC, and Government Technical Representative

Required Routing: Claims and Underwriting

Exhibit 11. Substantially Damaged Structures (W-09077), page 2 of 4

DEPARTMENT OF HOMELAND SECURITY FEDERAL EMERGENCY MANAGEMENT AGENCY **ADJUSTER PRELIMINARY DAMAGE ASSESSMENT**	*NATIONAL FLOOD INSURANCE PROGRAM*	*O.M.B. No. 1660-0005* *Expires September 30, 2010*

Privacy Act Statement

The information requested is necessary to process the subject loss. The authority to collect the information is Title 42, U.S. Code, Sectin 4001 to 4028. It is voluntary on your part to furnish the information. However, omission of an item may preclude processing of the form. The information will not be disclosed outside of the Federal Emergency Management Agency, except to the servicing agent, acting as the government's fiscal agent; to claims adjusters to enabel them to confirm coverage and the location of insured property; to certain Federal, State, and Local Government agencies for determining eligibility for benefits and for verification of nonduplication of benefits; to the Department of Justice for purposes of litigation or as required by law; and to State and Local agencies for acquisition and relocation-related projects, consistent with the National Flood Insurance Program and consistent with the routine uses described in the program's system of record. Failure by you to provide some or all of the information may result in delay in processing or denial of this claim and/or application.

Paperwork Burden Disclosure Notice

Public reporting burden for this form is estimated to average 15 minutes per response. The burden estimate includes the time, effort or financial resources expended by persons to generate, maintain, retain, disclose, or provide information to the Mitigation Division or its agent. You are not required to respond to this collection of information unless a currently valid OMB control number and expiration date is displayed in the upper right corner of the these forms. Send comments regarding the accuracy of the burden estimate and suggestions for reducing the burden to: Information Collections Management, Department of Homeland Security, Federal Emergency Management Agency, 500 C Street, S.W., Washington, DC 20472, Paperwork Reduction Project (1660-0005). **NOTE: Do not send your completed form to this address. Send completed forms to: NFIP Bureau & Statistical Agent, Certification Coordinator, P.O. box 310 , Lanham, MD 20703-0310.**

WYO COMPANY	DATE OF LOSS	ADJUSTER	FICO NUMBER

This form is to be used for advisory purposes in helping FEMA and communities identify potential substantially damaged buildings. The adjuster will use "replacement cost" when completing this form; however, the community is required under the National Flood Insurance Program to use "market value" in determining substantial damage.

PLEASE PRINT LEGIBLY

POLICY HOLDER	POLICY NUMBER
PROPERTY ADDRESS *(include zip code)*	

**PROBABLE REPAIR COST	BUILDING REPLACEMENT COST VALUE	BUILDING ACTUAL CASH VALUE
	$	$

POLICY HOLDER	POLICY NUMBER
PROPERTY ADDRESS *(include zip code)*	

**PROBABLE REPAIR COST	BUILDING REPLACEMENT COST VALUE	BUILDING ACTUAL CASH VALUE
	$	$

POLICY HOLDER	POLICY NUMBER
PROPERTY ADDRESS *(include zip code)*	

**PROBABLE REPAIR COST	BUILDING REPLACEMENT COST VALUE	BUILDING ACTUAL CASH VALUE
	$	$

*****This is an estimate of the cost to repair the building to its pre-flood condition.***

FEMA Form 81-109, OCT 07 REPLACES ALL PREVIOUS EDITIONS. F-674

Exhibit 11. Substantially Damaged Structures (W-09077), page 3 of 4

Privacy Act Statement

The information requested is necessary to process the subject loss. The authority to collect the information is Title 42, U.S. Code, Section 4001 to 4028. It is voluntary on your part to furnish the information. However, omission of an item may preclude processing of the form. The information will not be disclosed outside of the Federal Emergency Management Agency, except to the servicing agent, acting as the government's fiscal agent; to claims adjusters to enable them to confirm coverage and the location of insured property; to certain Federal, State, and Local Government agencies for determining eligibility for benefits and for verification of agencies for acquisition and relocation-related projects, consistent with the National Flood Insurance Program and consistent with the routine uses described in the program's system of record. Failure by you to provide some or all of the information may result in delay in processing or denial of this claim and/or application.

PAPERWORK BURDEN DISCLOSURE NOTICE

Public reporting burden for the collection of information titled Claims for National Flood Insurance Program (NFIP) is estimated to average 6 hours per response. The burden estimate includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and submitting these forms. You are not required to respond to this collection of information unless a currently valid OMB control number and expiration date is displayed in the upper right corner of the these forms. Send comments regarding the accuracy of the burden estimate and suggestions for reducing the burden to: Information Collections Management, Department of Homeland Security, Federal Emergency Management Agency, 500 C Street, S.W., Washington, DC 20472, Paperwork Reduction Project (1660-0005). **NOTE: Do not send your completed form to this address.**

FEMA Form No.	Title	Burden Hours
81-40	Worksheet-Contents-Personal Property	2.5 Hours
81-41	Worksheet-Building	2.5 Hours
81-41A	Worksheet-Building (Cont'd)	1.0 Hours
81-42	Proof of Loss	.08 Hours
81-42A	Increased Cost of Compliance	2.0 Hours
81-43	Notice of Loss	.07 Hours
81-44	Statement as to Full Cost to Repair or Replacement Cost Coverage, Subject to the Terms and Conditions of this Policy	.10 Hours
81-57	National Flood Insurance Program Preliminary Report	.07 Hours
81-58	National Flood Insurance Program Final Report	.07 Hours
81-59	National Flood Insurance Program Narrative Report	.08 Hours
81-63	Cause of Loss and Subrogation Report	1 Hour
81-96	Mannfactured (Mobile) Home/Travel Trailer Worksheet	.50 Hours
81-96A	Mobile Home/Travel Trailer Worksheet (Continued)	.25 Hours
81-98	Increased Cost of Compliance (ICC) Adjuster Report	.42 Hours
81-109	Adjuster Preliminary Damage Assessment	.25 Hours
81-110	Adjuster Certification Application	.25 Hours

Exhibit 11. Substantially Damaged Structures (W-09077), page 4 of 4

U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

FEMA

W-10008

February 4, 2010

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators, NFIP Servicing Agent, and Selected Adjusting Firms

FROM: James A. Sadler, CPCU, AIC
Director of Claims
National Flood Insurance Program

SUBJECT: Update - NFIP Case Loss Reserving Procedures

This is an update to Bulletin W-08095 dated December 22, 2008, and makes minor revisions that clarify the reserving process to be used going forward.

Each year, the Department of Homeland Security (DHS) conducts an independent, external review of internal control processes within various Agencies that are under the DHS umbrella. For 2008 and 2009, this review was performed by KPMG. Their review included the National Flood Insurance Program (NFIP) claims and policy files of several WYO Companies and the NFIP Servicing Agent.

The KPMG 2008 findings indicated that some insurers were not complying with the NFIP case-reserving procedures. That finding was not material and, in our opinion, has no effect on the operations of the NFIP. However, in reviewing that finding, FEMA's Claims & Appeals Branch determined that the *NFIP Adjuster Claims Manual*, which KPMG cited as the source of the requirement, incorrectly characterized case reserves and the reserving process that is common throughout the insurance industry. Since it is, and always has been, the intention of the NIFP to follow that industry practice, we are therefore issuing this revision. The Manual is currently being updated and will include this revision.

In addition, reserving practices has been an area of interest during Operation Reviews beginning with the FY 2009 cycle. Case loss reserves have no direct effect on the NFIP's balance sheet, therefore, any findings will not be considered critical. Also, we will review other NFIP publications and plans to determine if any reference to case reserving can be clarified to provide future auditors of the NFIP with the correct case reserve procedure.

Beginning with the FY 2011 Claims Operation Review cycle, reserving issues will be considered non-critical errors at the discretion of the reviewer.

Exhibit 12. NFIP Case Loss Reserving Procedures (W-10008), page 1 of 2

Case Loss Reserves

The case loss reserve (case reserve) is the company's estimate of the value of future payments for an individual claim. The incurred loss is the sum of all payments plus any outstanding case reserve.

NFIP case reserves do not include reserves for Allocated Loss Adjustment Expenses (ALAE), Unallocated Loss Adjustment Expenses (ULAE), or reserves for losses that have been Incurred But Not Reported (IBNR). The initial case reserve may be a system-generated amount based on criteria established by the Company or it may be an individually set case reserve based on the best knowledge of the loss at the time the initial reserve is set. Subsequent adjuster reports should refine the case reserve amount (increase or decrease) as the company becomes aware of additional facts, inspections, and estimates of damage.

Following a catastrophe, instead of case loss reserves for individual claims, a company may bulk reserve for catastrophe losses. The bulk reserve is reduced as payments are made. Bulk reserving for catastrophe losses is an accepted industry option.

Advance payments and other partial payments will normally decrease the case loss reserve. However, at the time an advance payment or other partial payment is made, the company's estimate of the value of future payments should be reevaluated and the case reserve revised. The goal is that the company's knowledge of the claim along with any advance or other partial payments will result in a case loss reserve that closely reflects the value of future payments. For example, when the final payment is made it should be in an amount close to the outstanding case reserve just before payment.

It is understood that reserving is not an exact science. Consistency is more important than target accuracy. WYO Companies and the NFIP Servicing Agent should have established procedures that enable this consistency.

Another reserve issue pointed out during audits is the merging of policies from one company or vender to another. The procedures for transferring policies and claims from one to another vendor or company should include guidance regarding the preservation of reserves during the transfer.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Accounting, Claims, Data Processing

Exhibit 12. Case Loss Reserving Procedures (W-10008), page 2 of 2

U.S. Department of Homeland Security
National Flood Insurance Program
8400 Corporate Drive, Suite 350
Landover, MD 20785

FEMA

W-10010

February 16, 2010

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

FROM: NFIP Clearinghouse

SUBJECT: Policy Interpretation 2010-1 – Buildings Over Water That Were Originally Constructed Over Land

Please see the attached Policy Interpretation concerning flood insurance coverage for NFIP-insured buildings that were constructed over land or partially over water on or after October 1, 1982, but are now completely over water because of erosion.

Attachment

cc: Vendors, IBHS, FIPNC, and Government Technical Representative

Required Routing: Underwriting and Claims

Suggested Routing: Marketing and Training

www.fema.gov

Exhibit 13. Buildings Over Water That Were Originally Constructed Over Land (W-10010), page 1 of 2

Policy Interpretation 2010-1

Subject: Buildings Over Water That Were Originally Constructed Over Land

Background: This Policy Interpretation addresses the Property Not Covered Clause in the Standard Flood Insurance Policy (SFIP), Section IV, Paragraph 2. This paragraph specifically excludes flood insurance coverage if a building is located entirely in, on, or over water or seaward of mean high tide if it was constructed over water or substantially improved after September 30, 1982.

However, FEMA has become aware of situations where NFIP-insured buildings constructed over land or partially over water on or after October 1, 1982, are now completely over water because of erosion. A strict interpretation of the policy language would result in denial of coverage for these buildings, even though they may have had NFIP policies prior to being located entirely over water.

Policy Interpretation: If a building was originally constructed on land or partially over water, and later becomes entirely over water because of erosion, it is eligible for coverage only if the building has had continuous coverage:

(1) from the period beginning at least 1 year prior to the building being located entirely over water, regardless of any changes in the ownership of the building, or
(2) from the date of construction if less than 1 year.

Acceptable documentation of a building's continued eligibility for coverage includes the following:

- A letter from the community official stating that the building originally was constructed on land or only partially over water
- Photographs of the building over land, if available
- The approximate date when the building became located entirely over water
- Proof of continuous flood insurance coverage from the period beginning 1 year prior to the building being located entirely over water, or from the date of construction if less than 1 year.

In accordance with the SFIP provisions, the policy will pay only for direct physical loss by or from flood.

February 4, 2010

(Date)

Edward L. Connor

Edward L. Connor
Acting Federal Insurance Administrator
National Flood Insurance Program
Mitigation Directorate

www.fema.gov

Exhibit 13. Buildings Over Water That Were Originally Constructed Over Land (W-10010), page 1 of 2

U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

FEMA

W-10017

March 4, 2010

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators, the National Flood Insurance Program (NFIP) Servicing Agent, and Selected Adjusting Firms

FROM: James A. Sadler, CPCU, AIC
Director of Claims
National Flood Insurance Program
DHS/FEMA-MT-RN-CA

SUBJECT: Wind vs. Water – Adjusting Practice

In previous bulletins, FEMA discussed wind and flood investigative tips and a logical approach in addressing claims that involve both perils. Attached for your review are previous bulletins that address adjusting practices: WYO Bulletins W-08008, dated February 25, 2008 "Wind/Water Investigative Tips"; and W-08070, dated September 25, 2008 "Flood Insurance Claims Guidance."

The following will not ask adjusters to do much more than they currently do when approaching any flood or wind damaged building. There is no requirement for the flood adjuster to estimate the wind damage.

When adjusting wind/water losses the, adjuster should use established and proven investigative methods when documenting flood and wind damage to buildings and/or contents occurring during hurricane or storm events. "Wind/Water Investigative Tips" can be helpful.

The adjuster is asked to record the process they always use when approaching a wind/water claim. In addition to looking for signs of flood damage and/or a General Condition of Flood and documenting the exterior water line, the adjusters should note any exterior wind damage, such as missing shingles, turbine or fascia damage. The adjuster should also photograph this damage and mention what was observed in the narrative report.

Remember, **the Standard Flood Insurance Policy (SFIP) Pays Only For Direct Physical Loss by or From Flood to Insured Property.** Once inside the building, the adjuster should always document the flood water line. Damage below this line is typically flood damage (exceptions like wicking should be noted in the narrative report). Damage above the flood water line is typically wind damage, such as water-stained ceilings or water damage at broken windows or exterior doors. This damage should also be photographed and mentioned in the narrative report.

Exhibit 14. Wind Vs Water – Adjusting Process (W-10017), page 1 of 9

Auditors of the NFIP have asked that adjusters explain their rationale or the adjuster's basis for identifying the separation of wind and water damage. Typically, this rationale is as simple as:

- Shingles damaged at the right front of roof;
- Interior water line three feet;
- Damage below the water line is caused by flood;
- Damage above the water line is caused by wind to include water-stained ceiling in the area of roof damage.

As this separation becomes narrower, the basis may be more detailed, but it should be kept concise. When the cause of damage overlaps, the basis must be clearly explained in the narrative report; otherwise, the adjuster may approach the insurer to request an engineer to provide a professional opinion on causation.

As always, any known unusual circumstances should be recorded in the narrative report.

Again, we ask for your full support. Any questions or comments regarding the wind verse water adjusting practices should be directed to James A. Sadler, CPCU, AIC, Director of Claims, National Flood Insurance Program. Mr. Sadler may be reached by email at James.Sadler@dhs.gov.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

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

Attachments

Exhibit 14. Wind Vs Water – Adjusting Process (W-10017), page 2 of 9

U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

FEMA

W-08008

February 25, 2008

MEMORANDUM TO: Write Your Own (WYO) Company Principal Coordinators
National Flood Insurance Program (NFIP) Servicing Agent

FROM: James A. Sadler, CPCU, AIC
Director of Claims
National Flood Insurance Program

SUBJECT: *Wind/Water Investigative Tips*

Hurricanes and other severe storms may result in damage caused by both wind and flood. When handling these claims, adjusters should use proven investigative methods such as those provided in the attached document, which was adapted from the 1998 NFIP pamphlet, *Wind/Water Investigative Tips*. These tips will be included in the revised *NFIP Claims Adjuster Manual*, when published.

Attachment

cc: Vendors, IBHS, Government Technical Representative

Suggested Distribution: Claims Department, Adjusting Firms, Independent Adjusters, and Staff Adjusters Handling NFIP Claims

www.fema.gov

Exhibit 14. Wind Vs Water – Adjusting Process (W-10017), page 3 of 9

Wind/Water Investigative Tips

Important Things to Do When Investigating a Claim

- Research local newspapers and/or check with the local weather service, the U.S. Weather Bureau, or other agencies to determine the specific data relative to the storm.

- When damage is caused by a hurricane, tropical storm, nor'easter, or other event that may cause both wind and flood damage, determine and record the following (*check and record the timing and duration for each)*:

Data Element	Measurement	Timing	Duration
Highest Wind Speed	_____	_____	_____
Barometric Pressure	_____	_____	_____
Amount of Rainfall	_____	_____	_____
Tidal Heights	_____	_____	_____
Storm Surge	_____	_____	_____
Wave Heights	_____	_____	_____

- Record the distance and direction of the insured risk relative to the eye of the storm. Remember that the waves are higher to the right of the storm's path.

- Research and record site conditions:

  - Original ground elevation
  - Distance from body of water
  - After-storm ground elevation or other indications of scour
  - Amount and type of storm debris

- Canvas the neighborhood for eye-witnesses and take their recorded or signed statements. Be certain to identify where each witness was at the time of the storm, the amounts or descriptions of wind and flood each witness saw, and the time of day that each saw it. Record in the claims files only what each witness actually says—not hearsay or your opinion.

- Check for and photograph the debris line. Measure and record how many feet the debris line is from the shoreline and from the insured risk. Be sure to describe the topography in detail.

Exhibit 14. Wind Vs Water – Adjusting Process (W-10017), page 4 of 9

- Check for and photograph houses and objects adjacent to the insured risk. If damage appears to be different from that of the insured risk, determine why and record the reason in the claim files. Usually, the damage is different for one of two reasons:

  - Different cause of damage (e.g., a tornado can cut a relatively narrow path, leaving neighboring buildings relatively undamaged).

  - Different building construction and anchoring. Look for connectors or tie-down straps for elevated buildings and enclosures beneath elevated buildings. Check the pilings for evidence of scouring. Photograph the remaining pilings, showing patterns of the leaning pilings. Determine how deep the pilings were installed and measure the distance between pilings.

- Determine and record in the claim file a complete description of the damaged or demolished building, including the type of construction; whether elevated (if elevated with an enclosure, be sure to indicate the type of enclosure – breakaway walls, open lattice work, vents, etc.); number of floors (including basement); roof covering and pitch; windows, carports, etc.; and the building's relative position to the wind. It is also important to include a description of the foundation type (slab, piles, piers, etc.) and damage.

- Photograph (close-up) the remains of connectors or tie-downs. Be sure to describe the size, type, brand, method of installation, and if possible the brand name.

- Make a notation in the initial report where evidence suggests the insured risk was not built as securely as neighboring buildings. The flood insurer or coastal plan, for example, may want to check the local building codes to determine if a building construction violation has occurred and document the claim files, both with copies of the code and the evidence of a violation. The age of the building and the effective dates of the building codes need to be documented.

- Check for and photograph any wind-caused openings in the building and/or missing roof shingles.

- Check for and photograph all possible wind-related water marks or stains visible on both the exterior and interior walls and ceilings of the building.

- Check for and photograph all possible flood-related water marks or stains visible on both the exterior and interior of the building.

- Check for and photograph any water marks visible on nearby trees or fence posts, or other buildings.

Exhibit 14. Wind Vs Water – Adjusting Process (W-10017), page 5 of 9

- Check for and photograph any uprooted trees or trees snapped off at a high level.

- Check for, photograph, and note in the claim files any evidence of severe erosion such as leaning pilings or houses “nosed down” in the ground. Leaning or bent pilings can occur both as a result of flooding and as a result of a building being pushed over by wind forces or blown off its pilings.

Exhibit 14. Wind Vs Water – Adjusting Process (W-10017), page 6 of 9

U.S. Department of Homeland Security
500 C Street SW
Washington, DC 20472

FEMA

W-08070

September 25, 2008

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators, Vendors, NFIP Servicing Agent, and Selected Adjusting Firms

FROM: James A. Sadler, CPCU, AIC
Director of Claims
National Flood Insurance Program
DHS/FEMA-MT-RN-CA

SUBJECT: Flood Insurance Claims Guidance

In areas affected by **both** Hurricane Gustav and Hurricane Ike, FEMA has learned of many instances in which a claim caused by Gustav could not be inspected prior to the arrival of Ike. Therefore, the following claims guidance is issued for the benefit of policyholders, claim adjusters, WYO companies, and the NFIP Servicing Agent.

1. **Policyholders:**

   Should report all flood damage from either or both of the hurricanes to their carrier. Whether or not insured against flood, property owners and renters who need assistance in addition to or other than that provided by the NFIP should be referred to the Disaster Support Resources area of the FEMA Website at http://www.fema.gov/business/nfip/disaster_res.shtm.

2. **Claim Adjusters:**

   A. Must address prior losses, particularly from Hurricanes Katrina and Rita.

   B. Where possible, should separate, itemize, and document the damages from each hurricane.

   C. Must recognize and avoid duplication of coverage and payment for overlapping damage from prior losses or Hurricanes Gustav and Ike.

   D. Should use proven investigative methods to document windstorm damage to building or contents. See WYO Bulletin W-08008, dated February 25, 2008, for a discussion of Wind/Water Investigative Tips.

   In approaching a flood claim that may also include wind damage, an adjuster should continue to recognize any excluded damages. If there is wind and flood damage, the adjuster should comment on the rationale of his/her decision regarding the separation of wind and flood

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Exhibit 14. Wind Vs Water – Adjusting Process (W-10017), page 7 of 9

damage. Most of the time this is simple – water line and below is flood; above the waterline is wind. However, when a building has been heavily damaged or destroyed by storm forces, an engineer may be needed to determine causation. Adjusters should photograph the wind damage generally. Photos of wind damage do not have to be exhaustive, unless necessary to document that flood damage is minor or absent.

3. WYO Companies and the NFIP Servicing Agent – Ike and Gustav Overlap:

A. If damages resulting from Hurricane Ike exceed the Hurricane Gustav damages, and the combined damages do not exceed the policy limit of liability, the Hurricane Gustav claim should be closed without payment. All covered damage should be considered under the Hurricane Ike claim.

B. If the covered damage from either event exceeds the policy limit of liability, the adjuster should, to the best of his/her ability, separate and document the damage.

C. The policy limits reinstate after each occurrence.

D. Each claim will be subject to the deductible(s) applicable in the policy.

E. This guidance is applicable to both building and personal property losses.

4. Existing Guidance for Adjusters and Carriers:

A. Coverage of Connected Heating Machinery – Heating machinery, in a building, connected to and servicing the insured building, is covered. Reminder: air conditioning compressors in the open, connected to and servicing the building, are covered.

B. Replacement Cost Loss Settlement – When insured property is eligible for replacement cost loss settlement, there is no longer any requirement to hold back the recoverable depreciation.

C. Water, Moisture, Mildew, or Mold Damage – When this damage occurs in connection with a covered direct physical loss by or from flood, it will be covered unless there is clear evidence of the policyholder's failure to inspect and maintain the insured property, where it was feasible to do so. If such damage is the result of wicking, it is covered.

D. Determination of the Lowest Elevated Floor – Full coverage for Post-FIRM elevated buildings begins at the lowest elevated floor. This is the lowest floor raised above ground, even if the pilings extend beyond it.

E. Repair Estimating and Pricing Guidelines – We expect that the repair estimate be based on current local prices and that the pricing guidelines are used with discretion and flexibility. Repair estimates and corresponding settlements are always to be adjusted in accordance with

Exhibit 14. Wind Vs Water – Adjusting Process (W-10017), page 8 of 9

special conditions of the Standard Flood Insurance Policy[?] (e.g., the requirement for repair or replacement with material of like kind and quality), local pricing, and actual costs as provided by the policyholder and the selected contractor.

F. Unit Cost and File Documentation – We expect unit costs to include all materials, sales tax, disposable equipment, rented equipment, and any overhead of the contractor. Additionally, we expect estimated costs of personal property to include any delivery costs, setup fees, and sales tax. These are standard practices within the insurance industry. When actual documented costs for items of like kind and quality, such as repair invoices from service contractors, receipts, and replacement quotes differ from this standard practice, reasonable additional costs should be considered.

cc: IBHS, FIPNC, Government Technical Representative

Suggested Routing: Claims, Underwriting, Data Processing, Marketing

Exhibit 14. Wind Vs Water – Adjusting Process (W-10017), page 9 of 9

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U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

FEMA

W-10035

March 31, 2010

MEMORANDUM FOR: Write Your Own (WYO) Principal Coordinators, National Flood Insurance Program (NFIP) Servicing Agent and Selected Adjusting Firms

FROM: James A. Sadler, CPCU, AIC
Director of Claims
National Flood Insurance Program

SUBJECT: Flood Insurance Guidance Concerning Contents Manipulation

FEMA has recently been requested to clarify the coverage for Contents Manipulation Costs under the Standard Flood Insurance Policy (SFIP).

To be eligible for coverage for contents manipulation, the policyholder must have purchased both **COVERAGE A. BUILDING** (Building) coverage and **COVERAGE B. PERSONAL PROPERTY** (Contents) coverage. Coverage for contents manipulation is subject to the following:

- Only reasonable and necessary charges for contents manipulation will be allowed.
- Contents manipulation does not extend to items being replaced in the adjuster's estimate.
- If the contents item(s) is not covered, the cost to manipulate it is not covered.

  Note: Coverage for the manipulation of non-covered personal property located below the lowest elevated floor of a Post-FIRM elevated building in a designated SFHA or in a basement regardless of Zone is not covered.
- Manipulation of tenant's personal property, to perform building repairs that are the responsibility of the building owner, is not covered even when the tenant has purchased contents coverage.
- Contents manipulation does not extend to the removal and/or storage of contents away from the insured location.
- Documented contents manipulation expenses may be charged against Building coverage when they are a function of the covered building repair.

  Note: Both Building and Contents coverage must be purchased under the same policy for the same insured.

Exhibit 15. Flood Insurance Guidance Concerning Contents Manipulation (W-10035), page 1 of 2

FEMA recognizes that manipulation of undamaged insured contents may be necessary to perform covered building repair. These charges are often included in the contractor's unit cost(s) for items being repaired or replaced and are not a separate charge to the policyholder. When contractors present an itemized breakdown of their charges and contents manipulation is a separate line item, the adjuster may separately allow for contents manipulation. Adjusters should be instructed that they may no longer make lump sum allowances or room-by-room contents manipulation allowances in the estimate without providing supporting documentation of those costs.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Claims, Legal, Underwriting

Exhibit 15. Flood Insurance Guidance Concerning Contents Manipulation (W-10035), page 2 of 2

U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

FEMA

W-10060

May 19, 2010

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

FROM: James A. Sadler, CPCU, AIC
Director of Claims
National Flood Insurance Program
Federal Insurance and Mitigation Administration
DHS/FEMA-MT-RN-CA

SUBJECT: Wind vs. Water – Adjusting Practices Clarification

In previous bulletins, FEMA discussed wind and flood investigative tips and a logical approach in addressing claims that involve both perils. Please review our previous bulletins that address wind vs. water adjusting practices. They are WYO Bulletins W-08008, dated February 25, 2008 "Wind/Water Investigative Tips"; W-08070, dated September 25, 2008 "Flood Insurance Claims Guidance"; and W-10017, dated March 4, 2010 "Flood Insurance Claims Guidance."

During the 2010 National Flood Conference the concept of flood adjusters mentioning, photographing, and providing a rationale or basis for the separation of wind and flood damage was presented. During a discussion following the workshop presentation the point was raised that the flood adjuster was not hired to recognize or document wind damage and by doing so could be seen as outside of his or her scope of engagement. While this may be overridden by our series of bulletins, it is true that the flood adjuster is not asked to closely investigate the wind damage. The cursory notice, photographing, and mentioning in a narrative report may expose the adjuster to legal difficulties if what was seen as wind damage was actually a maintenance issue or anything other than wind damage.

With this in mind, FEMA asks that WYO Companies suggest to adjusting firms that adjusters do not refer to a specific peril or condition relating to other than flood damage, i.e. maintenance. For example: in the narrative an adjuster could say, "Several singles were missing from the roof over the living room." or "The fascia was missing from the west side of the building at the storage room." If damage must be mentioned it could be referred to as "damage other than flood damage."

Exhibit 16. Wind Vs Water – Adjusting Process Clarification (W-10060), page 1 of 2

This suggestion does not apply to an expert providing a professional opinion regarding causation, damages, or repair methods. All other provisions of the bulletins apply.

Again, we ask for your full support. Any questions regarding wind verse water adjusting practices should be directed to James A. Sadler, CPCU, AIC, Director of Claims, National Flood Insurance Program, Federal Insurance and Mitigation Administration. Mr. Sadler may be reached by email at James.Sadler@dhs.gov.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Claims, Training, Underwriting, Adjusting Firms

www.fema.gov

Exhibit 16. Wind Vs Water – Adjusting Process Clarification (W-10060), page 2 of 2

U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

FEMA

W-10065a

June 7, 2010

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

FROM: James A. Sadler, CPCU, AIC
Director of Claims
National Flood Insurance Program
Federal Insurance and Mitigation Administration
DHS/FEMA-MT-RN-CA

SUBJECT: Oil in Flood Water

FEMA has been asked to provide a position on potential oil mixed with flood waters. The following are bullet points that have been used to respond to specific questions. This is not a comprehensive claims procedure, and, if needed, FEMA will provide a more in-depth process description. The current claims process relies upon the expertise of flood certified adjusters, adjusting firm expertise, and insurer expertise, supported by engineering or other expert opinions regarding causation and damages.

Oil in flood water is not new for the NFIP, especially in riverine flooding. In the past, the mixing of oil and other pollutants in flood waters resulted from damage caused by a storm.

Below are some bullet points that address the concerns of the Gulf Coast:

- There must first be a defined flood* (see below) as described in the Standard Flood Insurance Policy (SFIP). Damage caused by the oil in flood waters is covered subject to the provisions of the SFIP.
- Under the terms of the *General Property Form* of the SFIP (commercial buildings and contents coverages must be purchased separately), damage caused by pollutants is limited to $10,000.
- The *Dwelling Form* and the *Residential Condominium Building Association Policy Form* limit damage to the building and contents (both coverages must be purchased separately)

Exhibit 17. Oil in Flood Water (W-10065a), page 1 of 2

from pollutants to the policy limits. This coverage does not increase the Coverage A or Coverage B limit of liability.

- Damage to ground, soil, or land caused by flood, oil, or flood water mixed with oil is not covered.
- The cost of complying with any local or State ordinance including one that requires special removal methods for oil is specifically excluded (certain floodplain management mitigation requirements are exceptions). This exclusion would also apply to local or state condemnations; the NFIP only pays for direct physical loss by or from flood*.
- For all three forms there is no coverage for testing or monitoring of pollutants unless there is a law or ordinance requiring it.
- If payment is made, FEMA or the WYO is automatically subrogated to the policyholder's right to recover the payment from a responsible party. The policyholder may not give up the right of FEMA or the WYO to recover or do anything to impede recovery. If the policyholder makes a claim against an entity who caused a loss and recovers any money, the policyholder must pay FEMA or the WYO back before they may keep any of the money.

*Flood is a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or two or more properties (parcels of land) at least one of which is the policyholder's property (parcel of land) from:

- Overflow of inland or tidal waters
- Unusual and rapid accumulation of runoff or surface waters from any source
- Mudflow

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Claims, Training, Underwriting, Adjusting Firms

Exhibit 17. Oil in Flood Water (W-10065a), page 2 of 2