



NATIONAL FLOOD INSURANCE PROGRAM

Bureau and Statistical Agent

W-03029

MEMORANDUM TO: Write Your Own (WYO) Principal Coordinators,
The NFIP Servicing Agent & Vendors

FROM: WYO Clearinghouse

DATE: June 18, 2003

SUBJECT: Financial Processing for Claims Overpayments from
W2RCINVD Report

The Ineligible/Invalid Loss Report (W2RCINVD) was developed by FIMA to assist WYO Companies with identifying statistical information where the reported "Amount Paid" for a loss exceeded the reported "Policy Limit" for the policy. This report is distributed on a monthly basis to the WYO Company and vendor, if applicable.

In most cases, the statistical data has been incorrectly reported to the Bureau. However, in some cases, an overpaid loss is discovered. The enclosed procedures provide two options for WYO Companies to use in resolving this matter with FIMA.

When an overpaid loss is discovered, please notify your Program Coordinator in writing as soon as possible. In addition, identify the option your company will use to resolve the overpayment. Please include the reporting month you plan to resolve the overpaid loss issue in your correspondence to the Program Coordinator.

FIMA is closely monitoring the handling of these matters. If Option #2 is selected, but the procedures are not properly followed, FIMA reserves the right to revoke your privilege to use this option, and require you to follow Option #1.

Please contact your Program Coordinator with any questions.

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

Suggested Routing: Accounting, Claims, Data Processing

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is the Bureau and Statistical Agent for the National Flood Insurance Program

**WYO Company Options for Financial Processing of Claim Overpayments
(as identified in the W2RCINVD report)**

Option 1:

1. Reduce the claim payment, Exhibit I, Line 115, by the overpaid amount on the financial statement.
2. Reduce the claim payment by the overpaid amount on the TRRP statistical data.
3. Cut a manual check in the amount of the overpayment. Record the manual check as a disbursement to the U. S. Treasury and report on Exhibit VIII-B.
4. Submit the manual check and supporting documents (policy number, date of loss, original loss payment, adjusted loss payment, original error code generated, and original error code date) to:

NFIP Bureau & Statistical Agent
Attn: Kevin Montgomery (FIMA)
7700 Hubble Drive
Lanham, MD 20706

Option 2:

1. Reduce the claim payment, Exhibit I, Line 115, by the overpaid amount on the financial statement.
2. Reduce the claim payment by the overpaid amount on the TRRP statistical data.
3. Send a disbursement for the overpayment amount to the U.S. Treasury via ACH, Internet, or Wire Transfer. Report the disbursement on the appropriate Exhibit VIII schedule.
4. Submit supporting documents (policy number, date of loss, original loss payment, adjusted loss payment, original error code generated, and original error code date) to:

NFIP Bureau & Statistical Agent
Attn: Kevin Montgomery (FIMA)
7700 Hubble Drive
Lanham, MD 20706