



FEMA

W-07045

July 26, 2007

MEMORANDUM FOR: Write Your Own Principal Coordinators
and NFIP Servicing Agent

FROM: Demetris Brown
Director, Financial and Statistical Control
NFIP Bureau and Statistical Agent

SUBJECT: Accounting Training Assistance Bulletin (ATAB) No. 2007-1,
Claims Payable Procedure and Quarterly Reporting

This bulletin revises Claims Payable ATAB No. 2006-1 for NFIP financial disclosure related to reporting of claims payable.

According to current procedure, each WYO Company and the NFIP Servicing Agent must disclose on the NFIP Financial Exhibit III, Line 312, Claims Payable, at the end of each reporting period. This procedure is revised to report as Claims Payable on Line 312 only those claims identified and approved for payment at the end of the reporting period.

Report all other payable items on the NFIP Financial Exhibit III, Line 310, as Accounts Payable. Examples of other payable items include:

- Claims payable not approved for payment
- Earned commission for expense allowance and unallocated LAE
- Reimbursable expenses (e.g., allocated LAE, special allocated LAE, salvage, subrogation credit)

Effective immediately, quarterly reporting of Line 312 Claims Payable detail must be electronically submitted for the second month of each quarter (February, May, August, and November) and must agree with the summary amount reported on Line 312. The detail can include more information, but should include the following information for each claim payable approved and not yet paid:

1. Claim Number
2. Policy Number
3. Name of Claimant
4. Loss Date
5. Final Report Date
6. Claim Amount
7. Coverage in Force Amount
8. Claims Payable Amount

In addition, the detail of subsequent period related paid claims will be required to be submitted for the third month of each quarter (March, June, September, and December).

This related paid detail should include (reference) the above eight items and the following three items for each paid claim:

9. Claim Payment(s)
10. Payment Date(s)
11. Check Number(s)

Please begin the claims payable detail reporting with the August 2007 reporting period for data due on September 21, 2007.

Adhere to the following schedule for submission of the Claims Payable Electronic details and the Related Paid Claims details:

| Reporting Month | Item Requested | Due Date |
|-----------------|---|--------------------|
| August 2007 | Line 312 Claims Payable Electronic Detail Items 1 through 8 | September 21, 2007 |
| September 2007 | Related Paid Claims Detail Items 9 through 11 | October 22, 2007 |
| November 2007 | Line 312 Claims Payable Electronic Detail | December 21, 2007 |
| December 2007 | Related Paid Claims Detail Items 9 through 11 | January 22, 2008 |
| February 2008 | Line 312 Claims Payable Electronic Detail | March 21, 2008 |
| March 2008 | Related Paid Claims Detail Items 9 through 11 | April 21, 2008 |
| May 2008 | Line 312 Claims Payable Electronic Detail | June 23, 2008 |
| June 2008 | Related Paid Claims Detail Items 9 through 11 | July 21, 2008 |

Submission of Claims Payable Electronic details and Related Paid Claims is required the second and third months of each quarter (respectively) according to the schedule above and, for subsequent months, with corresponding financial exhibit due dates.

This information is consistent with anticipated financial audit requests, so all reporting companies should also have this information readily accessible to enable a timely response to audit requests that may be required for the recent May 2007 reporting period if the reporting company is selected for audit sample testing of claims payable.

Please contact Evelyn Ragland at eragland@nfipstat.com or 301-918-1436 if you need further clarification.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Routing: Accounting (required), Claims, Data Processing