



**FEMA**

W-12084

November 2, 2012

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

**FROM:** Edward L. Connor  
Deputy Associate Administrator for Federal Insurance

**SUBJECT:** NFIP Adjuster Fee Schedule - 2012 Revision

Effective October 25, 2012, the Federal Emergency Management Agency revised the adjuster fee schedule for claims with dates of loss October 25, 2012, and later. There are no changes to the separate Increased Cost of Compliance (ICC) fee schedule.

Please distribute this information to the appropriate personnel in your organization. If you have questions, please contact Russell M. Tinsley, AIC. Mr. Tinsley's email address is [Russell.Tinsley@fema.dhs.gov](mailto:Russell.Tinsley@fema.dhs.gov).

Attachment

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Accounting, Data Processing, Claims, and Marketing

## NFIP Fee Schedule

For Claims with Dates of Loss on or after October 25, 2012

Claim Range *	Fee
<i>Erroneous Assignment</i> <sup>1</sup>	\$90.00
<i>Claim Withdrawn</i> <sup>2</sup>	\$90.00
<i>Closed Without Payment (CWOP)</i> <sup>3</sup>	\$370.00
.01 - \$1,000.00	\$490.00
1,000.01 – 5,000.00	\$750.00
5,000.01 – 10,000.00	\$970.00
10,000.01 – 15,000.00	1,100.00
15,000.01 – 25,000.00	1,200.00
25,000.01 – 35,000.00	1,390.00
35,000.01 – 50,000.00	1,640.00
50,000.01 – 100,000.00	3.4% but not less than \$1,760
100,000.01 – 250,000.00	2.6% but not less than \$3,400
250,000.01 – 1,000,000.00	2.4% but not less than \$6,500
1,000,000.01 and up	2.1% but not less than \$24,000

**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 requiring reassignment.**

**\* Claim Range** — Based on Gross Loss:

Gross loss shall mean the agreed cost to repair before application of depreciation or the applicable deductible(s), but subject to policy limitations (such as those dollar amounts specified in Coverage B – Personal Property Special Limits and Coverage C – Other Coverages, Loss Avoidance Measures and Property Removed to Safety) and exclusions.

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

If the claim involves salvage “buy-back,” gross loss shall mean the amount of the claim before the salvage value is deducted subject to the total amount of coverage.

All adjusting expenses associated with the proper conclusion of a claim are considered in this fee schedule.

In the event of a claim subject to the Closed Without Payment (CWOP) fee of \$370.00, an adjuster may submit a request for a Special Allocated Loss Adjustment Expense (SALAE) for mileage for distances traveled (in excess of 100 miles) at the prevailing Internal Revenue Service standard mileage reimbursement rate on the date of inspection. Mileage shall be pro-rated between assignments.



## NFIP Fee Schedule Guidance

<sup>1</sup> **Erroneous Assignment** — occurs when a loss is assigned to more than one adjuster or more than one adjusting firm. One adjuster will be removed from the claim and will receive a fee based on an erroneous assignment.

<sup>2</sup> **Claim Withdrawn** — refers to a claim where the insured elects to withdraw the claim after the NFIP Direct Servicing Agent, a WYO carrier or the WYO carrier's service provider / vendor assigns the claim to an adjusting firm but before the adjusting firm completes the inspection.

<sup>3</sup> **Closed Without Payment (CWOP)** — Must include an adjuster site visit, meeting with the policyholder or their representative, photographs, and completed forms.

- **Less Than Deductible** — Claim should be billed based on the gross loss per the schedule subject to any policy limitations (such as Coverage B – Personal Property Special Limits and Coverage C – Other Coverages Loss Avoidance Measures) and exclusions.
- **No Coverage** — When it is determined that no claim payment is due, e.g., the damage was not caused by flood or the damaged property is not covered by the policy, then the file must be closed as a CWOP. The adjuster's report should contain sufficient explanation and documentation of the facts regarding the reason no payment is due.
- **Telephone Contact Only** — Will be billed at the Erroneous Assignment or Claim Withdrawn rate.

**Supplements** — Supplements shall be billed on the basis of the scheduled fee for the final adjustment, less any fees paid previously. Supplemental billings will not be considered for inadequate or incorrect scope of repairs or avoidable estimating errors. Concealed or progressive flood related damage is considered appropriate for supplemental billings.

For losses that require reopening and reassignment of the same or a different adjuster, the additional fee for the supplemental claim will be the larger of:

- (a) the CWOP fee; or,
- (b) the difference between the fee determined by the entry value when the claim was initially closed and the entry value for the entire claim after the supplemental claim is concluded.