



FEMA

W-15040

September 1, 2015

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

FROM: Roy E. Wright
[Signed]
Deputy Associate Administrator for Insurance and Mitigation
Federal Insurance and Mitigation Administration

SUBJECT: Hurricane Sandy Claims Review Process

This bulletin is issued pursuant to 44 C.F.R. Section 62.23 and the Federal Emergency Management Agency, Financial Assistance/Subsidy Arrangement (the "Arrangement"), at 44 C.F.R. Pt. 62, App. A to clarify the role the agency is taking on flood insurance claims filed after May 18, 2015.

On March 5, 2015, FEMA issued Bulletin W-15009, providing notice that FEMA was undertaking an expedited settlement process for all claims in litigation arising from Hurricane Sandy. As part of the settlement process, FEMA assumed responsibility from the Write Your Own (WYO) Company issuing a policy that was the subject of litigation and negotiated the case on behalf of the WYO Company. FEMA then coordinated with the defendant WYO Company to direct payment once an agreement was reached with the plaintiff policyholder.

On May 18, 2015, FEMA stood up the Hurricane Sandy Claims Review (SCR) process to make available an alternative to litigation for Sandy flood insurance claimants. As part of the claims review process, FEMA notified approximately 142,000 Sandy claimants by letter that the Agency established an administrative process to re-review all Sandy claims not in litigation at the request of the policyholder. FEMA set up a call center for initial in-take of requests, hired a force of experienced National Flood Insurance Program (NFIP) adjusters to review claim files and make recommendations, and contracted out for a neutral review in the event a policyholder was dissatisfied with the result of the first review.

Even though this process is available to all Sandy claimants, since May 18, 2015, a number of claimants not in litigation opted not to submit a claim through the SCR and instead filed lawsuits against the NFIP insurer. FEMA will not review the Complaints filed on or after May 18, 2015, through the expedited litigation settlement process established through Bulletin W-15009 and will not assume responsibility for settlement negotiations from WYO Companies on those cases. Instead, management of those cases will proceed with each named WYO defendant responsible for the cases filed against it, and with the appropriate United States Attorney's Office responsible for management of the NFIP direct cases.

Any questions or comments should be directed to Lloyd “Tony” Hake at (202) 646-3428 or lloyd.hake@fema.dhs.gov.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Data Processing, Marketing, Underwriting

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