



FEMA

W-16091

December 30, 2016

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators for Dissemination to WYO Claims Managers, Compliance Officers, and Legal Departments

FROM:

A handwritten signature in blue ink, appearing to read "David I. Maurstad".

David I. Maurstad  
Assistant Administrator for Federal Insurance  
Federal Insurance and Mitigation Administration

SUBJECT: Guidance on the Use of Expert Services

FEMA expects Write Your Own (WYO) Companies to handle National Flood Insurance Program (NFIP) claims in a fair and insured survivor-centric manner as part of their normal business practices. In order to ensure transparent and consistent claims handling for all policyholders, FEMA is providing guidance on the use of services provided by subject-matter experts as part of specific claims investigations. Such subject-matter experts include, but are not limited to, engineers, surveyors, salvors, architects, and certified public accountants. FEMA normally reimburses WYO Companies for use of such services as Type 1 Special Allocated Loss Adjustment Expenses (SALAE).

Notwithstanding previous bulletins and other Agency guidance, WYO Companies must comply with the following requirements regarding the use of expert services:

**1. Ensuring Expert Compliance with Applicable Laws and Use of Expert Reports**

WYO Companies may only rely upon expert reports prepared in accordance with all applicable laws regarding professional licensure and conduct. For the purposes of this requirement, WYO Companies and their retained experts may not assert that they are exempt from state licensing laws because they are Federal employees, Federal contractors, or performing work for the Federal Government unless expressly authorized in writing by FEMA.

**2. Exclusive Reliance on Final Engineering Reports**

WYO Companies may only rely upon final expert reports when making claim determinations. WYO Companies must use such reports in context with all other relevant information and data gathered throughout the claim investigation process when making a claim determination.

### **3. Retention and Disclosure of Final Expert Reports**

For the purposes of 44 CFR 62.23(i)(10), FEMA considers a final expert report a normal component of a claim file. Accordingly, whenever a WYO Company retains the services of an expert to investigate the claim, the WYO Company must keep the entire final expert report in the claim file. When requested by policyholders, WYO Companies must provide a copy of the requested final expert report in a claim file.

### **4. Avoiding Undue Influence on Expert Analyses**

WYO Companies may not adopt policies or practices that implicitly or explicitly influence the independent opinions of experts. WYO Companies may not request changes to final expert reports. However, WYO Companies may request that experts prepare addendums to final reports.

### **5. Request for Approval of Type 1 SALAE Expenses**

As described in [WYO Bulletin W-15010](#) (March 9, 2015), WYO Companies must request approval for all SALAE Type 1 expenses regardless of dollar amount. FEMA does not intend this bulletin to modify this requirement.

Please direct any questions, comments, or concerns to FEMA Claims at [FEMA-FIDClaimsMailbox@fema.dhs.gov](mailto:FEMA-FIDClaimsMailbox@fema.dhs.gov).

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Claims, Underwriting