




FEMA

W-17043

September 12, 2017

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators, the National Flood Insurance Program (NFIP) Servicing Agent, and Adjusting Firms Handling Hurricane Irma NFIP claims

FROM:   
David Maurstad  
Assistant Administrator for Federal Insurance  
Federal Insurance and Mitigation Administration

SUBJECT: Hurricane Irma Enhanced Claim-Handling for Prior Loss and Contents Claims under the Dwelling Form of the Standard Flood Insurance Policy (SFIP)

Hurricane Irma is a significant flooding event in terms of number of claims received, severity and complexity of damage. Accordingly, FEMA anticipates challenges with the quantity, severity, and complexity of the claims received. By this bulletin, FEMA is providing enhanced claims-handling guidance that will assist our policyholders in recovering quickly from this event. For Hurricane Irma claims beginning September 5, 2017, all stakeholders of the NFIP must adhere to the following enhanced claims guidance:

**PERSONAL PROPERTY (CONTENTS) ENHANCED CLAIMS-HANDLING PROCESS**

The adjuster may only apply the described method to residential personal property (contents) claims under a Standard Flood Insurance Policy (SFIP) Dwelling Form arising from Hurricane Irma.

- Group similar personal property (contents) items by room and provide descriptions to support the quality. Example groupings: furniture, textiles, electronics, toiletries, large appliances, small appliances, clothing, accessories, dishes, cookware, exercise and sports equipment, outdoor items, holiday items.
- Take comprehensive photos to document the damage to the personal property on a room-by-room basis of the grouped personal property items. Photograph labels of model and serial numbers on high-value items when available.
- Remember that the SFIP only pays the functional value of antiques; however, the replacement cost for these items should be for an item equivalent in quality. For example, an antique dresser may be valued at \$20,000 due to the item's age and condition; the adjuster will estimate the value of a dresser of similar quality that is available today.

- List high-value items separately and provide information to support the value; for example, for a \$10,000 couch, include photos of the label. If there is a question concerning the value of an item, invoices, canceled checks, or credit card charges may be used to document the value.
- Group Special Limit items separately.
- Apply depreciation by category rather than by item, except high-value items. The adjuster can use IRS Depreciation Tables as a guide; however, the adjuster should use their judgement to determine the fair and reasonable depreciation and base the depreciation on the age and condition of the item at the time of loss.
- Apply local sales tax to the total inventory.
- Provide the inventory to the policyholder(s) for agreement. Once the policyholder agrees, submit the claim to the insurance company for payment.
- If items are hauled away prior to the adjuster's inspection, an adjuster should base the estimate on what is normally found in a home using their best professional judgment.
- If the policyholder disagrees with the adjuster's estimate, the policyholder will be required to prove their loss by providing receipts, photographs, and related documentation per VII. GENERAL CONDITIONS J. Requirements in Case of Loss and K. Our Options After a Loss 2. The policyholder(s) has the option to provide a complete inventory that includes a detailed description of the item(s), the age, and the cost to replace the item with like kind and quality at current pricing. If the policyholder(s) only agrees with part of the estimate, this should not preclude payment of the undisputed claim to the policyholder based on the amount detailed in the enhanced adjustment process.

The adjuster should be aware of the FEMA bulletin regarding Debris Removal – W-16061– a copy of which is included with this bulletin.<sup>1</sup>

### **PRIOR LOSSES FOR ONE-TO-FOUR FAMILY DWELLINGS**

The adjuster may only apply the described method to residential claims under a Standard Flood Insurance Policy (SFIP) Dwelling Form arising from Hurricane Irma.

When adjusting a one-to-four family dwelling, where there is evidence of completed repairs to damage from prior flood losses, FEMA is not requiring the adjuster to obtain the prior loss claim file before adjusting the claim. FEMA is relying on the flood adjuster and insurer personnel to evaluate the extent of evidence demonstrating prior repairs. If the adjuster cannot easily make this determination, requiring further investigation requiring the review of a prior loss claim file(s) or receipts, the adjuster should recommend a review of the prior loss claim file to the insurer. The adjuster should provide the insurer with adequate documentation and photographs of any unrepaired prior damage to the best of their ability and take a non-waiver agreement where necessary.

FEMA will apply these modified requirements to any future review or audit of claim files covered by this bulletin.

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<sup>1</sup> <https://nfip-iservice.com/bulletinsearch/DownloadDocument.aspx?Type=pdf&FName=w-16061>

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Thank you for your cooperation. This enhanced claims-handling approach applies only to claims arising out of Hurricane Irma.

If you have any questions, please direct them to the FEMA-FID Claims Mailbox,  
[fema-fidclaimsmailbox@fema.dhs.gov](mailto:fema-fidclaimsmailbox@fema.dhs.gov).

**Authority: 44 C.F.R. § 61.13(d); 44 C.F.R. §§61, Appendices A(1), A(2) and A(3), General Condition (D); 44 C.F.R. § 62.23(k); Financial Assistance/Subsidy Arrangement Articles II(G) and IV(B)); 42 U.S.C. § 4019.**

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Claims, Training, Underwriting, Adjusting Firms, Independent Flood Adjusters

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