




FEMA

W-23013

September 29, 2023

MEMORANDUM FOR: Write Your Own (WYO) Principal Coordinators, WYO Vendors, and the National Flood Insurance Program (NFIP) Direct

FROM: 
David I. Maurstad
Assistant Administrator
Federal Insurance Directorate

SUBJECT: NFIP Adjuster Fee Schedules – Fiscal Year (FY) 2024 Revision

FEMA has revised its NFIP Adjuster Fee Schedule. The revised NFIP Adjuster Fee Schedule will be effective on October 1, 2023, and is applicable to claims with dates of loss on or after October 1, 2023. The 2022 Increased Cost of Compliance (ICC) Fee Schedule was not revised.

Please distribute this information to the appropriate personnel in your organization. Contact the Claims Branch at fema-fidclaimsmailbox@fema.dhs.gov if you have any questions.

Attachments:

- 2023 NFIP Adjuster Standard Fee Schedule
- 2022 ICC Fee Schedule
- 2023 Adjuster Fee Schedule Cover Sheet

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Accounting, Data Processing, Claims, Marketing

2023 NFIP STANDARD ADJUSTER FEE SCHEDULE

For Claims with Dates of Loss on or after October 1, 2023

Claim Range*	Fee
<i>Erroneous Assignment</i>	\$125
<i>Claim Withdrawn</i>	\$125
<i>Closed Without Payment (CWOP)</i>	\$510
.01 - \$1,000.00	\$680
\$1,000.01 – \$5,000.00	\$1,035
\$5,000.01 – \$10,000.00	\$1,340
\$10,000.01 – \$15,000.00	\$1,520
\$15,000.01 – \$25,000.00	\$1,650
\$25,000.01 – \$35,000.00	\$1,910
\$35,000.01 – \$50,000.00	\$2,235
\$50,000.01 – \$150,000.00	4.5% but not less than \$2,350
\$150,000.01 – \$250,000.00	4.3% but not less than \$6,750
\$250,000.01 – \$350,000.00	4.0% but not less than \$10,750
\$350,000.01 – \$550,000.00	3.5% but not less than \$14,000
\$550,000.01 – \$1,000,000.00	3.2% but not less than \$19,250
\$1,000,000.01 and higher	2.8% but not less than \$32,000

*Claim Range – based on gross loss

2023 NFIP ADJUSTER FEE SCHEDULE GUIDANCE

Gross Loss

Gross loss means the agreed cost to repair or replace before the following is applied:

- Depreciation (recoverable or non-recoverable)
- Policy deductible(s)
- Salvage buy-back

The gross loss shall not exceed the following policy limitations:

- Building and personal property policy limits stated in the Declarations Page
- Program Limits building and/or personal property
- Special Limits (\$2,500)
- Loss Avoidance Measures for Sandbags, Supplies, and Labor (\$1,000)
- Property Removed to Safety (\$1,000)
- Pollution Damage – General Property form (\$10,000)
- Policy Exclusions

Claim Withdrawn

- Fee \$125 - Occurs when a policyholder withdraws a claim after the NFIP Direct or WYO carrier (or the WYO carrier's service provider/vendor) assigns the claim to an adjusting firm AND before the adjusting firm conducts the inspection.
- Once the adjuster inspects the loss the adjuster is required to provide a full report and bill as a CWOP.
- When a policyholder withdraws or fails to pursue a claim after an adjuster prepares an estimate, the adjuster is paid the CWOP fee. The balance of the adjuster fee is eligible to be paid as a SALAE Type 2 after a withdrawal letter is completed, or in the case of failure to pursue, an appropriate denial letter for failure to comply with requirements in case of loss, to submit a proof of loss within 60 days.

Example:

Adjuster inspects and prepares an estimate of repair for \$1,500. The eligible fee is \$1,035. The policyholder withdraws the claim after the estimate is prepared. The claim is closed without payment and the adjuster is eligible to receive the \$510 CWOP fee. The balance (\$1,035 - \$510) \$525 is eligible for payment as a SALAE Type 2.

Closed Without Payment (CWOP)

Fee \$510 - Must include an adjuster site visit/inspection with the policyholder or their representative, photographs, and completed required forms.

- ***Less Than Deductible*** – Invoice the claim based on the gross estimate before application of depreciation (recoverable or non-recoverable) and the deductible, subject to policy limits, special limits, 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, close the file as a CWOP. The adjuster's narrative report must contain sufficient explanation and documentation of the facts regarding the reason no payment is due.
- ***Telephone Contact Only*** – Fee \$125 – Invoice at the Erroneous Assignment or Claim Withdrawn rate.

Erroneous Assignment

Fee \$125 - Occurs when a loss is assigned to more than one adjuster or more than one adjusting firm. The adjuster removed from the claim will receive a fee based on an erroneous assignment.

Requests for Additional Payment

The adjuster is paid the **greater** of the following:

- The CWOP fee of \$510; or
- The difference between the paid adjusting fee at the time the claim was closed and the new revised fee for the entire revised claim.

The NFIP will not consider supplemental billings for inadequate or incorrect scope of repairs or avoidable estimating errors. The NFIP will consider supplemental billing for unknown or progressive flood related damage as appropriate.

Example #1:

Building Limit - \$250,000; Personal Property Limit - \$100,000

- Original claim adjustment before application of depreciation and deductible:

Building	\$180,000
Personal Property	\$70,000

Fee: Total billable/gross claim $\$180,000 + \$70,000 = \$250,000 \times 4.3\% = \mathbf{\$10,750}$
original claim payable fee.

- Revised claim adjustment (includes original claim) before application of depreciation and deductible:

Building	\$240,000
Personal Property	\$95,000

Fee: Total revised billable/gross claim $\$240,000 + \$95,000 = \$335,000 \times 4.0\% =$
 $\$13,400$ minus previous paid fee of $\$10,750 = \mathbf{\$2,650.00}$ **supplemental payable fee**

Example #2:

Building Limit - \$250,000; Personal Property Limit - \$100,000

- Original claim adjustment before application of depreciation and deductible:

Building	\$165,000
Personal Property	\$50,000

Fee: Total billable/gross claim $\$165,000 + \$50,000 = \$215,000 \times 4.3\% = \mathbf{\$9,245.00}$
original claim payable fee.

- Revised claim adjustment (includes original claim) before application of depreciation and deductible:

Building	\$170,000
Personal Property	\$55,000

Fee: Total billable/gross claim $\$170,000 + \$55,000 = \$225,000 \times 4.3\% = \$9,675$
minus previous paid fee of $\$9,245 = \390 .

The adjuster would receive the CWOP fee of \$510, which is greater.

State Taxes

The Texas tax authorities determined that Texas sales tax on insurance services is applicable to all fees paid by WYO Companies to claims adjusters, and/or adjusting firms, for handling NFIP claims in Texas. FEMA will reimburse the expense. Invoices on claims adjusted in Texas requires inclusion of sales tax at the appropriate sales tax rate.

FEMA **will not** reimburse state sales tax in any other state or territory.

Incurred Expenses

Incurred expenses not reimbursed by the NFIP Adjuster Fee Schedule are compensated as a Special Allocated Loss Adjusting Expense (SALAE) Type 2 and requires documentation including receipts. Incurred expenses include travel (hotel, airline, rental vehicles), mobile home NADA or other valuation fees, etc. See 2023 NFIP Claims Manual Section Six for further guidance.

2022 Increased Cost of Compliance (ICC) Fee Schedule

For ICC Claims with Dates of Loss on or after September 17, 2022

Claim Range	Fee
<i>Erroneous Assignment</i>	\$90.00
<i>Closed Without Payment (CWOP)</i>	\$345.00
.01 - \$1,000.00	\$460.00
\$1,000.01 – \$2,500.00	\$655.00
\$2,500.01 – \$5,000.00	\$770.00
\$5,000.01 – \$7,500.00	\$885.00
\$7,500.01 – \$10,000.00	\$1,000.00
\$10,000.01 – \$15,000.00	\$1,150.00
\$15,000.01 – \$25,000.00	\$1,305.00
\$25,000.01 – \$30,000.00	\$1,535.00

IMPORTANT: Under the Standard and ICC Fee Schedules, the NFIP, through the WYO Companies and NFIP Direct, reserves the right to withhold compensation and to reduce the amount of compensation, on adjustment work deemed:

- a. Not to comply with NFIP standards.
- b. Improperly prepared, requiring the claim to be substantially readjusted.
- c. Not timely adjusted, requiring reassignment.