




FEMA

W-12086

November 5, 2012

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

FROM: David L. Miller   
Associate Administrator  
National Flood Insurance Program

SUBJECT: Meteorological Event Sandy and Its Remnants:  
Modified Handling of Claims with Prior Losses for  
One to Four Family Dwellings

The meteorological event identified as Sandy is a severe storm that will cause a number of large and complex claims. Claims handling challenges are expected. To minimize these challenges, the NFIP is providing this guidance regarding the review of prior loss claim files.

Beginning with Sandy on October 25, 2012, and ending for dates of loss on or before December 31, 2012, the following guidance regarding the review of prior losses should be followed by all stakeholders of the NFIP.

### **Prior Losses**

The adjustment process will not change for Commercial, Other Residential (5 or more family), or RCBAP, Building or Contents (Personal Property) claims arising out of Sandy.

However, when adjusting a one-to- four family dwelling, if there is evidence that repairs of damage from prior losses were completed before the Sandy-related flood event, receipts or other proof of prior repairs from Hurricane Irene and Tropical Storm Lee and any other flood event over the past 2-years will **not** be required for mechanicals in a basement, buildings constructed on elevated crawlspace, or slab-on-grade construction. Non-exclusive examples of such evidence could be a photograph, recordation of a different serial number from the prior loss, or a signed and dated declaration from the insured attesting to the replacement of the item from a prior loss. Additional supporting documents should be obtained if at all possible. If the basement or other insured building is inundated at the time of inspection and the claims adjuster is not able to inspect the mechanicals, the claims process should not be delayed. The claims adjuster is required to document his/her difficulty regarding inspection of these items in the Narrative Report. Adjusters should take a non-waiver and must, to the best of their ability, address whether or not the mechanicals were replaced after the prior loss (which may be by a declaration from the insured as set forth above).

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The NFIP is relying on the NFIP flood-certified adjuster and the WYO Company personnel to evaluate the extent of evidence required to demonstrate that prior repairs were made in these cases. Each NFIP flood-certified adjuster should be aware that if further investigation requiring the review of prior loss claim file(s) or receipts is necessary, he or she may recommend a review of the prior claim file to the insurer. The adjuster should provide the WYO Companies and the NFIP Direct Servicing Agent adequate documentation and photographs of any unrepaired prior damages to the best of their ability, and take a non-waiver agreement where necessary.

Thank you for your cooperation. This claims handling modification applies only to claims arising out of Sandy and its remnants or any subsequent date of loss on and before December 31, 2012.

If you should have any questions please direct them to Russell M. Tinsley, AIC. Mr. Tinsley's email address is [Russell.Tinsley@fema.dhs.gov](mailto:Russell.Tinsley@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); 44 C.F.R. § 62, Appendix A(1), Articles II(G) and IV(B); 42 U.S.C. § 4019.**

*These modified requirements will be applied to any future review or audit of claim files covered by this bulletin.*

cc: Vendors, IBHS, FIPNC, Government Technical Representative

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