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

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

SUBJECT: NFIP Adjuster Fee Schedule – 2017 Revision

The Federal Emergency Management Agency (FEMA) has revised the NFIP Adjuster Fee Schedule for claims with dates of loss on or after August 24, 2017. Both the NFIP System of Record (SOR) systems and WYOs will need to make system updates to account for the new fee schedule.

Recognizing that the NFIP SOR will take some time to update and the fact that WYOs will update their systems at different times, the NFIP SOR is prepared to accept claim data using either fee schedule (the current 2012 schedule or the new 2017 schedule) with the September 2017 data and subsequent submissions until the NFIP SOR system updates are complete.

Since claims are processed by the NFIP SOR a month following the activity, a claim reported on August 28 will be submitted to FEMA by the WYO and processed on the NFIP SOR during the September cycle. A claim reported on September 1 will be submitted to FEMA by the WYO and processed on the NFIP SOR during the October cycle.

If a WYO is able to update its system with the new fee schedule before the FEMA SOR is updated with the 2017 Adjuster Fee Schedule, the system will accept the claim transactions. When the NFIP SOR is updated with the 2017 Adjuster Fee Schedule, FEMA will re-edit the claim transactions to recalculate the adjuster fee, resolve the variance, and remove the Transaction Record Reporting and Processing (TRRP) error.

If a WYO is unable to update its system with the new schedule before the FEMA SOR is updated with the 2017 Adjuster Fee Schedule, the system will accept and process these claim transactions as they do today. When the WYO is able to update its system with the 2017 Adjuster Fee Schedule, FEMA will re-edit the claim transactions to correct the adjuster fee
amount. The re-editing will generate a financial variance and TRRP error, requiring the Company to submit correction transactions to correct the adjuster fee.

While the SOR is being updated to include the new 2017 NFIP Adjuster Fee Schedule, errors will be tracked on the WYO Company Variance Report. However, the WYO Companies will not be reported or penalized for exceeding the applicable tolerance threshold.

Once we have a firm date for completion of the NFIP SOR updates, we will send out specific instructions to the WYOs for submitting the required follow-up transactions for balancing.

The financial exhibit has been updated to accept submissions with the new fee schedule and is attached. A cover letter, also attached, provides further details regarding the financial submission process.

Attached is the revised fee schedule, Exhibit V-I. There are no changes to the separate Increased Cost of Compliance (ICC) fee schedule.

Please distribute this information to the appropriate personnel in your organization. If you have questions, please contact Tony Hake, Federal Insurance and Mitigation Administration. Mr. Hake's email address is Lloyd.Hake@fema.dhs.gov.

Attachments:
2017 Final Adjuster Fee Schedule
FY2017 Fee Schedule Cover Sheet
FY2017 Financial Exhibit

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Accounting, Data Processing, Claims, and Marketing