



FEMA

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August 13, 2012

MEMORANDUM FOR: Write Your Own (WYO) Principal Coordinators and the National Flood Insurance Policy (NFIP) Direct Servicing Agent

FROM: David L. Miller *David L. Miller*  
Associate Administrator  
Federal Insurance and Mitigation Administration

SUBJECT: **Granting a Limited Waiver for Insurance Companies Participating in the Write Your Own Program of the Single Adjuster Program found in 44 CFR Pt. 62, App A, Article II, Section C., Paragraphs 1-3 – Federal Emergency Management Agency, Federal Insurance Administration – Financial Assistance/Subsidy Arrangement.**

**Background:** The Single Adjuster Program (SAP) was intended to provide National Flood Insurance Program (NFIP) policyholders with only one adjuster to adjust both the NFIP flood insurance claim and a wind claim on the same property. The wind claim could be written by a State Joint Underwriting Association (Association) or by the WYO Company on its own accounts. The SAP was instituted with the belief that it was the most efficient use of adjusting resources.

FEMA introduced the SAP in 1989. It was anticipated that the SAP would be most effective in the larger flood events, but since 1989, most Associations have not implemented the SAP. For the SAP program to be utilized, the Associations have to sign a Memorandum of Understanding with FEMA. Currently, FEMA has no SAP Memorandum of Understanding with any Association. Experience has also shown that policyholders demand a timely, fair, and correct claim adjustment and the use of separate, peril-specific adjuster professionals is acceptable. Consequently, the SAP has only been marginally successful.

Therefore, pursuant to 44 C.F.R. Pt. 62.23(k), I am granting a limited waiver of the SAP requirement in Article II(C) of the Financial Assistance/Subsidy Arrangement. While FEMA further evaluates the SAP program and its effectiveness, we will no longer require or authorize one adjuster to concurrently adjust both wind and NFIP flood losses. This limited waiver shall be in force and effect for one year from the date of this Bulletin. This limited waiver of the Arrangement's SAP requirements applies to all WYO Companies.

**Granting a Limited Waiver for Insurance Companies Participating in the Write Your Own Program of the Single Adjuster Program found in 44 CFR Pt. 62, App A, Article II, Section C., Paragraphs 1-3 – Federal Emergency Management Agency, Federal Insurance Administration – Financial Assistance/Subsidy Arrangement.**

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However, the waiver does not affect any arrangement or agreement the WYO Company may have as a member company or otherwise of any Association to adjust Association wind claims.

Consequently, FEMA will not provide NFIP policy identification matching information to any Association and will not operate the Claims Coordinating Office while this limited waiver is in effect. Additionally, should a WYO Carrier voluntarily choose to use a single adjuster during the time period this limited waiver is in effect, while FEMA will use its normal and customary practices in evaluating the payment of the claim and fees associated with that adjustment, FEMA will not be responsible for any potential liabilities arising directly or indirectly from the use of a single adjuster.

**Authority: 44CFRpt. 62.23(k)**

Any questions should be directed to James A. Sadler, CPCU, AIC, Director of Claims, National Flood Insurance Program, Federal Insurance and Mitigation Administration at [james.sadler@dhs.gov](mailto:james.sadler@dhs.gov).

Thank you for your cooperation.

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