Special Allocated Loss Adjustment Expenses (SALAE) Overview

Loss Adjusting Expenses (LAE) are normally reimbursed to a Write Your Own (WYO) company and the NFIP Direct Servicing Agent on the basis of the NFIP Fee Schedule. FEMA recognizes that a WYO Company will sometimes incur extraordinary expenses in the handling of a claim.

When justified, these extraordinary expenses will be reimbursed to the WYO Company as a SALAE.

Types of SALAE

A Special Allocated Loss Adjustment Expense is defined as any incurred loss adjustment expense related to a claim other than those paid using the applicable Adjuster Fee Schedules. FEMA has defined four types of SALAE:

- SALAE Type 1 - Expert Expense
Expert expense (Categories: Engineer, Surveyor, CPA, Salvor, etc.) incurred to adjust a specific claim.

- **SALAE Type 2 - Adjuster Expense**
  Adjuster expense, in excess of the applicable NFIP Adjuster Fee Schedule, incurred to establish coverage on a specific claim, or to otherwise facilitate the adjustment.

- **SALAE Type 3 - Litigation Expense**
  Litigation expense incurred to defend a suit within the scope of the Financial Assistance/Subsidy Arrangement (Appendix A Part 62) (Arrangement) brought against the Company on a claim under a WYO policy.

- **SALAE Type 4 - Cost of Appraisal**
  Cost of appraisal under the Standard Flood Insurance Policy Appraisal Clause, or cost of examination under oath.

**FEMA approval is required for all SALAE Types regardless of dollar amount.**

For guidance on SALAE processes, refer to the Claims Manual - Section 47 Special Allocated Loss Adjustment Expense (SALAE) Processes - page 275 to 286.

**Where to submit SALAE:**

Write Your Own (WYO) Companies, the NFIP Direct Servicing Agent, and/or Vendors should submit requests through PIVOT, FEMA’s system of record.

For technical support, contact fema-nfippivotsupport@fema.dhs.gov.

FEMA will review the request and provide an electronic response. Please ensure the SALAE request form contains all required information to facilitate a timely response.