MEMORANDUM TO: WYO Company Principal Coordinators
for Dissemination to all WYO Claims Managers

FROM: James S.P. Shortley, Director of Claims
Claims Section, Risk Insurance Branch
Mitigation Division

DATE: September 23, 2003

SUBJECT: Substantially Damaged Structures

On September 17 through September 22, 2003, Hurricane Isabel caused moderate to
tensive damage to residential and commercial properties in the states of North
Carolina, Virginia, Maryland, Delaware, Pennsylvania, and South Carolina, West
Virginia, Maine, and New York. Early reports indicate that substantially damaged
property may result. Please ensure that your claims adjusters follow the guidelines below.
Their cooperation will help expedite the community officials' determination of
substantially damaged buildings.

- The reporting of substantially damaged buildings over the past year has greatly
  improved. It is mandatory for adjusters to continue to report the statistics promptly.
- After conducting the inspection of the building and identifying it as meeting the
criteria for substantial damage, the adjuster is required to enter the information for
that building on the attached "Adjuster Preliminary Damage Assessment" form.
  Even though the form allows entries for two separate policies, adjusters should not
  hold the form while awaiting additional or final claims information. The form must
  be submitted to the NFIP Bureau as soon as the information is complete for a
  single policy.
- Adjusters are required to submit daily reports of substantially damaged properties to
  the NFIP Bureau & Statistical Agent, by fax at 1-800-457-4232 or by mail to P.O.
  Box 310, Lanham, MD 20706.
- The Bureau will ensure that the information is provided to FEMA and the local
  community officials.

We recognize the tremendous job that community officials have in handling the
substantial damage issue. In many instances, they must survey widespread areas of
damage with limited resources. However, by observing the guidelines above, adjusters
can help us provide community officials with timely, accurate information that will allow
them to make expeditious determinations, of substantially damaged buildings.

We ask for your full support, and if there are any questions, please let me know.

Enclosure

cc: Vendors, IBHS, and Government Technical Representative
Required Routing: Claims and Underwriting
ADJUSTER PRELIMINARY DAMAGE ASSESSMENT

WYO Company: ______________________________________________ Date of Loss: ________________

Adjuster: ____________________________________ FICO Number: ________________________________

This form is to be used for advisory purposes in helping FEMA and communities identify potential substantially damaged buildings. The adjuster will use "replacement cost" when completing this form; however, the community is required under the National Flood Insurance Program to use "market value" in determining substantial damage.

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Property Address: (include state and ZIP Code)

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** Probable Repair Cost

Building Replacement Cost Value: $ ______________

Building Actual Cash Value: $ ______________

** This is an estimate of the cost to repair the building to its pre-flood condition.

The information contained in this transmittal is legally privileged and confidential. Its use is protected under the Privacy Act of 1974, 5 U.S.C. Section 552 (a). This information is provided for use by states and communities participating in the NFIP to determine potential substantially damaged buildings, and should only be utilized consistent with the purposes stated in the “Routine Uses” published in the Federal Register.