



FEMA

W-06006

January 26, 2006

MEMORANDUM TO: Write Your Own (WYO) Principal Coordinators and the  
National Flood Insurance Program Servicing Agent

FROM: David I. Maurstad *David I. Maurstad*  
Acting Federal Insurance Administrator

SUBJECT: Louisiana Hurricane Mediation Program

The Louisiana Department of Insurance has established a mediation process for residential property damage claims arising out of Hurricanes Katrina and Rita. This is to inform you that the process does not apply to National Flood Insurance Program (NFIP) claims.

Federal law authorizes the Director of the Department of Homeland Security's Federal Emergency Management Agency (FEMA), delegated to the Federal Insurance Administrator, to administer the NFIP and specifically to settle all claims. There is no authorization given to any State entity to engage in this process. Through regulation and the WYO Arrangement, this authority applies to WYO companies. Numerous court cases have upheld the exclusive Federal jurisdiction over the NFIP, and participation in the mediation program would subject FEMA to State regulation, which the law does not permit.

I expect all WYO companies and their adjusters to settle NFIP claims as equitably and expeditiously as possible, in accordance with the provisions of the Standard Flood Insurance Policy. Disputes over coverage or settlement amounts will be resolved through the normal claims review process, and further recourse is available to claimants in the Appraisal provisions of the policy.

If you have questions regarding this issue, please contact Edward Connor, Chief, Risk Insurance Branch, by email ([Edward.Connor@dhs.gov](mailto:Edward.Connor@dhs.gov)) or by telephone at 202-646-3429.

cc: Vendors, IBHS, FIPNC, WYO Marketing Committee, Government Technical Representative

Suggested Routing: Claims, Legal, Marketing