

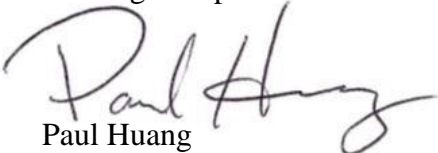


FEMA

W-19007

May 1, 2019

MEMORANDUM FOR: Write Your Own (WYO) Principal Coordinators and the NFIP Direct for Dissemination to WYO Claims Managers, Compliance Officers, and Legal Departments

FROM: 
Paul Huang
Assistant Administrator for Federal Insurance
Federal Insurance and Mitigation Administration

SUBJECT: NFIP Insurers Must Obtain FEMA Approval of all SALAE Expense Prior to Reimbursement

I. NFIP Insurers Must Obtain FEMA Approval of all SALAE Expense Reimbursements.

NFIP insurers (WYO companies and NFIP Direct) must obtain FEMA approval of all Special Allocated Loss Adjustment Expenses (SALAE) prior to reimbursement, regardless of the type or amount of the expense.

II. This Bulletin Supersedes the NFIP Claims Manual.

The bulletin supersedes the following provisions of the *NFIP Claims Manual* (August 30, 2018)¹:

1. Section 44.3(A)(1), which allowed NFIP insurers to receive reimbursement for SALAE Type 2 expenses (Adjustment Expenses) of up to \$500 without prior approval.
2. Section 44.5(A)(1), which allowed NFIP insurers to receive reimbursement for SALAE Type 4 expenses (Appraisal Expenses) of up to \$2,500 without prior approval.

FEMA already requires NFIP insurers to request prior approval for SALAE Type 1 and Type 3. **This requirement will now apply to all SALAE expenses incurred on or after May 1, 2019.**

This bulletin does not alter any other requirements described in the *NFIP Claims Manual*. FEMA will incorporate the requirements of this bulletin into the next edition of the *NFIP Claims Manual*.

¹ https://www.fema.gov/media-library-data/1545341575691-f4a7faef90ceac88f130dfc158b506f9/NFIPClaimsManual_withcover_v6_Guidehouse_092718.pdf.

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III. Questions

Please direct any questions regarding this bulletin to FEMA-FIDClaimsMailbox@fema.dhs.gov.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Claims, Training, Underwriting, Adjusting Firms