




FEMA

W-17031a

September 4, 2017

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators, WYO Vendors, the National Flood Insurance Program (NFIP) Direct Servicing Agent, and Independent Adjusting Firms

FROM: 
David I. Maurstad
Assistant Administrator for Federal Insurance
Federal Insurance and Mitigation Administration

SUBJECT: Guidance for Advance Payments for Hurricane Harvey
(Supersedes WYO Bulletin W-17031)

The purpose of this bulletin is to provide additional guidance regarding issuance of advance payments to National Flood Insurance Program (NFIP) policyholders who experienced flooding due to Hurricane Harvey, as authorized by WYO Bulletin W-17024 (August 29, 2017).¹

I. Verbal or Electronic Request for Advance Payment

In addition to accepting written advance payment requests, a Write Your Own (WYO) Company may also accept a verbal or electronic request for advance payment. In order to accept a verbal or electronic request for advance payment, a WYO Company must:

1. Verify the identity of the requester.
2. Advise the policyholder of the conditions listed under the heading “Advance Payment Guidance” on page 2 of WYO Bulletin W-17024.
3. Advise the policyholder that completion and signature of the Advance Payment Agreement is not required for this event.

An advance payment based on a written, verbal, or electronic request must be accompanied by a letter that is in the form and substance of the template letter attached to this Bulletin.

II. Increase Maximum Pre-inspection Advance Amount

WYO Bulletin W-17024, under the heading “Advance Payment Opportunity One: Pre-adjuster Inspection,” authorizes insurers to offer an advance payment of up to \$10,000 if the policyholder also provides the following documentation:

¹ <https://nfip-iservice.com/Stakeholder/pdf/bulletin/w-17024.pdf>.

1. Photographs depicting flood damage to the covered property; and
2. Either:
 - a. Documentation verifying out-of-pocket expenses related to the repair or replacement of covered property, such as receipts or canceled checks; or
 - b. A contractor's itemized damage estimate.

FEMA amends this provision by increasing the maximum amount from \$10,000 to \$20,000.

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

Authority: 44 C.F.R. § 61.13(d); 44 C.F.R. §§ 61, Appendices A(1), A(2), and A(3), Article VII, General Conditions (D) and (M)(1); 44 C.F.R § 62.23(k); 42 U.S.C. § 4019.

Attachment

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Reporting and Independent Adjusting Firms

Verbal Advance Payments Template

[DATE]

[POLICYHOLDER NAME]

[POLICYHOLDER ADDRESS]

[CITY, STATE XXXXX]

Date of loss: [DATE OF LOSS]

Claim number: [XXXXXXXXXXXX]

Insured Property: [ADDRESS]

Dear [POLICYHOLDER]:

We are sorry for your flood loss due to Hurricane Harvey and hope that your flood insurance policy through the National Flood Insurance Program will help you recover as quickly as possible.

We received your request for an advance payment under your flood insurance policy. At this time, we have determined that you are eligible for an advance payment of \$XXX.XX. Enclosed you will find a check for that amount.

By accepting this payment, you acknowledge to the following:

1. The investigation of your loss is not complete at this time. Even though [NAME OF INSURER] is providing this advance payment, it does not admit liability or approve coverage under your flood insurance policy.
2. After the investigation of your claim, [NAME OF INSURER] may deny your claim pursuant to your flood insurance policy. If the insurer denies your claim, you agree to reimburse [NAME OF INSURER] the full amount of any advance payments received.
3. If your final claim settlement is equal to or less than the amount you received as an advance payment, [NAME OF INSURER] it will reduce the final settlement amount by the amount you received as an advance payment.
4. If your final claim settlement is less than the amount you received as an advance payment, you agree to reimburse [NAME OF INSURER] the difference between the final settlement amount and the amount you received as an advance payment.
5. You must finalize your claim by submitting a proof of loss or other type of request for payment authorized under your policy.
6. Accepting this payment does not change or modify any of the conditions, terms, or provisions, contained in your flood insurance policy, nor does doing so alter in any way the obligations or legal rights available to you or [NAME OF INSURER], now or in the future.

We hope this advance payment helps you in your recovery from Hurricane Harvey. We look forward to working with you throughout the rest of the flood insurance claim process. If you have any questions regarding this letter or your flood insurance policy, please contact [NAME OF INSURANCE CARRIER] at [PHONE NUMBER] or visit our website at [WEB ADDRESS].

Sincerely,