



FEMA

W-11106

October 14, 2011

MEMORANDUM FOR: Write Your Own (WYO) Principal Coordinators and the National Flood Insurance Program (NFIP) Servicing Agent and Selected Adjusting Firms

A handwritten signature in black ink, appearing to read "James A. Sadler".

FROM: James A. Sadler, CPCU, AIC
Director of Claims
National Flood Insurance Program

SUBJECT: Revised Form – Increased Cost of Compliance (ICC) Proof of Loss required use by the NFIP Direct Servicing Agent

FEMA made significant revisions to the Increased Cost of Compliance Proof of Loss form (specimen copy attached) that is used by the NFIP Direct Servicing Agent. The revised form specifically highlights the policyholder's obligation regarding advance payments. If the mitigation efforts are not completed within the time period provided for by the SFIP, or within a written extension of that time period granted, then the policyholder must agree to refund the amount of the advance payment to the NFIP.

Please note the revised ICC Proof of Loss also complies with 28 U.S.C. §1746 allowing policyholder signature(s) while not requiring a Notary Public or other witness.

Please keep in mind that the FEMA Form, 086-0-10, Oct. 2010, Increased Cost of Compliance Proof of Loss is for the exclusive use of policyholders of the NFIP Direct Servicing Agent. The use of this new format is available to all WYO insurers, but the FEMA and OMB numbers cannot be used.

Any questions or comments should be directed to James A. Sadler, CPCU, AIC, Director of Claims, National Flood Insurance Program. Mr. Sadler may be reached by email at James.Sadler@dhs.gov.

Revised Form – Increased Cost of Compliance (ICC) Proof of Loss required use by the NFIP Direct
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Attached: New ICC Proof of Loss format

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Claims, Underwriting

DEPARTMENT OF HOMELAND SECURITY
 FEDERAL EMERGENCY MANAGEMENT AGENCY
INCREASED COST OF COMPLIANCE PROOF OF LOSS

NATIONAL FLOOD
 INSURANCE PROGRAM

O.M.B. No. 1660-0005
 Expires October 31, 2013

| | | |
|---------------|-------------|---------------------------------|
| POLICY NUMBER | POLICY TERM | AMOUNT OF BLDG. AT TIME OF LOSS |
| AGENT | AGENCY AT | DATE OF LOSS |

TO THE NATIONAL FLOOD INSURANCE PROGRAM:
 At time of loss, by above indicated policy of insurance, you insured the interest of

against loss by flood to the property described according to the terms and conditions of said policy and of all forms, endorsements, transfers and assignments attached thereto.

TIME AND ORIGIN. An increased cost of compliance claim was filed on _____ . The mitigation option selected was _____

OCCUPANCY The described building was occupied at the time of the flood loss as follows, and for no other purpose whatever as:

INTEREST No other person or persons had any interest therein or encumbrance thereon except

1. FULL AMOUNT OF ICC INSURANCE application to the property for which claim is presented is.....\$ _____
2. REPLACEMENT COST VALUE of building structure.....\$ _____
3. ACTUAL CASH VALUE of building structure.....\$ _____
4. FULL COST OF COMPLIANCE not limited to the amount of ICC coverage.....\$ _____
5. AMOUNT PAID under Coverage A\$ _____
6. AMOUNT PAID under the ICC Coverage D (excluding salvage and subrogation).....\$ _____

By my signature below, I declare that the funds sought herein for Increased Cost of Compliance activities are in accordance with the terms and conditions of the applicable federal laws, regulations and the Standard Flood Insurance Policy; that nothing has been done by or with my knowledge or consent that would violate the conditions of the policy or render it void, and that no attempt to deceive you (the insurer) as to the extent of my loss has been made in any manner. Any other information that may be required and requested by you (the insurer) will be furnished by me and will be considered a part of this proof of loss.

"I understand that I may be provided with an advance payment up to the lesser of 50 % of the maximum ICC coverage or 50% of the covered expenses, to be used only for eligible work under the Increased Cost of Compliance ("ICC") provision of my Standard Flood Insurance Policy ("SFIP"). If the ICC eligible work for which the funds are advanced is not completed within the time period provided for by the SFIP, or within any written extensions of that time period granted by the Federal Insurance Administrator for completion of eligible work, I agree to refund in full the amount advanced to me. I understand and agree that the advance payment is not an unconditional tender of payment, admission of coverage, or waiver of any of the terms and conditions of the Standard Flood Insurance Policy or the applicable federal laws, rules and regulations. "

Subrogation - To the extent of the payment made or advanced under this policy; the insured hereby assigns, transfers and sets over to the insurer all rights, claims or interest that he has against any person, firm or corporation liable for the loss or damage to the property for which payment is made or advanced. He also hereby authorizes the insurer to sue any such third party in his name.

The insured hereby warrants that no release has been given or will be given or settlement or compromise made or agreed upon with any third party who may be liable in damages to the insured with respect to the claim being made herein.

The furnishing of this blank or the preparation of proofs by a representative of the above insurer is not a waiver of any of its rights.

I declare under penalty of perjury that the information contained in the foregoing is true and correct to the best of my knowledge and belief.

Executed this _____ day of _____, 20____

Signature _____
 INSURED

Signature _____
 INSURED