



FEMA

W-14019

May 5, 2014

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

FROM: David L. Miller 
Associate Administrator
Federal Insurance and Mitigation Administration

SUBJECT: **Conditional and Partial Waiver of the Proof of Loss Requirement in the Standard Flood Insurance Policy (SFIP) for Losses Related to SR 530 Slide in the vicinity of Oso, Washington, and Direction in the Event an Insured Believes Additional Amounts Are Owed under the SFIP.**

Property insured by the National Flood Insurance Program ("NFIP") was damaged during the SR 530 Slide event at and near Oso and Arlington, Snohomish County, Washington on March 22, 2014.

To allow affected policyholders additional time to complete their claims and to give initial notice of the claims, in Bulletin W-14012 issued on April 4, 2014, I granted an extension of the 60-days time limit to submit the SFIP - required proof of loss to the NFIP insurer, and allowed an additional 180 days to do so. This means that affected policyholders do not have to submit their proof of loss until a total of 240 days after the date of loss. Also, in Bulletin W-14015 issued on April 17, 2014, the time to give the initial notice of loss to the insurer was extended from prompt notice to notice up to 180 days after March 22, 2014.

To facilitate the claim payment process, in this Bulletin I am granting a conditional and partial waiver of the requirements in Section VII of the SFIP Dwelling Form, General Conditions (J) (4) and (J) (9) and Section VII of the SFIP General Property Form (J) (4) and (J) (9). This conditional and partial waiver will permit the insurer to adjust and pay a loss based on the engineer's report under seal that the cause of damage to insured property was an SFIP defined and insured-against "flood" (which includes mudflow). If the NFIP insurers have evidence of the Actual Cash Value, or if applicable, Replacement Cost Value of the building property and / or the Actual Cash Value of the contents of the insured building because they also have another policy of insurance issued on the building or contents, the established value(s) should guide their adjustment of the claim. However, when no evidence of the real property or personal property is available, FEMA is waiving the documentation requirement to establish the value of the loss, and hereby instructs the insurers to tender the full building and contents policy limits.

As part of this waiver, the requirement in the General Conditions for the Dwelling Form and the General Property Form (Section VII (M) (1)) that losses will be payable 60 days after the insurer receives the insured's proof of loss or within 90 days after the insurer receives the insured-signed adjuster report will not apply. Instead, the covered loss will be payable as soon as practicable after the insurer receives and reviews the adjuster's report. Also, under the terms of this waiver, the 60 day time limit in the following sections will not apply: Dwelling Form (Section VII (J) (4) and (7); M (2) (c)); and General Property Form (Section VII (J) (4) and (7); M (2) (c)).

Conditional and Partial Waiver of the Proof of Loss Requirement in the Standard Flood Insurance Policy (SFIP) for Losses Related to SR 530 Slide in the vicinity of Oso, Washington, and Direction in the Event an Insured Believes Additional Amounts Are Owed under the SFIP.

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As part of this rapid claims process and under this waiver, the insurer will send the insured the payment for the covered loss (including any applicable mortgage holder or any other known insured as an additional payee), a copy of the adjuster's report, and a copy of this bulletin.

Negotiation of the payments based upon the above process will not prohibit an insured from seeking additional payment under a SFIP if coverage limits have not been exhausted. If the insured disagrees with the amount of the payment, the insured must send to the insurer a signed and sworn proof of loss meeting the requirements of Section VII(J) of the Dwelling and General Property SFIP Forms, and Section VIII(J), within the extension of time granted in this document. If payment is issued based upon the adjuster's report and no additional proofs of loss are submitted by the insured, the insurer will close the file.

If a proof of loss is submitted by the insured for additional amounts, all terms of the SFIP will apply and the insurer will then process the proof of loss. This means that the provisions in Sections VII(J) and VII(M) of the Dwelling and General Property SFIP Forms, and Sections VIII(J) and (M), which are waived only for the payment based upon the adjuster's report, will be applicable.

This bulletin does not constitute a blanket waiver of the Proof of Loss requirements of the SFIP. All other terms and conditions of the SFIP remain in effect.

Application: The terms of this Bulletin apply only to flood damage caused by SR 530 Slide at and near Oso, Washington with dates of loss beginning April 22, 2014 in the State of Washington.

Authority: 44 C.F.R. § 61.13(d); 44 C.F.R. §§61, Appendices A(1), A(2), Section VII; 44 C.F.R. § 62.23(k); 44 C.F.R. § 62, Appendix A(1), Articles II(G) and IV(B); 42 U.S.C. § 4019.

Any other questions or comments should be directed to Russ Tinsley, AIC. Mr. Tinsley's email address is Russell.Tinsley@fema.dhs.gov.

cc: Vendors, IBHS, and Government Technical Representative
Required Reporting and Independent Adjusting Firms