

NFIP ADJUSTER FEE SCHEDULE

For Claims with Dates of Loss on or after August 24, 2017

Claim Range*	Fee
<i>Erroneous Assignment</i>	\$95
<i>Claim withdrawn</i>	\$95
<i>Closed Without Payment (CWOP)</i>	\$395
.01 - 1,000.00	\$525
1,000.01 – 5,000.00	\$800
5,000.01 – 10,000.00	\$1,035
10,000.01 – 15,000.00	\$1,175
15,000.01 – 25,000.00	\$1,275
25,000.01 – 35,000.00	\$1,475
35,000.01 – 50,000.00	\$1,750
50,000.01 – 125,000.00	3.4% but not less than \$1,750
125,000.01 – 300,000.00	2.6% but not less than \$4,250
300,000.01 – 1,000,000.00	2.4% but not less than \$7,800
1,000,000.01 and higher	2.2% but not less than \$24,000

*Claim Range – based on gross loss

NFIP ADJUSTER FEE SCHEDULE GUIDANCE

○ **Gross Loss**

Gross loss means the agreed cost to repair or replace before the following is applied:

- depreciation (recoverable or non-recoverable),
- policy deductible(s),
- salvage buy-back

The gross loss shall not exceed any or all of the following policy limitations:

- Building and personal property policy limits stated in the Declarations Page
- Program Limits building and/or personal property
- Special Limits (\$2,500)
- Loss Avoidance Measures for Sandbags, Supplies, and Labor (\$1,000);
- Property Removed to Safety (\$1,000)
- Pollution Damage – General Property form (\$10,000)
- Policy Exclusions

○ **Claim Withdrawn**

Fee \$95 - Occurs when a policyholder withdraws a claim after the NFIP Direct or WYO carrier (or the WYO carrier's service provider/vendor) assigns the claim to an adjusting firm AND before the adjusting firm conducts the inspection. Once the

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adjuster inspects the loss, the adjuster is required to provide a full report and bill as a CWOP.

○ **Closed Without Payment (CWOP)**

Fee \$395 - Must include an adjuster site visit/inspection with the policyholder or their representative, photographs, and completed required forms.

- ***Less Than Deductible*** – Invoice the claim based on the gross estimate before application of depreciation (recoverable or non-recoverable) and the deductible, subject to policy limits, special limits, and exclusions.
- ***No Coverage*** - When it is determined that no claim payment is due, e.g., the damage was not caused by flood or the damaged property is not covered by the policy, close the file as a CWOP. The adjuster's narrative report must contain sufficient explanation and documentation of the facts regarding the reason no payment is due.
- ***Telephone Contact Only*** – Fee \$95 – Invoice at the Erroneous Assignment or Claim Withdrawn rate.

○ **Erroneous Assignment**

Fee \$95 - Occurs when a loss is assigned to more than one adjuster or more than one adjusting firm. The adjuster removed from the claim will receive a fee based on an erroneous assignment.

○ **Special Allocated Loss Adjustment Expense (SALAE) Type 2:**

The WYO Companies and NFIP Direct have authority up to \$500, in the aggregate for SALAE Type 2 expenses. However, the WYO Companies and NFIP Direct must request and receive approval from FEMA for SALAE Type 2 expenses exceeding \$500.

- On claims Closed without Payment (CWOP), adjusters may submit a request to the WYO Company or NFIP Direct for mileage when the distance traveled exceeds 100 miles round trip. Use the published Internal Revenue Service standard mileage reimbursement rate as of the date of the inspection. Adjusters must clearly document mileage, and pro-rate between multiple assignments in the same area.
- For adjuster expenses in excess of the NFIP Adjuster Fee Schedule, adjusters must provide an explanation and justification of the SALAE including the reason(s) it was necessary for the adjuster to incur the excess expense, details of the activity, and what effect this activity or work had on the adjustment. Provide documentation (invoices, time-and-expense billing rates, activity log, etc.) and thoroughly explain any unusual circumstances.

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○ Supplements

The adjuster is paid the **greater** of the following:

- The CWOP fee of \$395; or
- The difference between the paid adjusting fee at the time the claim was closed and the new revised fee for the entire revised claim.

The NFIP will not consider supplemental billings for inadequate or incorrect scope of repairs or avoidable estimating errors. The NFIP will consider supplemental billing for hidden or progressive flood related damage as appropriate.

Example #1:

- Building Limit - \$250,000; Personal Property Limit - \$100,000

- Original claim adjustment before application of depreciation and deductible:

Building	\$180,000
Personal Property	\$70,000

Fee: Total billable/gross claim \$180,000 + \$70,000 =
\$250,000 x 2.6% = **\$6,500.00 original claim payable fee.**

- Revised claim adjustment (includes original claim) before application of depreciation and deductible:

Building	\$240,000
Personal Property	\$95,000

Fee: Total revised billable/gross claim \$240,000 + \$95,000
= \$335,000 x 2.4% = \$8,040.00 minus previous paid fee of
\$6,500 = **\$1,540.00 supplemental payable fee.**

Example #2:

- Building Limit \$250,000 and Personal Property Limit \$100,000

- Original claim adjustment before application of depreciation and deductible:

Building	\$180,000
Personal Property	\$70,000

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Fee: Total billable/gross claim \$180,000 + \$70,000 = \$250,000 x 2.6% = \$6,500.00 payable fee.

- Revised claim adjustment (includes original claim) before application of depreciation and deductible:

Building \$190,000

Personal Property \$75,000

Fee: Total billable/gross claim \$190,000 + \$75,000 = \$265,000 x 2.6% = \$6,890 minus previous paid fee of \$6,500 = \$390.

The adjuster in this instance would receive the CWOP fee of \$395, which is greater.

- **State Taxes**

Texas requires the addition of state tax to the adjuster invoice. Add the tax to the payable fee.

IMPORTANT: The NFIP, through the WYO Companies and/or NFIP Direct, reserves the right to withhold compensation and/or reduce the amount of compensation, on adjustment work deemed:

- a. Not to comply with NFIP standards;**
- b. Improperly prepared, requiring the claim to be substantially readjusted;**
- c. Not timely adjusted, requiring reassignment.**