



FEMA

W-10035

March 31, 2010

MEMORANDUM FOR: Write Your Own (WYO) Principal Coordinators, 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: Flood Insurance Guidance Concerning Contents Manipulation

FEMA has recently been requested to clarify the coverage for Contents Manipulation Costs under the Standard Flood Insurance Policy (SFIP).

To be eligible for coverage for contents manipulation, the policyholder must have purchased both **COVERAGE A. BUILDING** (Building) coverage and **COVERAGE B. PERSONAL PROPERTY** (Contents) coverage. Coverage for contents manipulation is subject to the following:

- Only reasonable and necessary charges for contents manipulation will be allowed.
- Contents manipulation does not extend to items being replaced in the adjuster's estimate.
- If the contents item(s) is not covered, the cost to manipulate it is not covered.
- **Note:** Coverage for the manipulation of non-covered personal property located below the lowest elevated floor of a Post-FIRM elevated building in a designated SFHA or in a basement regardless of Zone is not covered.
- Manipulation of tenant's personal property, to perform building repairs that are the responsibility of the building owner, is not covered even when the tenant has purchased contents coverage.
- Contents manipulation does not extend to the removal and/or storage of contents away from the insured location.
- Documented contents manipulation expenses may be charged against Building coverage when they are a function of the covered building repair.

Note: Both Building and Contents coverage must be purchased under the same policy for the same insured.

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FEMA recognizes that manipulation of undamaged insured contents may be necessary to perform covered building repair. These charges are often included in the contractor's unit cost(s) for items being repaired or replaced and are not a separate charge to the policyholder. When contractors present an itemized breakdown of their charges and contents manipulation is a separate line item, the adjuster may separately allow for contents manipulation. Adjusters should be instructed that they may no longer make lump sum allowances or room-by-room contents manipulation allowances in the estimate without providing supporting documentation of those costs.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Claims, Legal, Underwriting