

IX. MAINTAINING THE INTEGRITY OF THE NFIP

A. QUALITY ASSURANCE REINSPECTIONS

The purpose of reinspections is to maintain the high quality of claims processing in the WYO program. There are two types of reinspections:

- Routine
- Special Assist

1. Routine Reinspections

Routine reinspections are conducted principally on open claim files. During a flooding event, a General Adjuster from the NFIP Bureau and Statistical Agent will select a WYO company for reinspection, determine the number of claims, and select the claims to be reinspected.

The General Adjuster uses the three-part Reinspection Report form. The form is completed in full and signed by both the WYO company representative and the General Adjuster. If the WYO company representative disagrees with the reinspection results, the representative must indicate the reasons for disagreement at the bottom of the form.

The General Adjuster then forwards copies of the Reinspection Report for review by FEMA's Government Technical Monitor in the offices of the NFIP Bureau and Statistical Agent. If overpayments are noted, the Monitor will correspond with the WYO company for collection. If, over time, patterns of adjustment errors or oversights are noted, Bureau and Statistical Agent staff will determine what additional training is needed.

2. Special Assist Reinspections

Special assist reinspections are precipitated by a written request from the WYO company claim coordinator or direction (oral or written) from FEMA. These involve specific claim situations that require a General Adjuster's intervention.

B. FRAUD PREVENTION

Fraud or misrepresentation is a continuing problem in the National Flood Insurance Program. It is the adjuster's responsibility to detect and report fraud. Any case where it is reasonably believed that there is the possibility of fraud must immediately be reported to the NFIP Servicing Agent or WYO company.

1. Detecting Possible Fraud

The following are common indications of possible fraud:

- a. Changes of dates or amounts on receipts
- b. Dated receipts or invoices that have their printed serial numbers out of sequence

- c. Recent, multiple changes of ownership of real property (Check for relationship of parties involved.)
- d. Repeated changing of policies by insured
- e. Multiple waterlines in a building (This possible indicator of previous flooding may demonstrate that the insured is trying to collect for repairs not completed from a prior flood.)
- f. Bringing in damaged property not owned by the insured to be submitted in the claim
- g. Fraudulent cause of loss
- h. Deliberate misrating
- i. Photocopied receipts
- j. Price quotes rather than receipts of purchase

2. Reporting Possible Fraud

As noted above, all instances of possible fraud must immediately be reported to the NFIP Servicing Agent or the WYO company.

Other improper or wasteful practices should be reported to FEMA's Waste and Abuse Hotline at 1-800-323-8603.