



February 13, 2015

By *ECF*

The Honorable Cheryl L. Pollak
The Honorable Gary Brown
The Honorable Ramon E. Reyes, Jr.
United States Magistrate Judges
Eastern District of New York
225 Cadman Plaza East
Brooklyn, New York 11201

Re: *In re Hurricane Sandy Cases*, (All Related Cases) 14 MC 41 (CLP-GRB-RER).

Dear Judges Pollak, Brown, and Reyes:

On February 8, 2015, the Administrator of the Federal Emergency Management Agency (FEMA) appointed me as the Deputy Associate Administrator for Federal Insurance. Accordingly, I am responsible for delivery and oversight of the National Flood Insurance Program (NFIP) through FEMA's servicing agent and through the Write Your Own Program. In establishing the NFIP, Congress found that a program of flood insurance with large-scale participation of the Federal Government and carried out to the maximum extent practicable by the private insurance industry was necessary in the public interest. FEMA leadership is deeply troubled by recent allegations that FEMA and the Write Your Own companies may have relied on questionable and subpar engineering reports when adjusting claims. The Administrator has assigned me to lead the effort to identify and address aggressively the root causes underlying these concerns.

While I am unable to speak to the veracity of the allegations regarding the engineering reports, I do know our policyholders now question the integrity of the NFIP claims process. To that end, FEMA is committed to establishing a process to resolve all Hurricane Sandy insurance claims where there is evidence of questionable engineering practices and I am committed to ensuring NFIP business practices going forward are fair and transparent. Consequently, I will be reaching out to plaintiffs' and defendants' liaison counsel and Write Your Own Partners to convene a meeting with the objective of resolving all litigation stemming from questionable engineering reports, including Class Action and RICO Claims. At the same time, I am initiating a thorough and multi-disciplinary assessment of FEMA's delivery and oversight of the Write Your Own Program and adjustment processes, including hiring and relying upon engineering reports to resolve flood insurance claims. I am likewise committed to referring for investigation any appropriate matters we may encounter in the course of the assessment.

If you have any questions about FEMA's position or intentions, please contact Barbara Montoya, Acting Associate Chief Counsel for Federal Insurance & Mitigation Legal Division at (202)646-



FEMA

3690. Ms. Montoya can also coordinate a call directly with me to discuss FEMA's position and intentions.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Kieserman", with a long horizontal flourish extending to the right.

Brad J. Kieserman
Deputy Associate Administrator
Federal Insurance
Federal Emergency Management Agency