

WATERMARK

FEDERAL EMERGENCY MANAGEMENT AGENCY

EXPEDITION 2001

Thunderous sound effects, an on-stage wilderness trail complete with waterfall, and a Be Flood Alert video showing images of the NFIP at work...against this backdrop, Master of Ceremonies Michael Moye, Vice President, Bank of America, welcomed attendees to the 18th annual National Flood Conference: Expedition 2001, held May 22-25 in Minneapolis, Minnesota. The first speaker of the opening General Session on Wednesday was Howard Leikin, Deputy Administrator of the Federal Insurance and Mitigation Administration (FIMA). [Note: The Federal Insurance Administration and the Mitigation Directorate have merged and are now called the Federal Insurance and Mitigation Administration (FIMA).]



FIMA Blazes Trail to NFIP's Future

Calling upon the audience to join FIMA in its journey along the pathways to the future, Leikin explained the NFIP's mission and vision to achieve the ultimate objective of "a safer country, one where nature is a source of freedom—not fear." *continued on page 3*

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And the Winners Are...!

Thousands of people dedicate their time and expertise to making the National Flood Insurance Program a success. Each insurance agent, public official, loan officer, and Write Your Own company representative who explains the NFIP to a property owner or members of a local organization contributes to this program. As a result, millions of people are protected by their flood insurance policies. Millions more who are uninsured benefit from the mitigation efforts of their communities. When floods hit, the NFIP's stakeholders can take satisfaction in knowing that they have helped to protect the residents of their communities from loss of life and property.

Each year at the National Flood Conference, some of our NFIP partners are honored for activities they've undertaken on behalf of the Program during the previous fiscal year. At this year's National Flood Conference, held in Minneapolis, 13 NFIP stakeholders were recognized for their work during the last fiscal year—October 1, 1999, through September 30, 2000.

Public Awareness Materials Contest

Each year, WYO companies and other NFIP partners submit the flood awareness materials they've developed to the Public Awareness Materials Contest. Conference participants have the opportunity to vote for the companies that submitted the most creative and compelling materials.

continued on page 7

Message from the Deputy Administrator



Dear *Watermark* Reader,

We at the National Flood Insurance Program are beginning a new era of partnerships with you, our stakeholders, and also a new, more efficient government.

As you know, the NFIP is administered by the Federal Insurance and Mitigation Administration (FIMA), formerly the Federal Insurance Administration (FIA) and the Mitigation Directorate, components of the Federal Emergency Management Agency (FEMA).

The new FEMA Director, Joe Allbaugh, will challenge and improve the agency. He is dedicated to managing a tighter organization—the new joint effort here at FIMA is just one example of that. For instance, FEMA’s mitigation and flood insurance efforts have long worked hand in hand. Now they will operate and support each other even more readily. New name; same effort, experience, and skill.

This issue of *Watermark* examines some of the “new” things we have been doing at the NFIP. We recently undertook a business process improvement effort which led to our new *Blueprint for the Future*. The *Blueprint* offers a new mission and vision for the NFIP, to educate U.S. property owners about the risks of floods and provide flood insurance to accelerate recovery from floods, mitigate future losses, and reduce the personal and national costs of flood disasters. There is more about the *Blueprint* in this issue of *Watermark* at page 15.

Some things will not change: top-notch customer service, our commitment to an insurance program that provides protection from risk, and creating incentives to prevent losses. We will continue working with our partners—insurers, agents, adjusters, Federal, state, and local policymakers, and more.

We are committed to education through many media, including television, “Ask the Expert” (an interactive component of the NFIP web site), and 877-FEMA-MAP.

We continue our commitment to local communities through various means, such as the Community Rating System (CRS) and the support of strong building codes.

Making the best use of technology is another way to offer better, and possibly, instant service. In that arena, we have updated our web site—www.fema.gov/nfip—to make it more user friendly (see the article on page 10).

A lot is changing at the NFIP, but not the most important things. First-class customer service will always be our main priority, as will creating a safer, more vibrant future along America’s floodplains. Our top strategy for reaching those goals is to collaborate with our partners—the agents, insurers, adjusters, policymakers, and others working on the front lines to make Americans safer. Together, we’re stronger—and together we’ll accomplish so much more.

Thank you for working with us to achieve our goals.

Sincerely,

Howard Leikin
Deputy Administrator
Federal Insurance and Mitigation Administration

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We welcome your comments and suggestions, as well as submissions for articles and departments. In addition, we encourage you to reproduce articles and departments contained in the *Watermark* and include them in your own newsletters or other communications. Send your questions, comments, suggestions, and submissions to:

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The current issue and selected back issues of *Watermark* are available at:

www.fema.gov/nfip/wm2.htm

Expedition 2001, continued from page 1

Leikin stated that to fulfill the NFIP's mission and vision, FIMA has set forth five specific goals for the Program in its "Blueprint for the Future":

1. Increase the number of policies.
2. Ensure that information, policies, and technical assistance are delivered to stakeholders quickly and accurately.
3. More clearly define the role of insurance in mitigation.
4. Be financially sound.
5. Review underwriting results and incorporate new risk information as it relates to the financial soundness of the program.



Howard Leikin, FIMA

These goals must take into account both existing and future NFIP realities, said Leikin. In spite of the NFIP's current success, more than half of the properties in Special Flood Hazard Areas remain uninsured. FIMA initiatives to reduce these risks include preparing for multi-billion-dollar storms, increasing partnership outreach, and maximizing the benefits of participation in the Community Rating System.

While the NFIP is making progress toward these goals, Leikin made it clear that the Federal government cannot do it alone. "Every one of us needs to understand that the path to our future runs right through our partnership," he said. "The question is, are you ready for a new adventure?"

The NFIP Mission is to educate consumers about flood risks and provide flood insurance to accelerate recovery from floods, mitigate future losses, and reduce the personal and national costs of flood disasters.

The NFIP Vision is the efficient delivery of services, effective floodplain management standards, and a financially sound program.

New Floodplain Management Strategy

Wednesday's next speaker brought the mitigation perspective to Expedition 2001. George Riedel is Vice Chairman of the Association of State Floodplain Managers (ASFPM). According to Riedel, we must look to the future to formulate truly effective floodplain management strategies.

Current floodplain management policies promote development in risk areas, ignore changing conditions, disregard adverse impact to existing properties, and undervalue the natural functions of

floodplains, said Riedel. He presented the ASFPM's new strategy of No Adverse Impact (NAI) floodplain management as an alternative. "Activities that could adversely impact another property or community would be allowed only to the extent that those impacts are mitigated or have been accounted for within an adopted community-based plan," he explained.

Riedel emphasized the importance of developing the NAI strategy at the local level. Although the Federal government would play a role in providing technical assistance and oversight, State and local officials have the community knowledge required for effective planning to reduce flood risk.

Some communities have already taken steps toward implementing this forward-looking strategy. For example, the community of Charlotte-Mecklenburg, North Carolina, remapped its floodplains according to projections of future conditions. In doing so, officials discovered the need to reevaluate base flood elevations in their community.

The Emotions of Risk Perception

The conference's keynote speaker, David Ropeik, Director of Risk Communication at Harvard's Center for Risk Analysis, concluded Wednesday's General Session with an enlightening and entertaining discussion of risk perception.

Throwing "an icon of risk" (a rubber snake) into the audience, Ropeik demonstrated that a person's reaction to perceived risk is not necessarily based on fact.



George Riedel, ASFPM

“Fear is not an intellectual experience; it is an emotional experience,” Ropeik explained. Our perception of risk from flood-



David Ropeik, Center for Risk Analysis

ing is based on our emotions, not on the actual risk, he said. This fear vs. fact dichotomy is one of the greatest obstacles to appropriate public response to the risk of flooding.

Ropeik gave several examples of what factors influence our perception of risk, including:

- Our sense of control over the risk (less control equals greater fear of risk).
- Whether we view the risk as catastrophic or chronic (catastrophe raises fear of risk).
- Whether the risk is imposed or chosen (we are less fearful of things we choose, e.g., decision to live in a floodplain).
- Whether it is natural or manufactured (we are less afraid when we can't blame anybody).

Trust can make the perception of risk either go down or go up, according to Ropeik. NFIP stakeholders are trusted partners in helping our constituents understand the risk of flood, he said. Our flood protection programs must be based on facts, not fear. Ropeik concluded with the warning that we cannot afford to ignore the human element in deciding how to communicate risk to our audiences.

View From the Top

In Thursday's General Session, Joe Allbaugh, the recently appointed Director of the Federal Emergency Management Agency (FEMA), shared insights he'd gained while visiting disaster areas during his first 98 days as head of FEMA. "Through efforts of mitigation and preparedness, we've learned that we can change the impact of disasters," he began.

"The National Flood Insurance Program is central to FEMA's mission of reducing the impact of natural disasters on our citizens' lives," Allbaugh continued. "Pre-disaster, community-based mitigation works, and insurance is the best protection against the financial risks of a disaster. It's the only one that comes close to helping bring people back together after their lives have been disrupted," he said, adding, "No amount of Federal assistance after a disaster can match the speed and thoroughness of flood insurance. Flood insurance is effective, fair, and promotes accountability. It places the burden of dealing with the risk on those who choose to live with the risk."

Allbaugh described his vision for the future of the NFIP. "I want

flood insurance to be easy to understand by all and accessible to both our customers and our partners." He affirmed his commitment to reaching out to NFIP partners, stating that, "You are the bridge between our product and a safer America, and I appreciate the role that you play."

Among the most critical challenges facing the NFIP is to help property owners learn more about the risks they face so that they can be better prepared, said Allbaugh. "We will continue to strive to have communities not only meet, but exceed, our floodplain management standards," he asserted.

"Again, mitigation is the key to minimizing property and economic damage and to saving lives when a disaster hits."

Keeping the program financially sound and fair was another challenge highlighted by FEMA's Director. He described several Congressional initiatives to

help make the NFIP more financially viable. These include reducing the number of repetitive loss properties and requiring mitigation of flood risks. "We are working with Congress to make sure that the policyholders more equitably share the costs of the program," he added.



Joe Allbaugh, FEMA

Mitigation Initiatives

Margaret Lawless, Director of the Mitigation Planning and Delivery Division of the Federal Insurance and Mitigation Administration, opened Friday's General Session with a description of mitigation initiatives arising from the Disaster Mitigation Act (DMA) of 2000. "Pre-disaster mitigation has been fully authorized for the first time," she said. "While we may not continue to have as much grant funding next year, we do plan to continue to promote community-based pre-disaster mitigation throughout the country. We will look for non-grant incentives, continue actively to solicit private partners, and spread the pre-disaster mitigation principles to even more communities."



Margaret Lawless, FIMA

When states use the enhanced planning criteria of the DMA 2000 to implement their disaster plans, increased post-disaster mitigation funding is available for projects under the Hazard Mitigation Grant Program (HMGP). Federal disaster response and recovery expenditures for HMGP projects will increase from 15 to 20 percent. And, for the first time, DMA 2000 has authorized the use of up to 7 percent of HMGP funds for developing State, local, and tribal mitigation plans.

Other facets of DMA 2000 that impact the NFIP include instruction to develop multi-hazard advisory maps for areas in at least five states. "To accomplish this, we will

design a national web-based mapping server at FEMA," said Lawless. Two years ago the

Cooperating Technical Partnership (CTP) Program was created to transfer the responsibility for and ownership of maps to states and communities. "To date, we have CTP partners covering approximately 400 communities," said Lawless. She described the CTP with the State of North Carolina as one of the most ambitious, explaining that after Hurricane Floyd hit North Carolina in 1999, the State appropriated \$25 million, augmenting FEMA's \$6 million, to remap the entire eastern part of the State.

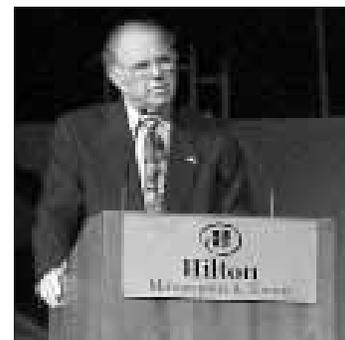
Lawless closed by referring to the flooding taking place along the Red River of the North, an area devastated by spring floods in 1997. In contrast, flood damage was reduced this year. FEMA and the North Dakota Division of Emergency Management have published a booklet called *Journeys*, which contains success stories that demonstrate how effective mitigation can be. This booklet and other mitigation success stories are available on FEMA's mitigation web site at www.fema.gov/mit/.

Richard Decker, Chair of the Community Rating System (CRS) Task Force, next described successes of one of the CRS's most effective mitigation programs. "During the past 14 years we have developed, implemented, and fine-tuned a mitigation program that has demonstrated its usefulness in saving lives and protecting property," Decker said. "It contains 18 tried and tested activities that

work, as related in many testimonials from town officials and post-flood evaluations conducted during the last 10 years."

Decker highlighted the CRS "poster community" of Tulsa, Oklahoma. Tulsa's floodplain mitigation activities have earned its residents a 35 percent discount on flood insurance premiums, an average annual savings of more than \$95 per policy. Decker recognized Ann Patton, Tulsa's *Project Impact* Director, who with the late Carol Williams spearheaded many of the city's mitigation accomplishments in the last 20 years, and showed a video that demonstrated the efficacy of floodplain management in Tulsa.

Reminding attendees that "all mitigation is local," Decker urged insurance agents to become active in community mitigation efforts. Decker explained that, in a 1999



Richard Decker, CRS Task Force

study of the CRS, "The one really disturbing finding was that agents are woefully ignorant about the CRS and the benefits to their flood insured customers if the community they live and work in joined the CRS, or, if already participating, improved their CRS Class." (See table on page 20 for a list of CRS classes, distribution of communities, and premium discount for each class).

Hot Issues

Friday morning's "Hot Issues" panel, moderated by Director of Program Marketing and Partnership Ed Pasterick, gave panel and audience members an opportunity to present controversial NFIP issues from their perspectives. Panel members included Deputy Administrator Howard Leikin; Larry Palmer, outgoing President

we'll be blazing in court as a result of new language interpretations."

Hollada represented the flood insurance agents in her comments about "stumbling blocks to the sale" of flood insurance. According to Hollada, simplifying the use of the Elevation Certificate (EC) is crucial to making flood insurance easier to sell.

lack of growth and retention we are seeing now," he stated. "Are we falling complacent to the lack of flooding in Mother Nature?" Bender identified several other factors that may contribute to the slowdown in NFIP policy growth: efforts to make flood insurance actuarial, underwriting changes such as use of the new Elevation Certificate that make writing flood policies more complicated, and important initiatives such as the repetitive loss strategy, which will reduce losses in the long run but make flood insurance more time-consuming and costly to write and, therefore, more difficult to sell.

Next, the floor was opened to the audience. The diversity of the conference attendees was evident in the issues raised during this exchange: cost of flood insurance policies, conflicting flood zone determinations, grandfathering, and the age of flood maps. Hand-held, electronic audience response system (ARS) units next were used to take a survey of the audience. Near instantaneous tallies revealed that two of the biggest challenges facing the NFIP are the difficulty of rating policies and the aging of flood maps.



Hot Issues Panel (left to right) Ed Pasterick, FIMA; Howard Leikin, FIMA; Larry Palmer, FISCAA; Rita Hollada, FIPNC; Michael Moyer, NLIC; Bruce Bender, WYO Marketing Committee

of FISCAA; Rita Hollada, FIPNC Chair; Michael Moyer, outgoing President of NLIC; and Bruce Bender, WYO Marketing Committee Chair.

Leikin began by reviewing some of the NFIP's recent highlights. He discussed the latest budget proposal, repetitive loss properties, the WYO companies' expense allowance, FIMA's "Blueprint for the Future," policy retention, a survey about risk perception related to the purchase of flood insurance policies, and the evaluation of the NFIP's first 30 years.

Next, Palmer gave his view of the impact that the liberalized provisions of the revised flood insurance policy would have on the program. He warned of the "trail

Moyer spoke about the EC from the lender's perspective. He cited other "chronic" NFIP issues, such as the need for insurance-to-value coverage rather than insurance-to-loan coverage. Moyer contended that if the NFIP is to be truly consumer oriented, the government must decide whether it is to be an insurance program or a social program.

From Bender's Write Your Own company marketing perspective, the hot issues were policy growth and retention and the barriers to each. "Our number one concern is the



Entering the National Flood Conference Exhibit Hall

After the final General Session, conferees attended one of three Town Hall sessions that provided a more intimate forum for audience and panelists to discuss issues relating to coverage, marketing, and lender compliance.

Other Conference Events

Despite temperatures in the low 40s and wind-driven rain, Mike Cox, Warren Parker, Tim Russell, and Joe Taborek braved the elements to the last hole and won the pre-conference golf tournament held at the Rush Creek Golf Club on Tuesday. Sponsored by National Conserv, Inc. (NCSI), this event attracted more than 70 golfers, some of whom made it through all 18 holes.

Later that day, more than 400 people gathered for the conference's popular kick-off reception sponsored by Pilot Catastrophe Services, Inc., for almost 2 decades. The menu featured more than 1,000 of the enormous Gulf shrimp that flood conference attendees look forward to each year.

After each morning's General Session, dozens of workshops were offered on topics ranging from policy retention to lender compliance to adjuster training. Each day, hundreds of conferees visited the Exhibit Hall to learn first hand about flood-related products and services.

On Thursday morning, Captain Mark Woommavovah, U.S. Army, won the 5K Run sponsored by NLIC and the Salvation Army to raise money for



5K Winners (left to right) Mary Byrnes, EDS, and Captain Mark Woommavovah, U.S. Army

local disaster relief efforts. Mary Byrnes of Electronic Data Systems (EDS) took the women's trophy. More than 20 runners and almost 30 walkers took part in the 5K Run and 1-Mile Fun Walk this year.

A few hours later, at Thursday morning's General Session, the audience members had an opportu-

On Thursday evening almost 300 people attended the conference's Awards Banquet to honor more than a dozen stakeholders for activities they'd undertaken during the previous fiscal year.

The conference concluded on Friday with a luncheon and an

address by journalist and political commentator Steve Roberts, whose analysis of the credibility challenges facing the new U.S. President

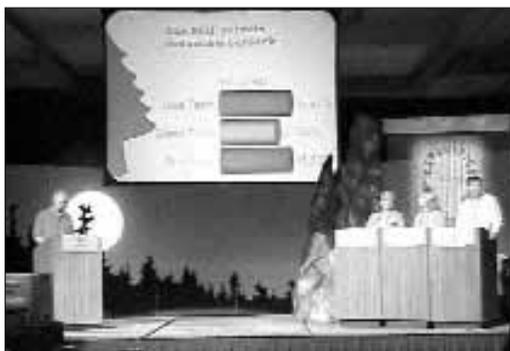


Steve Roberts, Journalist

also could be applied to public perceptions of every Federal program.

Cajun Conference in 2002

Next year's conference will be held May 19-22 at the Hyatt Regency in New Orleans, Louisiana. If you have not attended an NFIP Flood Conference and would like to be added to the mailing list of those receiving conference announcements early in 2002, send a fax to Catherine King of the NFIP Bureau at 301-918-1471. You may also contact her by e-mail at: catheriner.king@fema.gov. 



Truth or Catastrophe game (left to right): Michael Moye, NLIC; Carol Ledbetter, FIMA; Linda Hood, NLIC; Rich Slevin, NFIP Bureau

nity to test their flood knowledge. A three-member panel of "flood experts" was "randomly selected" to compete in the Truth or Catastrophe game show. After being divided into teams, audience members used ARS units to enter their choices of the contestant with the correct answer to each of several questions about the NFIP. The ARS units also were used to vote for Public Awareness Materials contestants whose submissions were on display near the main hall throughout the conference.



AWARDS

Of the dozens of items entered in this year's Public Awareness Materials Contest, the winners—determined by popular vote of the conferees—were:

- **State Farm Fire & Casualty Company** for Best Printed Marketing Material
- **Omaha Property and Casualty Insurance Company** for Best Advertising Material
- **American Bankers Insurance Company of Florida** for Best Training Material
- **Bankers Insurance Company** for Best Web Site



Public awareness materials were a hit with conference participants.

Agency of the Year Awards

This award is given to three insurance agencies that have displayed innovative marketing strategies, increased their flood portfolios, and actively promoted flood insurance awareness. The winners of this year's Agency of the Year Awards were:

- **AAA Insurance Agency (winner for the second year in a row)**
- **Eagan Insurance Agency, Inc.**
- **Insurance Brokers & Managers, Inc.**

See page 9 for profiles of the winning agencies.

Administrator's Club and Trophy Awards

Five WYO companies that achieve the highest percentage of policy growth for the previous Arrangement Year qualify for the Administrator's Club. The company that experiences the highest percentage of overall growth and gains more than 2,500 new policies is awarded the Administrator's Club Trophy. WYO companies receiving Administrator's Club awards for the 1999-2000 Arrangement Year were:

- **The Aries Insurance Company**
- **Fire Insurance Exchange**
- **Florida Select Insurance Company**
- **Hartford Fire Insurance Company**
- **United Surety & Indemnity Company.**



This year's Trophy winner was:

- **Fire Insurance Exchange.**

Administrator's Quill Award

This award recognizes the highest percentage of overall growth excluding rewritten policies. The Administrator's Quill Award was given this year to:

- **Fire Insurance Exchange,**

with 30,171 new policies written during the 1999-2000 Arrangement Year (an increase of 183.5 percent).

Roy T. Short Memorial Award

This award is given by the National Lenders Insurance Council (NLIC) to honor innovative and inspiring people who have rendered the best service to lenders attempting to comply with

Federal regulations while protecting investors and consumers from flood losses.



Robert Ross, Jr., FAIA

The award was given this year to:

- **Robert Ross, Jr.,**

former Chair of the Flood Insurance Producers National Committee and Educational Advisor for the Florida Association of Insurance Agents. The

award was made in recognition of the continual efforts Ross has made to communicate the agent point of view to the NLIC and to seek the perspective of lenders. **W**

Agency of the Year Award Winners

The following three agencies were honored at the 2001 National Flood Conference.

AAA Insurance Agency of Tampa, Florida, has more than 23,500 flood insurance policies in place accounting for more than \$6.5 million written premium. For the second year in a row, AAA Insurance Agency has received an NFIP Agency of the Year Award for incredible growth in flood insurance policies despite the fact that 2000 was the driest year in Florida's recorded history. The agency's total flood book of business increased 30 percent over the previous year, and its total premium increased 27.4 percent.

Forty AAA Insurance Agency offices in Florida and Georgia (each with two to six employees) contribute to flood insurance sales. In addition, six marketing, public relations, and insurance operations specialists develop and implement innovative approaches to marketing flood insurance. These strategies include positioning the agency as an expert in flood insurance (the agency just celebrated its 50th anniversary), mentioning flood insurance on all of its multi-product promotional materials (including homeowners and mobile insurance pieces); conducting educational seminars and community expositions; and partnering with organizations such as the Red Cross, FEMA, and the news media to spread flood awareness messages. The agency conducts an annual Flood and Disaster Protection public awareness campaign that centers on the dangers of hurricane season and dovetails with heightened media coverage of hurricane-related flooding.

During 2000, AAA Insurance Agency developed almost a dozen new consumer materials and services to promote flood insurance. A number of multi-product items—such as the agency brochure, a “May We Quote You?” brochure, and a post card—were designed to include mention of flood insurance. Informational packets sent to all offices informed staff about how to promote flood insurance through the

news media. The agency distributed 30,000 flood information leaflets for use in point of purchase displays in branch offices; 30,000 additional leaflets were inserted in membership mailings made by its parent organization, AAA Auto Club South. The agency presents flood insurance as an option to each of its prop-

erty customers and, if the coverage is not purchased, a “rejection form” must be signed. Branch offices distributed 10,000 quizzes as part of the hurricane flood awareness campaign and during seminars and expositions. The flood information pages of AAA Auto Club South's web site recorded more than 900 “hits” in 2000, and 34 percent of the visitors requested online quotes for flood insurance. A banner ad and press releases also were posted on the web site.



Accepting Agency of the Year Awards for this year's winning firms were (from left to right) Jennifer Buchet of AAA Insurance Agency, Marc Eagan of Eagan Insurance Agency, Inc., and Ronni Rodrigue-Walker of Insurance Brokers & Managers, Inc.

With roots dating back to the mid-1880s, **Eagan Insurance Agency, Inc.**, of New Orleans, Louisiana, is one of the oldest locally owned independent insurance agencies. By the end of 2000, this agency had 2,153 flood insurance policies. Although the past year was a very dry one in Louisiana, without major storms or flooding, Eagan managed to sell more than 400 new flood insurance policies for a written premium of \$1,153,123.

Almost 40 people use a wide array of marketing strategies to contribute to flood policy growth at the Eagan Insurance Agency. The agency dedicates a large budget to radio, television, and print advertising. No homeowners policy is written without providing a flood quote, and customers who do not choose to purchase flood insurance coverage receive a “cross sell” letter every 3 years to remind them of its importance. NFIP insureds receive a marketing letter every spring to prompt them to renew their flood policies.

The Eagan Insurance Agency also works closely with title companies to provide continuing education seminars for local real estate agents. The seminars include flood-related topics such as the Elevation Certificate, repetitive losses, and mitigation options.

Insurance Brokers & Managers, Inc. (IB&M), also of New Orleans, Louisiana, acts as a broker for flood insurance with American Bankers Insurance Group. IB&M has 709 flood insurance policies accounting for \$264,546 in written premium. Ronni Rodrigue-Walker is responsible for more than doubling the number of flood insurance policies with IB&M in 2000.

As a broker for agents, IB&M provides personal service that encourages agents with no or few NFIP policies to promote this coverage. Flood zone determinations and pertinent policy and claims statistics are provided to all agents. In addition, Rodrigue-Walker gives quotes and completes the flood insurance applications for IB&M's agents. In the last year, IB&M offered 13 flood insurance seminars to agents in Louisiana and Mississippi, 10 cosponsored by American Bankers Insurance Group. Rodrigue-Walker's pop-

ular flood insurance seminars are known not only for the technical assistance they provide, but also for the "Flood Buckets" (filled with rubber boots, a video of "Singing in the Rain," an umbrella, a flood mug, and hot chocolate) that are given out as door prizes.

IB&M keeps in close touch with insurance agents throughout Louisiana and Mississippi. Flyers promoting flood insurance and marketing strategies are frequently sent to IB&M insurance agents.

Rodrigue-Walker also uses other media to communicate the NFIP message. She regularly faxes data and promotional flyers to agents in her region, and she wrote several articles about flood insurance for insurance industry publications in 2000. In addition, she participated in the development of the NFIP training video for land surveyors about the new Elevation Certificate. **W**

NFIP Web Site Remodeled

The NFIP web site has been reorganized to help visitors navigate and find information quickly and easily.

Major improvements include:

- Alphabetizing the Site Index and including links to each web page throughout the site in this index.
- Alphabetizing lists and links throughout the site.
- Making available all publications—including the *Flood Insurance Manual*—in the Publications section of the Library.
- Streamlining the homepage by reducing the number of links on the sidebar, placing fewer features on the homepage, selecting features of broader interest, and putting the links for specific audiences on the homepage.
- Reorganizing the Policies and Claims Statistics section so more NFIP stakeholders can take advantage of this data.
- Combining related topics in a single link to reduce the total number of links. For example, having one link to "Cost, Coverage, and Purchase Information" instead of the three former links to "Coverage Information," "Cost of Flood Insurance," and "How to Purchase and How to Pay for Flood Insurance."

We are getting closer to having a subscription service on the NFIP web site that will allow people to receive e-mail messages with links to new and updated information on the site.

This service should be available this Winter, if not sooner. **W**



Changes to the NFIP

In May and October of each year, FIMA implements enhancements to the NFIP. These include regularly scheduled changes, such as updates to the Community Rating System and the premium adjustments associated with these, and clarifications of program policy. Following are highlights of the May 2001 changes to the NFIP. Details about these changes are available in NFIP workshops (listed at the back of this newsletter and on the NFIP web site at www.fema.gov/nfip/wshops.htm). All changes are posted on the NFIP web site at www.fema.gov/nfip/manual.htm.

Combining “Common Wall” Policies

A property owner who has a building with an addition or extension attached to it by means of a rigid exterior wall, a stairway, an elevated walkway, or a roof has two coverage options. The property owner may either purchase separate policies for the building and for the extension, or purchase a single policy that covers both the



A “common wall” property

building and all additions and extensions connected by any of these “common wall” methods.

According to page GR 4 of the *Flood Insurance Manual*:

“A policyholder who insured a building and an eligible addition or extension under separate policies effective before December 31, 2000, may not combine coverages under a single policy until the renewal date.”

Contents Coverage Option for Condo Owners

Condominium unit owners now can choose to apply up to 10 percent of their contents coverage to cover flood damage to the walls, floor, or ceiling of their unit, if these are not covered under the condo association’s insurance. This option applies only to those condo unit owners who purchase contents coverage under the Dwelling Form or the General Property Form, and using it will reduce the limit of coverage available for losses to their personal property. According to the new *Flood Insurance Manual* text on page CONDO 7 (under “Coverage Limits”):

“For condominium unit owners who have insured their personal property under the Dwelling Form or General Property Form, coverage extends to interior walls, floor, and ceiling (if not covered under the condominium association’s insurance) up to 10 percent of the personal property limit of liability. Use of this coverage is at the

option of the insured and reduces the personal property limit of liability.”

Canceling a Policy Not Required by the Lender

When someone is purchasing or constructing a building, sometimes it is discovered—after a flood insurance policy has been purchased—that a flood zone determination was inaccurate and the building being purchased is not, in fact, located in a Special Flood Hazard Area (SFHA). In this case, if the lender or other mortgagee does not require flood insurance outside of an SFHA, and this discovery has been made before the closing on the property, a full refund of premium can be made.

Clarification has been made in the *Flood Insurance Manual* that Cancellation Code 8 can be used only if the determination that the building is located outside an SFHA is made prior to or at the time of closing. If this discovery is made after closing has occurred, the policy cannot be cancelled with a refund. However, the policy can be endorsed so that the premium will be lowered to reflect the decreased flood risk, and the policyholder may elect to cancel the policy at renewal. New language has been added in the Cancellation/Nullification section of the *Flood Insurance Manual* (on page CN 2, under “Policy Not Required by Mortgagee”) to explain the process for canceling a policy after closing:

“(However, the policy may be endorsed with return premium to correct the flood zone effective the beginning of the policy term.)”

Deeper Discounts for CRS

The Community Rating System (CRS) is a joint initiative of FIMA's insurance and mitigation arms that was implemented in 1990 to recognize and encourage local floodplain management activities that exceed NFIP minimum standards. Under the CRS, flood insurance premium rates are reduced for residents in communities that initiate activities that meet the CRS goals of reducing flood losses, facilitating accurate insurance rating, and promoting awareness of flood insurance.

On May 1, premium discounts were increased for residents of CRS communities whose buildings are located outside of Special Flood Hazard Areas (SFHAs). In communities that have achieved a CRS class of 1-6, the premium discount was raised from 5 percent to 10 percent. Communities that have achieved a CRS class of 7-9 will continue to receive a 5 percent discount. These CRS community discounts also apply to buildings located in A99 and all AR zones, though premium discounts are not made for Mortgage Portfolio Protection Program policies and Preferred Risk Policies in any of these zones.

Some NFIP Premium Rates Increased

Moderate premium increases for selected flood zones dominated the May 2001 changes to the NFIP. Increases to flood insurance premiums averaged 3.1 percent for policies renewing on or after May 1. The lowest premium increase—2 percent—was made in Post-FIRM AE Zones, which are primarily riverine, nonvelocity flood zones. The highest premium

SUMMARY OF MAY 1, 2001, RATE CHANGES		
Zone/Policy Type	Percentage Increase	Notes
V Zones (coastal, high-velocity zones)		
Post-FIRM	10%	Maximum allowed by National Flood Insurance Reform Act. This change was made to correct underestimation of the risk.
Pre-FIRM	6%	Moderate rate increase accomplished by raising the premiums on the layer of insurance above \$50,000 while leaving the premiums for lower-valued buildings unchanged.
A Zones (nonvelocity zones, primarily riverine)		
Post-FIRM AE	2%	This minimal increase dictated by actuarial rate model. Premiums will be raised only on the layer of insurance above \$50,000. Premiums for lower-valued buildings remain unchanged.
Pre-FIRM AE	3%	
AO, AH, AOB, AHB	—	Favorable loss experience warrants leaving rates in these flood zones unchanged.
Unnumbered A	3%	This minimal increase is designed to keep policies in remote A Zones where elevations have not been determined in line with Post-FIRM AE Zones.
A99 and AR	8%	These flood zones contain approved flood mitigation projects—such as levees—that are still in the course of construction.
Mortgage Portfolio Protection Program (MPPP)	Varies	Changes were made in the MPPP A Zone rates to move them more in line with regular A Zone policies.
X Zones (zones outside of Special Flood Hazard Areas)		
Standard Risk Policies	8%	Premium increases are due to deteriorating loss experience.
Preferred Risk Policies	—	Favorable loss experience warrants leaving rates for these policies unchanged.

increase—10 percent (the maximum annual increase allowed under the National Flood Insurance Reform Act of 1994)—was made for Post-FIRM V Zones, coastal areas subject to high-velocity wave action.

In 1997, FEMA began working with the H. John Heinz III Center for Science, Economics, and the Environment on an 18-month study to determine the impact that the availability of flood insurance has had in encouraging new construction in coastal areas. This study focused on the relative costs and benefits of including erosion hazard zones on flood maps as well as the economic effects of establishing erosion zones.

The Heinz Center and FEMA released the results of the Congressionally mandated study in June 2000. The rate changes

developed by FEMA in coastal high-hazard zones reflect the findings from the erosion study that the lower premium rates charged in the past seriously underestimated the increasing flood risk from steadily eroding coastlines.

Rates Remain Unchanged for Some Policies

Loss experience in shallow flooding zones has been favorable. For this reason, there were no premium increases for NFIP flood insurance coverage on property located in AO, AH, AOB, and AHB Zones. Experience with Preferred Risk Policy properties also improved during the last year, keeping the premiums for these policies unchanged. **W**

POLICY ISSUANCES IN 2001

**See pages 33-34 for copies of Policy Issuance 1-2001
and Policy Issuance 2-2001.**

**The sheet can be removed from this newsletter
and placed in your *Flood Insurance Manual*.**

Marketing Tools and Strategies from Cover America II

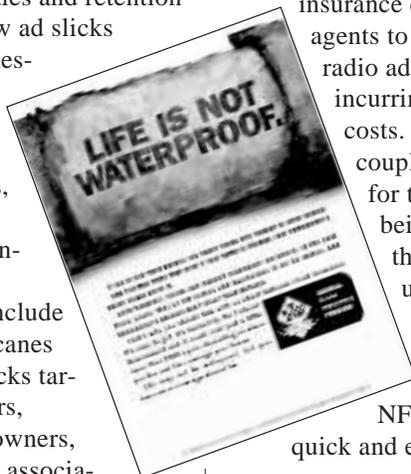
Amie Coxon Ware, FIMA

The Cover America II campaign, featuring the Be Flood Alert logo, is entering the third contract year (each contract year runs from April 1 to March 31). There are more new materials to help insurance companies and agents tie in to the campaign and national ads that encourage people to take action.



Advertising Materials

Now available are more than 20 new ad slicks that are designed to support WYO company and agent flood insurance sales and retention efforts. These new ad slicks feature targeted messages that address specific types of flooding, specific audiences, and specific policies, as well as general flooding and retention. They include slicks about hurricanes and snowmelt; slicks targeting homeowners, renters, business owners, and condominium associa-



tions; and slicks about contents coverage, nonresidential coverage, and the Preferred Risk Policy. New ad slicks for use in Yellow Pages directories also will be available.

The new ad slicks can be downloaded from the NFIP web site at www.fema.gov/nfip/coverii.htm#4. For hard copies of the ad slicks, or if you have any questions, call 800-564-8236.

We also will have produced live-read radio scripts to allow insurance companies and agents to take advantage of radio advertising without incurring production costs. In addition, a couple of banner ads for the Internet are being produced for those who want to use that medium. All of these materials will be available on the NFIP web site for quick and easy access.

Media Schedule

Television advertising resumed in late January. During the first three quarters of 2001, the NFIP television commercial aired on 16 national cable and 3 network television stations:

National Cable Television Stations

A&E • BET • Bloomberg •
CNBC • CNN • Discovery •
ESPN • FOXnews • History •
Lifetime • MSNBC • National
Geographic • TBS • TNT •
USA • Weather Channel

Network Television Stations

ABC • CBS • NBC

“The” flood insurance television advertising event for this period was the Grammy Awards, which aired on February 21, reaching an estimated 26.7 million viewers.

Print advertising continued during this period in the magazines for agents, lenders, and consumers listed on the next page.

Remember that the quarterly media schedules are on the NFIP web site at the following address: www.fema.gov/nfip/media.htm

Insurance agent magazines

American Agent & Broker • Best's Review
Property & Casualty/Life Health edition •
Business Insurance • CPCU Journal •
Independent Agent • National Underwriter •
Risk & Insurance (Agent/Brokers edition) •
Rough Notes

Lender magazines

ABA Banking Journal • Bank Director •
Banking Strategies • National Mortgage
News • U.S. Banker

Consumer magazines

American Heritage • American Homestyle
and Gardening • American Legacy • Better
Homes & Gardens • Better Homes & Gardens
Home Plan Ideas • Condé Nast Traveler •
Country Gardens • Country Home •
Country Living • Essence • Family • Handyman •
Home • Homestyle • Horticulture • Ladies'
Home Journal • Midwest Living • Money •
Old House Interiors • Old House Journal •
Popular Mechanics • Renovation Style •
Smart Money • Southern Living • Southern Living
(Favorites) • Southern Living (House Plans) •
This Old House • Traditional Home •
Weatherwise • Workbench

Satellite and Radio Media Tour for Spring Flood and Hurricane Season

On February 21, coinciding with the peak of the television advertising for 2001's first quarter, FIMA's Deputy Administrator, Howard Leikin, was featured in a satellite and radio media tour about spring flood season. He was interviewed more than 30 times. There have been 753 broadcasts on television and radio, reaching a total estimated audience of nearly 15.5 million.

On May 31, just prior to the beginning of hurricane season (June 1-November 30), the Deputy Administrator was featured on a second satellite and radio media tour about hurricane flooding. He was interviewed 30 times. There were more than 662 broadcasts on radio and television to an estimated audience of more than 21.4 million.

Articles for Consumers

In February, a new article for consumers called "Protect Your Property Before Floods Occur" was distributed to newspapers.

It provides consumers with information about ways to prevent or reduce flood damage and encourages people to purchase flood insurance. A follow up, titled "Protecting Your Home/Business from Flood Losses," was released in April.

Since 1997, we have released 11 of these articles. All now are available on the NFIP web site.

You can read and download these stories to use in your communication to current and potential policyholders. Please note, however, that we have not updated

the mat stories: they have the information that was current at the time they were distributed. So if you decide to use any of these older mat stories, make sure to update the statistics and other facts. 



Amie Coxon Ware is an insurance marketing specialist for FIMA's Marketing Division. She has worked on various marketing and public relations projects at FIMA for 10 of her 12 years at FEMA, including managing the Cover America I and II campaigns, from 1995 to the present.

Definition



MEAN SEA LEVEL

How mean or kind the sea level is depends upon where you are standing during a serious storm. The Mean Sea Level—now going under the name of National Geodetic Vertical Datum (NGVD)—is a reference point frequently used by surveyors and other folks who need to know exact elevations. The NFIP *Flood Insurance Manual* refers those seeking the definition of the Mean Sea Level to the short and sweet definition of National Geodetic Vertical Datum (NGVD), which it describes as a:

" National standard reference datum for elevations, formerly referred to as Mean Sea Level (MSL) of 1929. NGVD is used as the reference datum on most FIRMs."

Blueprint for the Future—Our Mission, Vision, and Goals

Debra Woodard, FIMA

In the previous issue of *Watermark*, Jo Ann Howard, former Administrator of FIA, introduced a Blueprint for the Future. Howard Leikin, the Deputy Administrator of FIMA, is continuing this work. The development of that blueprint and the mission and goals to support it is the culmination of 12 months of investigation into the NFIP's future use of information technology (IT). A "Concept of Operations" has been created to launch the NFIP into the 21st century in step with major business and government. We hope to use technology to better assist our customers and partners and to meet our goals and objectives.

The Mission and Vision

FIMA's mission is to educate U.S. property owners about the risks of floods and provide flood insurance to accelerate recovery from floods, mitigate future losses, and reduce the personal and national costs of flood disasters. Our vision is to provide a program that efficiently delivers insurance products that are accessible, desired, and provided seamlessly to our customers and partners. To ensure the safest future possible for United States communities, this program must involve assisting communities to exceed NFIP floodplain management standards. Finally, this program must be financially sound, both as an agent of change and as a long-term insurance solution.

FIMA's Goals

We have developed five goals to support our Blueprint for the Future. They are:

1. Increase the number of NFIP policies in force.
2. Provide fast, accurate program policy, technical guidance, and program information to our stakeholders.
3. Optimize the current model of the insurance contribution toward achieving compliant, disaster-resistant communities.
4. Identify and implement mechanisms to achieve financial soundness.
5. Review underwriting results and incorporate new risk information that will improve the financial soundness of the NFIP.

A "Concept of Operations"

To achieve our goals in a web-oriented world, we developed a Concept of Operations to determine how to use emerging business processes to best assist the Write Your Own insurance companies and the NFIP Direct facility in delivering flood insurance to consumers. Changes in business processes will be needed to provide insurance products in a more seamless, accessible manner while taking advantage of technology, increasing program effectiveness, and decreasing overall program costs.

What Is the Next Step?

FIMA is now developing a conceptual technical architecture design that will support the "IT Vision" incorporated in the Concept of Operations. This design will use a variety of new tools—such as web-oriented policy activities, enhancements in data sharing, and improved data quality, timeliness, and management—to build greater efficacy into the NFIP. FIMA is examining ways to make flood underwriting more user friendly and information oriented. We also are examining actuarial and financial processes to take full advantage of technology and data quality.

FIMA's Blueprint for the Future is positioning the NFIP to take advantage of improvements in business processes and technology as they occur. Working in the present, we are preparing for the future—for the good of the NFIP and the nation. **W**

Debra Woodard is FIMA's technical monitor for the NFIP System. She is a Certified Systems Engineer and has been with FIMA for more than 5 years.

The Multi-Billion-Dollar Storm That Wasn't

Betty Weadon, FIMA

When is a multi-billion-dollar storm not a disaster? When it's a conference designed to bring together emergency and insurance professionals in a fictional major flood scenario. By walking through projected difficulties in advance, key players can ensure a coordinated response to real flood catastrophes.



Satellite photo of Hurricane Floyd

On April 18 and 19, FIMA hosted the first Multi-Billion-Dollar Storm Conference, in Charleston, South Carolina. Attendees included representatives of property and casualty insurers, independent adjusting firms, Federal and state agencies, windpool associations, departments of insurance, and others.

The Background

Why hold a megastorm response exercise? More than 30 major flooding events have hit the United States in the past 21 years. Each of these floods caused damage of \$1 billion or more. Forecasters anticipate that a storm of catastrophic magnitude could

affect Florida and other Gulf Coast states in the near future. What would happen if another disaster hit shortly thereafter?

A double disaster is not unprecedented. Hurricane Hugo hit Charleston, South Carolina, in September 1989 within 1 month of the 7.1-magnitude Loma Prieta earthquake in California. Major

disaster responses were being made almost simultaneously on two sides of the continent—3,000 miles apart. Recovery and reconstruction costs resulting from Hurricane Hugo reached \$9 billion, not including insurance payments. Loma Prieta recovery and reconstruction costs reached \$7 billion, not including insurance payments.

If a giant hurricane and a major earthquake a continent apart could affect the United States as seriously as they did, what would happen if two megastorms hit the same region back to back? Or, what if two such storms made landfall in different parts of the U.S. during the same time period?

The Scenario

The situation proposed at the first Multi-Billion-Dollar Storm Conference was for a Category 5 hurricane (see the Saffir-Simpson Hurricane Scale on page 18 for a description of hurricane intensities) to make a direct hit on the United States. Imagine that the East Coast is in the midst of recovering from a devastating coastal storm when a small tropical storm in the Gulf of Mexico starts to heat up. Within days it becomes a full-fledged hurricane.

BRINGING ADJUSTERS UP TO SPEED

Well before the arrival of hurricane season on June 1, more than two dozen of the NFIP basic claims presentations were offered and were attended by 2,500 people. Fourteen additional workshops addressed program changes and interpretation in coverage resulting from the publication of the new NFIP Standard Flood Insurance Policy (SFIP) forms. Specialized adjuster training sessions were provided on-site at WYO companies and adjusting firms upon request. More than 500 people attended these SFIP and on-site workshops.

FIMA requires that flood adjusters attend at least one annual Claims Adjuster Workshop to retain certification. More than 3,000 adjusters requested certification for flood adjusting in 2001. Adjusters and other claims workshop attendees (including agents and public officials) received a copy of the newly revised NFIP Adjuster Claims Manual.

2001 Hurricane Season

The following forecasts are based on ongoing research by William M. Gray (Professor of Atmospheric Science, Colorado State University), Christopher W. Landsea (Meteorologist with NOAA/AOML HRD Lab, Miami, FL), Paul W. Mielke, Jr. (Professor of Statistics), Kenneth J. Berry (Professor of Statistics), and Eric Blake (Department of Atmospheric Science). For more information about these forecasts, visit the prediction team's web site at <http://typhoon.atmos.colostate.edu/forecasts/2001/june2001/>.

Forecast for the 2001 Atlantic Basin Hurricane Season (as of June 7, 2001)

Event	Number
Named storms	12
Named storm days	60
Hurricanes	7

Probabilities of at Least One Major Hurricane (Category 3, 4, or 5) Making Landfall During the 2001 Hurricane Season (June 1 – November 30)

Area Affected	Probability for 2001	Average Annual Probability for the Last Century
Entire U.S. coastline	69%	52%
East Coast of U.S. (including Florida peninsula)	50%	31%
Gulf Coast (from Florida Panhandle west to Brownsville, Texas)	39%	30%

Under this scenario, insurance companies had already deployed adjusters to respond to the first storm in the East; now these same folks are heading for Texas and Louisiana. Emergency officials in Oklahoma, Mississippi, Alabama, and Georgia are on alert.

Gale-force winds and tidal surges hit much of the Gulf Coast. Inland flooding is severe. For this event, organizers projected that the hurricane would make landfall on the Texas Gulf Coast near Corpus Christi, then spread north through Brownsville and into Houston. A storm of this intensity, affecting a population center this large, would be a major catastrophe, potentially causing tremendous loss of life and creating billions of dollars of property damage.

Although it is Texas that bears the brunt of the conference's fictitious Multi-Billion-Dollar Storm—losing 70-80 percent of its transportation infrastructure—in reality, it could have been any state

or any type of flood, not just a flood resulting from a hurricane.

The Results

As conference participants focused on the scenario of two wind and water megastorms hitting multiple states within 1 week of each other, they looked at issues such as:

- How many claims could be expected?
- How would insurance companies obtain adequate adjuster resources?
- What adjuster resources would be needed? Where would they come from? Do insurers already have contacts with independent adjusting firms?
- How many applicants could government organizations like FEMA and the Small Business Administration expect in this scenario?
- How would State Departments of Insurance handle adjuster licensing information for out-of-state adjusters?

Participants left the meeting motivated to plan similar field

exercises in their own areas. After responding to this virtual “megastorm,” insurers and adjusters, working under tough conditions as a rule, should be even better prepared to weather the next catastrophe, even if it is a real multi-billion-dollar storm. **W**

Bette Weadon is an Insurance Examiner for FIMA. She has worked in the insurance field for more years than anyone wants to know, having come to FIMA in 1983.



SAFFIR-SIMPSON HURRICANE SCALE

The following definitions were posted on the web site of the National Centers for Environmental Prediction. You can reach this site at www.nhc.noaa.gov. The Saffir-Simpson Hurricane Scale is listed in the left column of the home page.

The Saffir-Simpson Hurricane Scale is a 1-5 rating based on a hurricane's intensity. The rating is used to give an estimate of the potential property damage and flooding expected along the coast from a hurricane landfall. Wind speed is the determining factor in the scale, as storm surge values are highly dependent on the slope of the continental shelf in the landfall region.



CATEGORY 1 HURRICANE

Winds of 74-95 mph. Storm surge generally 4-5 feet above normal. No real damage to building structures. Damage primarily to unanchored mobile homes, shrubbery, and trees. Some damage to poorly constructed signs. Also, some coastal road flooding and minor pier damage. Hurricanes Allison of 1995 and Danny of 1997 were Category 1 hurricanes at peak intensity.



CATEGORY 2 HURRICANE

Winds of 96-110 mph. Storm surge generally 6-8 feet above normal. Some roofing material, door, and window damage of buildings. Considerable damage to shrubbery and trees with some trees blown down. Considerable damage to mobile homes, poorly constructed signs, and piers. Coastal and low-lying escape routes flood 2-4 hours before arrival of the hurricane center. Small craft in unprotected anchorages break moorings. Hurricane Bonnie of 1998 was a Category 2 hurricane when it hit the North Carolina coast, while Hurricane Georges of 1998 was a Category 2 Hurricane when it hit the Florida Keys and the Mississippi Gulf Coast.



CATEGORY 3 HURRICANE

Winds of 111-130 mph. Storm surge generally 9-12 feet above normal. Some structural damage to small residences and utility buildings with a minor amount of curtainwall failures. Damage to shrubbery and trees with foliage blown off trees and large trees blown down. Mobile homes and poorly constructed signs are destroyed. Low-lying escape routes are cut by rising water 3-5 hours before arrival of the hurricane center. Flooding near the coast destroys smaller structures with larger structures damaged by battering of floating debris. Terrain lower than 5 feet above mean sea level is flooded inland 8 miles or more. Evacuation of low-lying residences within several blocks of the shoreline may be required. Hurricanes Roxanne of 1995 and Fran of 1996 were Category 3 hurricanes at landfall on the Yucatan Peninsula of Mexico and in North Carolina, respectively.



CATEGORY 4 HURRICANE

Winds of 131-155 mph. Storm surge generally 13-18 feet above normal. More extensive curtainwall failures with some complete roof structure failures on small residences. Shrubs, trees, and all signs are blown down. Complete destruction of mobile homes. Extensive damage to doors and windows. Low-lying escape routes are cut by rising water 3-5 hours before arrival of the hurricane center. Major damage to lower floors of structures near the shore. Terrain lower than 10 feet above sea level may be flooded, requiring massive evacuation of residential areas as far inland as 6 miles. Hurricane Luis of 1995 was a Category 4 hurricane while moving over the Leeward Islands. Hurricanes Felix and Opal of 1995 also reached Category 4 status at peak intensity.



CATEGORY 5 HURRICANE

Winds of greater than 155 mph. Storm surge generally greater than 18 feet above normal. Complete roof failure on many residences and industrial buildings. Some complete building failures with small utility buildings blown over or away. All shrubs, trees, and signs blown down. Complete destruction of mobile homes. Severe and extensive window and door damage. Low-lying escape routes are cut by rising water 3-5 hours before arrival of the hurricane center. Major damage to lower floors of all structures located less than 15 feet above sea level and within 500 yards of the shoreline. Massive evacuation of residential areas on low ground within 5-10 miles of the shoreline may be required. Hurricane Mitch of 1998 was a Category 5 hurricane at peak intensity over the western Caribbean. Hurricane Gilbert of 1988 was a Category 5 hurricane at peak intensity and is the strongest Atlantic tropical cyclone on record.

The IBHS Flood Committee Connection

Diana McClure, IBHS

Since the beginning of the Write Your Own (WYO) Program in 1983, the Flood Committee, established through the organization now known as the Institute for Business & Home Safety (IBHS), has been the official communication vehicle between FIMA and the WYO companies. The mission of the IBHS Flood Committee is to act as a liaison between WYO insurers and the NFIP on technical matters. Currently, 12 of the 33 WYO companies that are IBHS members serve on the committee, which meets with FIMA three times a year.

Recent Accomplishments

During 2000, IBHS Flood Committee members supported FIMA in making increased consumer protection the overriding goal when evaluating strategic changes to the NFIP. The committee provided FIMA with insurance industry input on the transfer of targeted repetitive loss policies to the NFIP's Special Direct Facility.



IBHS Flood Committee Meeting in June 2001

As FIMA prepared the December 2000 policy revisions and coverage changes, the IBHS Flood Committee provided detailed feedback—stressing the need for adequate notification and training for agents and company personnel to enhance communication with policyholders. Members of the

IBHS Flood Committee also worked with FEMA's Office of General Counsel, FIMA, and WYO company legal staff to ensure that legal disputes arising from the flood policy—especially adjustment of claims—be litigated in Federal courts.

2001 Focus

The following major issues are being addressed by the IBHS Flood Committee in 2001:

WYO Company Compensation—The IBHS Flood Committee is assisting FIMA with the identification and evaluation of short-term and long-term company compensation models.

Strategic Direction for the WYO Program—Increasing policy growth and retention is one of the areas in which the IBHS Flood Committee is providing FIMA with recommendations. Other strategies under discussion include balancing re-underwriting (financial soundness) of the program with marketability of the product and assisting FIMA in performing cost/benefit analyses of how program changes affect the NFIP, the consumer, and companies.

Program Changes—The IBHS Flood Committee regularly provides FIMA with input and feedback about NFIP initiatives as they are developed and implemented. Five areas have been the primary focus of Flood Committee activities during Fiscal Year 2001.

Inspection Requirement for Monroe County, Florida

- Clarify the company role and responsibility in ensuring compliance with floodplain management requirements in Monroe County, Florida.

Preferred Risk Policies

- Continue to monitor Preferred Risk Policy (PRP) results.
- Track retention of ineligible PRPs identified for renewal at non-preferred rates.

Policy Revisions and Policy Rewrite

- Encourage adequate agents' training on the new policy, through FIMA and by WYO companies.

Repetitive Loss Properties

- Monitor the progress of the repetitive loss strategy, Special Direct Facility (SDF), premium for renewals of repetitive loss properties transferred to the SDF, and opportunities for mitigation.
- Determine when and how properties will be transferred back to WYO companies.

Pre-FIRM Subsidy Reduction

- Assist FIMA in developing a strategy that minimizes the impact of subsidy reduction on policy growth and retention.
- Develop an implementation plan for WYO companies and agents that reflects the needs of the consumer.

Contacting Us

For more information about the IBHS Flood Committee, contact me by e-mail at dmcclure@ibhs.org, by fax at 617-557-5675 (Attention: Diana McClure), by telephone at 617-557-5538, or by mail at 1408 North Westshore Blvd., Tampa, FL 33607. **W**

Diana McClure is a consultant for the IBHS who specializes in natural hazards and land use planning; floodplain management and flood insurance; disaster safety marketing and outreach; and recovery planning for businesses and communities.

CRS: A System That Works

Richard Decker, CRS Task Force

The NFIP's Community Rating System (CRS) was implemented in 1990 to recognize and encourage community floodplain management activities that exceed the minimum NFIP standards. The National Flood Insurance Reform Act of 1994 codified the CRS as part of the NFIP. Under the CRS, flood insurance premium rates are adjusted to reflect the reduced flood risk that results from community activities that meet the three CRS goals: to reduce flood losses; to facilitate accurate insurance rating; and to promote the awareness of flood insurance. Policyholders in CRS communities save more than \$70,000,000 a year in premiums because of floodplain initiatives undertaken by participating communities.

CRS Classes and Discounts

There are ten CRS classes and discounts: Class 1 requires the most credit points and gives the largest premium reduction; Class 10 receives no premium reduction. Most CRS communities have earned a rating of Class 8 or 9. One community—Tulsa, Oklahoma—has achieved a Class 3 rating.

The following table lists the numbers and percentages of CRS communities by class, and their premium discounts, as of October 1, 2000.

Creditable Activities

The CRS recognizes 18 creditable activities, organized under four categories:

- **Public Information**—Credit is given for programs that advise people about the flood hazard, flood insurance, and

Community Classifications as of October 1, 2000			
Classification	Premium Discount*	Number of Communities	Percentage of Communities
Class 9	5%	431	47%
Class 8	10%	352	38%
Class 7	15%	110	12%
Class 6	20%	27	3%
Class 5	25%	5	0%
Class 4	30%	0	0%
Class 3	35%	1	0%
Class 2	40%	0	0%
Class 1	45%	0	0%
		926	100%

*These discounts apply in Zones A, AE, A1-A30, V, VI-V30, AO, and AH.

ways to reduce flood damage. These activities also provide data needed by insurance agents for accurate flood insurance rating. They generally serve all members of the community and work toward all three goals of the CRS.

- **Mapping and Regulations**—Credit is given for programs that provide increased protection to new development. These activities include mapping areas not shown on the Flood Insurance Rate Map, preserving open space, enforcing higher regulatory standards, and managing storm water. The credit is increased for growing communities. These activities work toward the first and second goals of the CRS, damage reduction and accurate insurance rating.
- **Flood Damage Reduction**—Credit is given for programs in locations in which existing development is at risk. Credit is provided for a comprehensive floodplain management plan, relocating or retrofitting floodprone structures, and maintaining drainage systems. These activities work toward the first goal of the CRS, damage reduction.
- **Flood Preparedness**—Credit is given for flood warning, levee safety, and dam safety programs. These activities work toward the first and third goals of the CRS, damage reduction and hazard awareness.

The CRS Task Force

The CRS Task Force—established to advise FEMA regarding the CRS—is made up of representatives from FIMA, FEMA's regional offices, the Association of State Floodplain Managers (ASFPM), local governments, the National Oceanic and Atmospheric Administration, State emergency management agencies, the National Association of Storm and Flood Management Agencies, WYO insurance companies, and the NFIP Bureau and Statistical Agent, with assistance from the Insurance Services Office and floodplain management experts in private practice.

The Task Force meets three times a year. The timing of meetings is dictated by the schedule for introducing CRS changes at the beginning of the following year. Meeting locations are spread evenly among the 10 FEMA regional offices to make it convenient for FEMA regional staff, State coordinators, and particularly community representatives

to directly provide the Task Force with their insights and experience with CRS, and to give nonmembers the opportunity to see how the CRS operates.

Task Force members conduct workshops and offer information about CRS at various flood- and mitigation-related conferences, such as FIMA's National Flood Conference and the annual conference of the ASFPM.

CRS Training

Throughout the year, CRS specialists participate in informational and coordination meetings hosted by prospective and participating communities. Additionally, CRS workshops and comprehensive floodplain management workshops held throughout the year provide support to local jurisdictions. Week-long training courses about the CRS are conducted at FEMA's Emergency Management Institute (EMI) in Emmitsburg, Maryland, twice each year and now are also available in the field. The first week-long, field-deployed CRS training course—identical to that taught at EMI—was presented in May 2000, in Biloxi, Mississippi.

CRS Booth

Several States have formed associations for coordinating and expanding floodplain and stormwater management activities. Each year, CRS specialists conduct workshops and technical sessions at the conferences and workshops these

associations sponsor. The CRS booth also is exhibited at stakeholder meetings and conferences where information is presented about the program while visitors are provided with the opportunity to discuss participation in the program with floodplain management experts.

CRS Publications

There a number of publications that have been produced about the CRS. FEMA's most comprehensive, the CRS biennial *Report to Congress*, was completed and presented to Congress in December 2000. Other regularly updated publications include the *NFIP/CRS Update* newsletter and the *CRS Coordinator's Manual*, which can be found at www.fema.gov/nfip/crs.htm.

Outreach Efforts

Recent CRS marketing efforts include outreach to communities, especially the 1,700 communities with the greatest numbers of NFIP policies in force, and to the 200 or more communities with the great-

est numbers of repetitive loss properties.

A Vital Asset to the NFIP

There are now more than 900 communities receiving flood insurance premium discounts for their implementation of local mitigation, outreach, and educational activities that go well beyond minimum NFIP requirements. While premium discounts are one of the benefits of participation in CRS, it is more important that these communities are carrying out activities that save lives and reduce property damage. These 900-plus communities represent a significant portion of the nation's flood risk, as evidenced by the fact that more than 66 percent of the NFIP's policy base is located in these communities.

For more information about the CRS or for assistance in joining this program, please contact us at the following locations:

NFIP/CRS
P.O. Box 501016
Indianapolis, IN 46250-1016
nfip/crs@iso.com
317-848-2898 

Richard Decker has been Chair of the CRS Task Force since its establishment in 1987. Mr. Decker has courageously guided the agenda of the CRS and has encouraged the expansion of State and community representation on the Task Force. Mr. Decker has had 47 years' experience in the property and casualty industry, having worked as an underwriter, claims adjuster, chief accountant, and CEO of two major actuarial, statistical, data processing, and insurance industry service organizations.



CRS Booth and Task Force Members (left to right) Jerry Foster, ISO; Richard Decker, Task Force Chair; and David Stroud, ISO

FIMA and NAIC—A Partnership for the Future

Edward Connor, FIMA

FEMA, FIMA, and the National Association of Insurance Commissioners (NAIC) formed a partnership during the 1980s to assist in the administration of the NFIP. This partnership helps to serve the millions of property owners across the country who are at risk of flooding. This partnership is dedicated to a simple promise. When a flood occurs, we will extend a helping hand. But long before the waters come, we give people the resources, and the responsibility, to prepare for the waters to rise. Providing flood insurance is a central pillar of that promise, supported by two other duties of the NFIP—stewardship of the floodplain and production and dissemination of flood maps.

The Cost of Flooding

Floods hurt everyone. FEMA has spent more than \$20 billion during the last 10 years to help people rebuild their communities after natural disasters. We've paid almost \$10 billion in flood insur-

ance claims since 1969. There has been an increase in the number and severity of weather events, putting more people at risk. Entire communities suffer. Almost half of businesses affected by natural disaster never reopen. Employees lose jobs, homes, and possessions. Worst of all is the loss that can never be recovered: human life.

We see, time and time again, flood victims whose lives were devastated because they did not have flood insurance. Only 10-15 percent of the structures damaged in North Carolina by Hurricane Floyd in September 1999 were insured. Only 20 percent of homes in Grand Forks, North Dakota, that sustained flood damage when the Red River flooded in 1997 were insured. Many people thought that the dikes and levees would prevent a flood or that a flood could not reach them. Perhaps lenders or insurance agents told them they did not need coverage.

Improving Life for Floodplain Residents

FIMA is reinforcing the flood risk message and working to increase the purchase and retention of insurance by improving our coverage, simplifying our policy, upgrading our training and education of agents and lenders, and vigorously advertising and promoting public outreach. We have launched a repetitive loss initiative to reduce the almost \$200 million per year in losses to properties that have sustained flood damage on multiple occasions. As part of that strategy we have been directing available resources to buy out, elevate, or floodproof these properties and help owners who are trapped in older construction built in harm's way before flood risks were known.

In August 1999, Representatives Doug Bereuter (R-NE) and Earl Blumenauer (D-OR) introduced HR2728, the "Two Floods and You Are Out of the Taxpayers' Pocket Act." This bill was reintroduced in April 2001. The properties targeted are those with four or more flood losses, or two to three losses where the cumulative claim payments exceed the building value. These targeted properties represent 10,000 out of the pool of 87,000 repetitive loss properties.

The States have a very important role in helping communities understand Increased Cost of Compliance (ICC) opportunities to remove substantially damaged structures from the floodplain.



North Carolina flooding following Hurricane Floyd

Communities also need help to understand their job in making substantial damage determinations. This is an area where the NAIC can provide assistance in getting the message out. FIMA also is looking at programmatic and process improvement in ICC coverage. This coverage was added to help policyholders cover the costs of rebuilding flood-damaged homes and businesses.

Partners in Protection

What can State Insurance Commissioners do to reduce flood risk for residents of their states?

- Encourage licensed agents to sell flood insurance to make sure people are covered. Buying flood insurance is the most direct, effective and reliable way to ensure that natural disasters don't become financial disasters too.
- Have an education plan. A recurrent theme from flood victims is that their insurance agent never told them that they could purchase flood insurance or misinformed them about their eligibility. We need to combat that misinformation with education.
- Mandate NFIP continuing education for insurance agents. When it comes to getting our product to consumers, insurance agents are on the front lines. In order for them to do their jobs, they must have the latest information about flood risks and insurance coverage.
- States should link the Office of the Insurance Commissioner's web site to FEMA's NFIP web site located at www.floodalert.fema.gov.
- Look at the risks and capabilities in your state. With the expected increase in weather-related disasters and a greater number of your constituents at risk, all insurance commissioners need to ask themselves: Are we prepared?
- Encourage local agents to support local floodplain management activities in their community.
- Develop an outreach program to educate about the NFIP. While many insurance

commissioners are actively involved in the NFIP, not all of them coordinate and sponsor flood awareness campaigns. The NFIP mailed a CD to each commissioner during the fall of 2000 providing information about the NFIP and related areas.

- Ensure mandatory disclosure on all homeowners' policies that flood damage is not covered.
- Support flood standards in building and land use decisions.
- Help ensure lender compliance. We estimate that between one-quarter and one-third of properties required to have flood insurance are not covered. The consequences can be tragic. While FIMA has no regulatory authority over lending institutions, we are concerned that people are protected. Senator Gramms of Minnesota, who lived through the Red River Flood, has asked the General Accounting Office to examine the effectiveness of the mandatory purchase requirement. FIMA will be working closely with GAO in the conduct of the study.

Flooding Affects Everyone

This partnership between FIMA and the NAIC can transform life along America's floodplains—for the people who live along our coastlines and rivers, for those who cherish our beaches and bluffs, and for the taxpayers whose hard-earned money is used to pay disaster assistance to help uninsured residents who have sustained flood damage. **W**

Edward Connor is FIMA's liaison to the insurance industry, supporting our partners, including IBHS, FIPNC, NCOIL, and NAIC. He also is Director of FIMA's Program Finance and Industry Relations Division.

“Top 10” Sheets

NFIP Top 10 sheets provide essential information about flooding and insurance protection. They have been tailored to several audiences: lenders, consumers, agents, legislators, and insurance commissioners. These sheets are available at no charge by calling 800-480-2520. Request the form number for the audience you want to reach.

F-215 Lenders

F-301 Consumers

F-068 Agents

F- 442 Legislators

F-444 Insurance Commissioners

Civil Monetary Penalties

The National Flood Insurance Reform Act (NFIRA) was passed in 1994. As many of our readers know, NFIRA requires that every property that is located in a Special Flood Hazard Area and has a federally backed mortgage be insured against flood damage.

To ensure that lenders assist homeowners in meeting the requirement, NFIRA mandates that any regulated lending institution found to have a “pattern or practice of noncompliance” can be assessed a Civil Monetary

Penalty (CMP) by the appropriate Federal regulatory entity for lending institutions. The Act stipulates that the CMP may not exceed \$350 per violation and that the total amount of penalties assessed against any single institution may not exceed \$100,000 during any calendar year.

Since the implementation of NFIRA, many in the flood insurance community have wondered how the mandatory purchase requirement is working. Well, it is working—at least to an extent.

Here are a few facts.

The first CMP was imposed in June 1999 in the amount of \$10,000. Since that time at least eight more banks have been assessed CMPs, in amounts ranging from \$2,000 to \$7,050. Those banks are located across the United States and its territories, in both big cities and small towns.

Penalties were imposed for a variety of reasons, but mainly it was for failure to use and/or maintain the Standard Flood Hazard Determination Form in the property file. ▀

FEMA's New Floodplain Management Training Strategy

Susan Bernstein, FIMA

During the spring of 2001, FEMA began a multi-year effort to evaluate the floodplain management training needs of local officials. The investigation directly supports the NFIP and seeks to develop tools and resources for training floodplain managers.

The investigation is being coordinated with the Emergency Management Institute (EMI), FEMA's training school in Emmitsburg, Maryland. In March, FEMA began collecting information about the education needs of floodplain managers. Telephone interviews are now being conducted with FEMA Regional Staff and NFIP State Coordinators. This initial inquiry seeks to gather viewpoints and opinions on critical program areas where floodplain managers need better instruction.

During the last 5 years there have been many changes that

affect floodplain management. Examples of why new forms of education should be developed include:

- The availability of many more complex tools and information (such as publications, videotapes, and mapping formats) relevant to floodplain management techniques;
- The Association of State Floodplain Managers Certified Floodplain Manager Program;
- A greater demand from communities for floodplain management technical assistance that goes beyond the minimum requirements of the NFIP;
- New mapping, and other, technologies; and,
- The role of the floodplain manager after disasters.

FEMA's goal is to define the floodplain management training needs of communities, then design and deliver appropriate support.

The effort goes beyond simply revamping the EMI Resident Course (E-273) or the Floodplain Management Home Study Course (IS-9). Depending on the available input, the development of new courses and related items may be required.

This is an exciting time for floodplain management. It should afford many of us an opportunity to provide input to a process that will shape how FEMA communicates and promotes floodplain management in the future. ▀

Susan Bernstein is FIMA's Legal Liaison as well as Editor of the NFIP's Watermark newsletter.

Creating A Producer Network

M. Rita Hollada, FIPNC

As a flood insurance producer, did you ever think how nice it would be to have someone to represent you? Someone who could talk to the Federal officials who make the decisions about the NFIP? Someone who could present your perspective to the NFIP administrators? Well you do! The Flood Insurance Producers National Committee (FIPNC) is just such a voice. FIPNC represents the producer community and brings producer concerns about, and suggestions for improving, the NFIP to FIMA.

FIPNC was initiated in 1983 as an advisory group to FIMA. Representatives from the major insurance trade associations make up the committee along with representatives from other NFIP stakeholder organizations. The committee meets with FIMA three times each year. The discussion at our meetings is frank and open. FIPNC members also participate in other NFIP activities, including the National Flood Conference and local education seminars.

A current committee project is the expansion of FIPNC's horizons by seeking input from additional producers throughout the country. We are creating a network of agents who will receive information about issues that are being discussed with the flood program administrators and who will have an opportunity to comment on those issues. We are seeking a wide geographical representation on our producer network. It will not be necessary for volunteers to attend FIPNC meetings, but members of the network will be asked to comment

on policy issues, program changes, and marketing and training needs.

If you are an agent who would like to participate in this network, I urge you to contact any of these current FIPNC committee members. We would be happy to hear your concerns and invite you to stay "in the loop."

Rita Hollada
Professional Insurance Agents Association
302-436-9339

Woody Marks
Council of Exclusive Agents Association
757-479-0551

Fletcher Willey
Independent Insurance Agents of America
252-480-4600

FIPNC members are working on a number of other projects. We have presented some technical questions to FIMA regarding language in the December 2000 revision of the Standard Flood Insurance Policy. As with any policy change, new language brings new interpretations and coverage questions. As producers, we need to know how best to advise our clients. Once the questions have been answered and any additional program interpretations

made, a report will be made to the producers in the field.

FEMA's revised Elevation Certificate (EC) has been another issue under scrutiny and the subject of a great deal of discussion at FIPNC meetings. The producing community is making suggestions about possible revisions or requirements for additional information. Since a producer is rarely on site during an elevation survey, it may be difficult for him or her to properly select the lowest floor elevation from the data given. Therefore, one suggestion is to require the surveyor to provide a photograph of the subject building as part of the EC.

Additionally, FIPNC has suggested that the square footage of the crawl space be calculated and noted by the surveyor on the EC. In this way, an agent can review the square footage and the vent information to determine if the venting is adequate.

Finally, our committee is discussing the creation of a FIPNC web site devoted to producer issues. There would be links, of course, to the FEMA web site for NFIP program information, but the site would also provide a venue for producers to ask questions or give input. ▀



FIPNC Meeting in June 2001

M. Rita Hollada, CPCU, CIC, CPIA, is an insurance agent, broker, and educator who serves as the representative from PIA National to FIPNC and is Chair of the committee.

Flood Zone Determinations Online for the Town of Hilton Head

Trudie Johnson, Town of Hilton Head Island, South Carolina

Our goals were simple in August 1993. When we publicized our first “Flood Awareness Week,” we wanted to tell the citizens of Hilton Head Island how to protect their families, their property, and their community in the event of flooding.

Historically, late August and September has been the time of year when coastal South Carolina has been hit by catastrophic hurricanes. In late August 1893, some two thousand people died in hurricanes that swept through rural Beaufort County. In the second half of the 20th century, Hurricanes Gracie, David, and Hugo hit South Carolina in September.

Back in 1993, our community was new to the Community Rating System (CRS) and I was new to the job of being the local coordinator for the program. So, I followed the suggested activities in the CRS manual. We encouraged the purchase of flood insurance. We offered free consultations—on site—to residential and commercial property owners so that we could advise them about appropriate flood protection methods. We talked about local drainage issues. On this flat coastal barrier island, drainage is always a hot topic. We provided advice about construction methods for retrofitting older structures. We gathered publications for a “Flood Awareness” reference shelf at the public library. We mailed more than 16,000 brochures entitled “A Citizens Guide to Flood Awareness.” We promoted flood awareness and flood protection on local TV and radio and in newspapers. And we

offered to provide written information, at no charge, about any location’s flood hazard zone, base flood elevation, date of FIRM index, panel, suffix and community number.

In November 1994, flood insurance policy coverage on Hilton Head Island had increased by almost 30 percent. Our 10,647 policies represented property coverage of \$1,669,454,900 insurance in force. Our flood awareness programs were successful and well

listing all address points on Hilton Head Island with the corresponding flood zone information. But the CD was only a limited success because it could not be updated easily.

Conversations with Richard Hamilton, the Town of Hilton Head Island’s Geographic Information System (GIS) Administrator, resulted in the idea of using the town’s newly created web site to post this information. Accessing it via the Internet would make



The Town of Hilton Head Island is vulnerable to flooding.

received throughout the community. By 1997, the number of flood policies in force had grown to 23,795. Our property coverage was more than \$3.3 billion insurance in force.

But our success was overwhelming us. The publicized service to provide flood zone information had grown to 10 requests a day. At the beginning of hurricane season we often had 30 requests a day from homeowners, surveyors, architects, real estate agents, and local insurance agents. The previous year we’d tried to produce a computer disk

the data easily available to anyone 24 hours a day and would greatly cut down on the staff time needed to make individual determinations. Richard described a way to link the flood awareness information on the web site, the digitized FIRM layer, and each unique address point to produce a method to receive flood zone information.

Without using the Town of Hilton Head Island’s GIS, it would have been virtually impossible to produce the online flood zone determinations and keep this information updated on the web in a timely fashion. The GIS enables

us to maintain the online data and keep it current with a minimum of staff time and effort.

Our GIS staff customized the system and automated the process that produces the information. Once a month, a GIS Analyst runs a program that selects all the structures in the Town of Hilton Head Island and determines in which flood zones they lie. Structures within a certain distance of flood zone borders are “buffered out.” These “close calls” are excluded so that a staff member using original FIRMs can make determinations. The program then compiles a data file that includes the address of the structure, its parcel identification, and its flood zone. This data file is e-mailed to the Web Administrator, who uploads it to the town’s web site.

The entire process takes less than an hour and puts the determi-

nation information for almost 20,000 structures online for use by anyone with web access. This combination of GIS and Internet technologies has resulted in a tremendous saving of time and money for the Town of Hilton Head Island.



The bridge to Hilton Head Island

Since 1998—when the web site went live—the community has been extremely receptive to the system. Soon after publicizing the service, we began receiving very positive feedback from local pro-

fessionals. We know we have achieved our original goals. We now have fewer than five flood zone determination requests a week. **W**

Trudie A. Johnson, NCARB, CBO, CFM, has worked as a project architect responsible for the planning, design, and documentation of commercial and medical projects and as a lecturer at the University of Detroit School of Architecture. In 1981, Michigan Governor William G. Milliken appointed her to the State Board of Licensing and Regulation for Architects. Since relocating to South Carolina, she worked in private architectural practice until 1992 when she joined the Town of Hilton Head Island as Floodplain Manager and CRS Coordinator. In these roles, she is responsible for planning and managing floodplain mitigation activities.

What is FISCAA?

Larry Palmer, FISCAA

Working in the flood insurance field, you may have heard this acronym, but what is FISCAA? That’s simple. Established in 1992, the Flood Insurance Servicing Companies Association of America, Inc. (FISCAA), is an organization composed of companies that write flood insurance under the NFIP.

FISCAA uses educational publications, seminars, news releases, reports, advertising, speaking engagements, and other public relations activities to educate a wide variety of audiences about the NFIP. Those audiences include members of Congress,

FIMA, the general public, and the news media.

The type of information FISCAA provides changes with the times. The association may inform Congress about proposed legislation that would affect the flood insurance community, offer information to the media after a flooding disaster, or simply present educational opportunities to FISCAA members. In addition, the association keeps member companies informed about the attitude of the public, the news media, and public officials toward the flood insurance product.

More than 20 FISCAA member companies represent more than 50 percent of the flood policies and premium written in the United States, Puerto Rico, and the U.S. Virgin Islands. FISCAA meetings are held three times each year. **W**

Larry Palmer has been a mover and shaker in the flood insurance field for more than 15 years. He was the past Chairman of FISCAA and remains active in the field of flood insurance.

Bringing Home Lender Flood Compliance

Debbie Tieman, First Banks, Inc.

Imagine this scenario:

You are driving down the road, and there it is—the house of your dreams. You immediately call the real estate agent and set up an appointment to see it. You aren't disappointed; the inside is lovely. What luck finding this place!

On Monday at the local bank, you fill out the loan application, hoping to close as soon as possible. Several days later, you receive a copy of a flood zone determination and a "Notice to Borrower in Special Flood Hazard Area." The flood zone determination shows that your house is in a flood zone, requires flood insurance, and is located in a community not participating in the NFIP. You are surprised to learn this. Sure, you can see the river from the house, but you've lived in the area all your life and can't remember it ever flooding there.

Your insurance agent explains that because the house is located in a nonparticipating community, the premium rates from a private insurer will be very high. Unable to take on a steep insurance premium on top of a new home loan, you don't pursue flood insurance any further.

When your lender asks for proof of insurance at the closing, you provide him with a copy of your hazard insurance and tell him that you are not purchasing separate flood insurance. It was too expensive, and you are confident the property will never flood.

Shortly after moving in and redecorating, you take a weekend trip and visit your folks. On Sunday evening, the newscaster

reports that a small levee located upriver from your home has broken, causing minor flooding. In response to your parents' concerns, you assure them that your home is not close to the river.

Arriving home, you find your new house surrounded by water! After spending the night with the neighbors, you call your insurance agent, only to be told that your insurance does not cover flood damage. You are frantic. How will you pay for all the necessary repairs, as well as your loan?

Of course, there is an important lesson in this story.

To protect their investments and their clients, lenders need to know the ramifications of making home loans for buildings located in Special Flood Hazard Areas. They must inform their customers of the requirements to carry flood insurance in high-risk areas and explain the expense this may entail. And, they need to understand that not requiring flood insurance coverage for a property in a nonparticipating community is a great risk. Lenders and their loan support staff need to know the Federal compliance regulations, and they need to monitor their portfolio for the good of their customers and for the good of the bank.

At First Bank, we have efficiently centralized the monitoring of flood regulations with the assistance of the NFIP and FEMA regional offices, along with our own state emergency management agency. In October 2000, we began including flood compliance in the training

courses we provide our offices in Missouri, Illinois, and Texas. The knowledge we have gained about flood risk and flood protection has been invaluable, and the new practices that we have put into place to require flood insurance will protect our customers, as well as our portfolio. **W**

Debbie Tieman has been in banking since 1989—first in loan operations and then in commercial loans. Since 1999, she has been the Assistant Vice President of First Banks, Inc.'s, Loan Operations Department, located in St. Louis, Missouri.

Definition



GRADE ELEVATION

Although this term may suggest shame-faced pleading with a professor that results in a higher mark than originally received on an oral or written assignment, to the NFIP *Flood Insurance Manual* grade elevation means:

" the lowest or highest finished ground level that is immediately adjacent to the walls of the building." As a rule, "use natural (pre-construction) ground level, if available, for Zone AO and Zone A (without BFE)."

Water You Doin' Here?

Michael Moye, Bank of America

"Good morning and welcome to the mortgage servicing industry. Glad to have you on board. We're a little backlogged right now because of the attractive interest rates out there, so we need you to be productive right away. We hired you because you are (a) experienced, (b) available, (c) smart, (d) a friend of the boss. Don't worry if things aren't clear to you. You look capable and should catch on right away. Here's a pile of flood insurance renewals. Check them for compliance and update the customers' records. If you have any questions refer to the *Mandatory Purchase of Flood Insurance Guidelines* published by FEMA. If you still have questions, look at the *Flood Guide for Lenders and Servicers* from the NLIC. I'll check back with you in a few days."

"Excuse me? What's flood insurance? What's mandatory? Who are FEMA and NLIC?"

"Didn't they teach you anything during orientation? Oh, today's your first day. Well, do the best you can."

Okay, so that conversation exaggerates and simplifies what happens in service shops. Yet, the National Lenders' Insurance Council (NLIC) recognizes that the insurance training and understanding of service personnel often can leave the industry's front line soldiers with inadequate preparation for

carrying out their responsibilities.

In 2000, NLIC began developing a new comprehensive insurance reference. While the existing *Flood Guide for Lenders and Servicers* continues to be a valuable reference, the industry still needs a learning tool to establish a knowledge base for those who need to know, and need to know quickly. The new reference will be made available in both electronic and written formats. Once completed, this new product will include vital information about flood coverage and other forms of insurance important to lenders.

Operating on the premise that knowledge can be acquired more easily and retained more effectively if it is fed in small bites, the

new reference guide will feature a short quiz at the end of each section, providing immediate feedback on subject comprehension. Insurance supervisors can use the product to train personnel, as needed. The reference also can be used at any time to refresh one's insurance knowledge. NLIC hopes to have the product available before the end of 2001.

What other projects is NLIC engaged in? We've joined other industry trade groups and FIMA in exploring the feasibility of implementing an "insurance to value" requirement for all flood insurance policies. This and many other issues of importance to lenders were explored at the 2001 National Flood Conference in May.

At the conference, NLIC again joined with the local Salvation Army unit in holding the 5K Run and 1-Mile Fun Walk to benefit flood disaster victims who are aided by the Salvation Army.

NLIC publishes a quarterly newsletter for its members and interested subscribers. For details about our newsletter, the new NLIC reference product, for joining NLIC, or to receive further information about any other NLIC activity, please contact our newsletter editor, Rosalie Douglass, by sending her an e-mail message to twoesses@msn.com, or a fax to 972-492-5389, or by calling 800-338-5511. 

Michael Moye is Vice President of Bank of America and the former President of NLIC.

Definition

BLANKET INSURANCE

No, this insurance does not cover Linus's favorite blankie; however, it does afford the owner of more than one building an easier way to insure property and/or contents. According to the NFIP *Flood Insurance Manual*, blanket insurance is:

"a single amount of insurance applying to more than one building and/or contents."

Be sure to note that "blanket insurance is not permitted under the NFIP."

Certs Up!

Cheryl Small, NFDA

In spring 2000, interest rates were lowered at least three times resulting in a real estate boom. For the flood zone determination industry that meant gearing up for a deluge of flood determination requests as new homes were built or existing structures changed hands. Our volume of business increases dramatically when the economy is robust. In fact, the number of requests we receive can increase by 25 to 50 percent almost overnight. In the 1970s flood determination was a sleepy little business that since has emerged into a mature industry. Now, flood compliance training and customer service support are key elements provided by flood determination companies to lenders in addition to traditional flood zone determination services.

What is the National Flood Determination Association?

Many of the flood determination companies came together in the early 1990s to form the National Flood Determination Association (NFDA). The NFDA is a national nonprofit organization comprised of flood zone determination (FZD) companies, their suppliers, and their resellers. The association is dedicated to promoting the interests of members who are involved in making, distributing, and reselling flood zone determinations. The NFDA also serves as a collective industry voice on legislative and regulatory issues. We support the NFIP and the agencies that administer it.

Those members who responded to a survey conducted by NFDA in 2000 reported an average of

63,570 determinations completed daily. Our member companies range in size from those completing fewer than 100 units per day to companies processing in excess of 20,000 units on a daily basis. Among just the survey respondents, more than 19 million determinations were completed in 1998 and in excess of 18 million determinations were completed in 1999. Members average approximately 8,000 daily service-related telephone calls from their customers and borrowers. Lenders also use life-of-loan tracking services from FZD companies to ensure that their collateral is protected and compliance guidelines are met. Approximately 2.5 million life-of-loan updates were completed for lenders in 1999.

The flood zone determination industry is instrumental in assisting the lending community in meeting flood compliance requirements. Through the use of advanced geographic information system (GIS) and spatial technology and Internet delivery systems, the lender receives prompt responses to most requests made to an FZD company. Speed and accuracy ensure the lender that compliance guidelines are met without slowing down the closing process. Adherence to the mandatory purchase requirements supports NFIP policy growth goals and the soundness of the program.

Determinations—Who Needs Them?

Well, you may. Although lender compliance guidelines drive the requests for flood determinations,

other segments of the FZD market are growing. WYO companies, independent agents/brokers, and commercial insurers also seek the services of FZD companies. Determination providers, in conjunction with other service providers, have been delivering determinations along with rating tools to agent and underwriter desktops via the Internet for several years. Commercial insurers use flood hazard information as an underwriting tool in evaluating risk.

The New NFDA Certification Process

This year, NFDA released its certification program. This program is designed to recognize companies that operate within the guidelines set forth by the NFDA to maintain minimum standards of excellence, foster professionalism, and advocate quality services within the flood zone determination industry. A company is not required to be a member of the association to become certified. For more information about NFDA or the FZD process, contact me at 303-716-5050. 

Cheryl A. Small is Chair of the National Flood Determination Association. She has been an active member of the Association since it was founded and has been Chair for the past four years. Her involvement with the flood program began in 1985 with managing an insurer's WYO program and its flood determination service. She has been active in the flood determination business ever since.

Marketing Flood While the Sun Shines

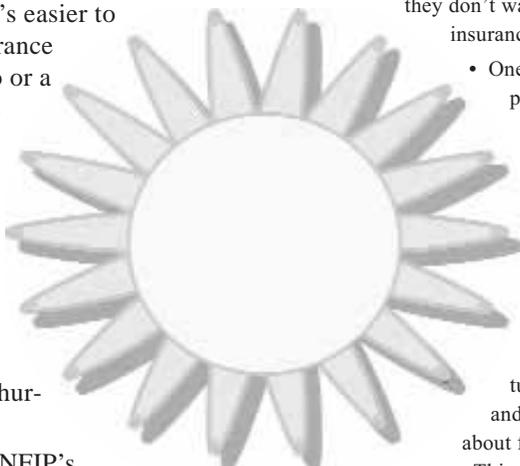
Bruce Bender, American Bankers/American Reliable Insurance

The WYO Marketing Committee was established to provide a flood of good ideas and feedback on how to grow the program.

We all know it's easier to sell flood insurance during El Niño or a busy hurricane season, but what about when it's a La Niña year or Dr. Gray is calling for another "average" or "less than average" hurricane season.

Despite the NFIP's recent slowed growth on policy count, there are companies and agencies alike that are being successful in writing new business. Here are some stories coming out of the WYO Marketing Committee:

- An agency successfully increased its book of flood business by targeting homes in B, C, and X Zones in its community for marketing Preferred Risk Policies.
- Companies have given examples where they and/or their agents have partnered with local companies and organizations to help increase the awareness and need for flood insurance in their community. Partners have included the Red Cross, surveyors, realty companies, and Project Impact. In addition, local seminars have been coordinated by agents and presented to the community in meetings where the theme was what to do before and after a disaster, like flooding. Guest speakers were from auto body repair shops, Red Cross, adjusters, the city, and of course, the agent/company.



- Several WYO companies provide stickers for agents to put on homeowner policies and/or declination notices so that agents can have homeowners sign if they don't want flood insurance.

- One WYO company has even changed the look of its renewal notice envelopes and payment envelopes to include a picture of a flood and a list of facts about flood insurance. This approach accentuates the importance of paying the bill in that envelope to ensure the policy is renewed.

- Almost 2,100 agents have participated in the NFIP's Co-op Advertising Program since 1996. Increased advertising in communities has helped significantly to increase local awareness of the need for flood insurance.

So, even if Mother Nature is absent from the headlines, it still is possible to successfully sell flood insurance. If you're an agent, use all of the "tools" available from your WYO company and the NFIP. Also, don't forget to visit the NFIP's great web site, which is updated daily. It's loaded with information, ideas, facts, forms, training, and lots more: www.fema.gov/nfip. **W**

Bruce Bender has been Chairman of the WYO Marketing Committee since 1999 and is Senior Vice President, National Flood Program, American Bankers/American Reliable Insurance

Companies. He also is a member of the National Flood Conference Planning Committee, a Vice President and Director of the Flood Insurance Servicing Companies Association of America (FISCAA), a member of the Institute for Business and Home Safety (IBHS) Flood Committee, and Chairman of the Community Outreach and Public Education Committee for the City of Tempe's Project Impact initiative.

Definition

FLOODPROOFING

Homeowners might wish that they could spray their homes with silicon to ward off water. They might even fantasize about inflatable foundations or pontoon flowerbeds. But until technology can turn these dreams into reality, the NFIP *Flood Insurance Manual* defines floodproofing as:

"any combination of structural and nonstructural additions, changes, or adjustments to structures, which reduce or eliminate risk of flood damage to real estate or improved real property, water and sanitation facilities, or structures with their contents."

RESOURCES

Watermark seeks to serve its readers with as wide a variety of resources as possible. We remain dedicated to furthering information about flood insurance. As our readership expands to include more engineers, surveyors, and community planners, we hope to increase the available resources to ensure that they can provide their clients, community members, and themselves with the tools needed to better protect against flood losses. FEMA documents can be ordered at no cost by contacting the FEMA Distribution Center at P.O. Box 2012, Jessup, MD 20794-2012 or by calling 800-480-2520. Ask for the publication number listed.

NEW PUBLICATIONS

Planning for a Sustainable Future: The Link Between Hazard Mitigation and Livability. This new FEMA booklet is the first of two publications highlighting the connection between disaster resistance and creating a livable community. It examines sustainable communities and their disaster prevention planning and planned recovery process. The booklet also has a helpful resource list, which includes a variety of documents and web sites for community planners and disaster responders. FEMA 364, September 2000, 43 pages.



Rebuilding for a More Sustainable Future: An Operational Framework. This FEMA document, the second of two aimed at community planning, is an extensive examination of community sustainability. The book offers a standard operating procedure to ensure the delivery of disaster recovery services; presents a focus on community sustainability with an examination of various hazard types, including floods and coastal storms; and offers an extensive section on available tools and programs to assist communities. FEMA 365, November 2000, approximately 150 pages.



WEB SITE DESTINATIONS

Flood Insurance Study (FIS) Tutorial now available

www.fema.gov/mit/tsd/OT_Fisr.htm
www.fema.gov/mit/tsd/OT_main.htm

Explore and learn about each of the components found in FEMA's Flood Insurance Study reports, including profiles, cross-sections, and notes. In addition, learn more about using the information found in the FIS report in conjunction with a Flood Insurance Rate Map to determine flood risks for a property. To view additional tutorials, visit the Online Tutorials Main Page. At the end of each tutorial, you will be able to create and print a personalized certificate of completion.

Digital Flood Insurance Rate Map Graphic Specifications Homepage and Electronic Flood Map Store for Business Customers

www.fema.gov/mit/tsd/MM_DFGR.htm
www.fema.gov/msc

View and download four full-size sample Digital Flood Insurance Rate Map (DFIRM) panels and learn more about the DFIRM graphic specifications, including elements shown on the new DFIRM product.

Business customers are invited to visit the Map Service Center's home page at www.fema.gov/msc to learn more about FEMA's electronic map warehouse. If you are not sure what map product you'll need, click on the Map Catalogue button to access brief descriptions of all products by their type and state. If you know you need a flood map but do not know the exact one you need, use the Map Search function to find products by street address or a specified area of interest. For experienced customers who know the community and panel numbers they are looking for, clicking on the Quick Order button provides the fastest and easiest shopping experience.

Individuals who wish to purchase map products for personal use should call the Map Service Center at 800-358-9616 for assistance.

Technical Mapping Advisory Council Reports

www.fema.gov/mit/tsd/DL_tmcr.htm
www.fema.gov/mit/tsd/DL_tmcr00.htm

Read and download the annual and final reports of the Technical Mapping Advisory Council to the Federal Emergency Management Agency. The Council was created by Congress through the 1994 National Flood Insurance Reform Act to provide recommendations to FEMA on how to improve the accuracy, quality, distribution, and use of Flood Insurance Rate Maps. 



NATIONAL FLOOD INSURANCE PROGRAM Bureau and Statistical Agent

National Flood Insurance Program Policy Issuance 1-2001

Subject: NFIP Presentment of Premium Date

Background: The National Flood Insurance Program (NFIP) rules require that flood insurance applications and the premium be mailed promptly to the NFIP insurer, i.e., the Write Your Own (WYO) company or the NFIP Servicing Agent. The presentment of premium date is the date the premium is received at the office of the NFIP insurer, with three exceptions:

1. If the application and premium are received by the NFIP insurer within 10 days of the application date, the presentment of premium is considered to be made on the application date;
2. If the application and premium are sent by certified mail within four days of the application date, the presentment of premium is considered to be made on the application date; or
3. If the application and premium are received at the office of the NFIP insurer's "contract agent" (which includes an employee-producer), the presentment of premium is considered to have been made on that receipt date, unless the rule under Item 1 or Item 2 above results in an earlier date.

The NFIP encourages producers to submit flood insurance applications and premium by certified mail. Certified mail ensures the earliest possible effective date, even if the application and premium are received by the NFIP beyond 10 days from the application date. WYO companies are required to follow these rules when determining the presentment of premium date.

The question has arisen as to whether third party certifications such as Federal Express (FedEx), the United Parcel Service (UPS), or courier services, and the like provide proof of receipt and delivery date similar to certified mail by the U.S. Postal Service.

Policy Decision: This is to clarify that the term "certified mail" includes third party delivery. Acceptable third party delivery entities include, but are not limited to FedEx, UPS, or courier services, and the like that provide proof of mailing. FIA will accept third party certification provided that such entity can produce sufficient documentation to show proof of the actual mailing date to the NFIP insurer.

5/15/01
Date


Howard Leikin
Acting Administrator
Federal Insurance Administration



NATIONAL FLOOD INSURANCE PROGRAM Bureau and Statistical Agent

National Flood Insurance Program Policy Issuance 2-2001

Subject: Duplicate NFIP Policies

Background: The Duplicate Policies provision (Dwelling and General Property Policies, Section VII.U; Residential Condominium Building Association Policy, Section VIII.U) of the Standard Flood Insurance Policy (SFIP) states that if we find that the duplication was not knowingly created, the insured may choose which policy to keep. If the insured knowingly created duplicate policies through the NFIP covering the same building, the policy with the later effective date must be cancelled. This provision does not apply in those cases where the insured had purchased a conventionally written SFIP standard policy to replace a more expensive NFIP Mortgage Portfolio Protection Program (MPPP) policy purchased by the lender to comply with the mandatory purchase requirements of the Flood Disaster Protection Act of 1973. The NFIP cancellation rules allow the MPPP policy to be cancelled even if the MPPP policy has an earlier effective date.

It has been brought to our attention that lenders, when force-placing flood insurance coverage through the NFIP, were able to provide all necessary underwriting information, which allowed the issuance of a conventionally written SFIP standard policy instead of a MPPP policy. This approach has been very effective for lenders to reduce the costs of the flood insurance premium and to encourage the borrowers to keep the lender-placed policies since the premium will be the same even if they obtain their own insurance through another agent or WYO company. However, if borrowers decided to purchase their own policy through another NFIP insurer, and the replacement policy was issued with a later effective date, the writing company of the force placed coverage was not able to cancel the policy because of the SFIP Duplicate Policies provision.

Policy Decision: This is to clarify that when coverage has been force-placed by a lender using the conventionally written standard policy, that policy is to be considered equivalent of the MPPP policy. The WYO Company is authorized to cancel the conventionally written standard force-placed policy, provided a copy of the force-placed letter from the mortgagee is submitted with the cancellation request form.

Refunds should be made according to the duplicate policy rules in the Flood Insurance Manual (Reason code 4, in the Cancellation/Nullification Section).

5/18/01
Date


Howard Leikin
Acting Administrator
Federal Insurance Administration

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is the Bureau and Statistical Agent for the National Flood Insurance Program

STORM AND FLOOD TABLE

Dates of events are approximate. This table was prepared using May 31, 2001 policy and claims data. Noteworthy are the flood events after which Federal Disaster Assistance (FDA) was made available but few NFIP claims were paid. Those data may indicate areas that present opportunities for boosting NFIP market penetration. One approach to this would be to cite last year's winter or spring storm data for your area in the public awareness materials you publish for the upcoming winter and spring flood seasons.

START AND END DATES AND EVENT	FDA**	STATE(S)	POLICIES IN FORCE (AT TIME OF EVENT)	LOSSES PAID	DOLLARS PAID IN LOSSES	PERCENT OF LOSSES CLOSED
August 25, 2000		Alabama	36,879	9	294,306	100.0
September 5, 2000		Florida	1,737,222	12	43,230	96.9
Summer Storms		New Jersey	174,744	17	201,842	96.7
		New York	93,302	10	53,276	100.0
		North Carolina	101,081	27	1,142,281	100.0
		Pennsylvania	62,664	5	13,722	100.0
		South Carolina	133,723	15	98,943	94.4
		Virginia	76,308	14	72,569	95.2
September 6, 2000		Florida	1,737,222	109	1,234,886	98.6
September 13, 2000		Louisiana	353,152	30	151,706	95.7
Summer Storms		Mississippi	41,717	5	54,862	100.0
		Texas	348,764	17	138,083	96.3
September 10, 2000		Illinois	44,643	5	31,265	100.0
September 12, 2000		Indiana	25,918	5	77,246	87.5
Summer Storms	X (9/10-11)	Michigan	25,799	48	265,043	99.1
September 14, 2000		Florida	1,737,222	28	126,434	100.0
September 16, 2000		New Jersey	174,744	36	250,570	100.0
Tropical Storm Florence		North Carolina	101,081	11	164,029	100.0
September 17, 2000		Florida	1,737,222	286	2,540,767	98.9
September 19, 2000		North Carolina	101,081	7	68,972	100.0
Tropical Storm Gordon		Puerto Rico	52,781	20	99,500	100.0
		South Carolina	133,723	59	630,736	100.0
September 20, 2000	X (9/21-10/4)	Florida	1,737,222	82	556,395	97.0
September 30, 2000		Georgia	63,009	16	71,088	100.0
Tropical Storm Helena		New Jersey	174,744	12	69,570	100.0
		New York	93,302	5	23,914	100.0
		North Carolina	101,081	21	160,747	100.0
		South Carolina	133,723	14	122,353	95.5
October 1, 2000	X (10/3-11)	Florida	1,743,784	9,158	150,771,292	98.2
October 25, 2000						
Autumn Storms						
October 6, 2000		Texas	349,205	27	127,464	97.7
October 17, 2000						
Autumn Storm						
October 21, 2000	X (10/21-11/8)	Arizona	27,297	22	265,205	100.0
October 29, 2000		California	354,247	12	280,752	100.0
Autumn Storm	X (10/21-29)	Oklahoma	14,608	47	1,190,607	100.0
		Texas	349,205	45	544,472	96.8
October 28, 2000	X (10/28-11/2)	Hawaii	40,673	57	1,908,353	98.7
November 6, 2000						
Pineapple Express Storm						

START AND END DATES AND EVENT	FDA**	STATE(S)	POLICIES IN FORCE (AT TIME OF EVENT)	LOSSES PAID	DOLLARS PAID IN LOSSES	PERCENT OF LOSSES CLOSED
October 30, 2000 November 9, 2000 Autumn Storm		Florida Louisiana Mississippi Texas	1,743,771 353,750 41,755 349,350	14 14 14 82	241,969 121,492 131,637 738,593	80.0 100.0 95.2 97.6
November 12, 2000 November 19, 2000 Autumn Storm		Louisiana Texas	353,750 349,350	30 43	100,907 227,941	93.1 96.7
November 22, 2000 December 1, 2000 Autumn Storm		Florida Louisiana Texas	1,740,072 353,811 349,036	56 7 9	937,889 34,585 55,692	90.1 90.9 87.0
December 8, 2000 December 13, 2000 Autumn Storm		Florida	1,740,072	59	709,170	93.9
December 12, 2000 December 19, 2000 Autumn Storm		Connecticut Massachusetts New Hampshire New York Ohio Pennsylvania Tennessee Vermont	29,405 38,439 4,657 93,232 34,329 62,259 14,567 2,725	5 13 4 67 4 20 5 27	31,046 69,715 4,034 771,694 19,685 120,190 47,647 470,999	100.0 100.0 85.7 94.4 100.0 96.7 100.0 100.0
December 14, 2000 December 21, 2000 Pineapple Express Storm	X (12/16-18)	Washington	27,775	9	194,371	100.0
January 1, 2001 January 12, 2001 Pineapple Express Storm		California	345,850	74	893,302	90.2
January 14, 2001 January 19, 2001 Winter Storm		Louisiana Texas	353,755 350,338	2 4	7,032 15,450	100.0 93.3
February 6, 2001 February 13, 2001 Winter Storm		Illinois Michigan New York Wisconsin	44,372 25,629 93,524 12,847	7 59 11 4	129,660 761,979 105,700 91,485	100.0 94.9 100.0 100.0
February 9, 2001 February 19, 2001 Pineapple Express Storm		California	343,766	22	147,110	96.2
February 13, 2001 February 21, 2001 Winter Storm	X (2/16-17) X (2/14-21)	Alabama Arkansas Louisiana Tennessee Texas	37,381 13,604 353,531 14,745 350,371	2 13 8 6 33	3,586 99,251 90,232 54,255 488,876	100.0 90.9 88.2 87.5 94.0
February 23, 2001 February 28, 2001 Winter Storm		Illinois Louisiana Mississippi Nebraska Texas	44,372 353,531 41,659 12,850 350,371	48 13 4 4 11	538,758 163,452 44,605 22,010 117,491	98.3 94.1 100.0 100.0 85.0
February 23, 2001 March 7, 2001 Pineapple Express Storms		California	341,207	68	953,826	88.5

START AND END DATES AND EVENT	FDA**	STATE(S)	POLICIES IN FORCE (AT TIME OF EVENT)	LOSSES PAID	DOLLARS PAID IN LOSSES	PERCENT OF LOSSES CLOSED
March 1, 2001		Alabama	37,121	12	147,136	94.4
March 6, 2001		Louisiana	353,376	189	2,042,125	86.4
Winter Storm	X (3/3-5)	Mississippi	41,593	23	281,723	79.6
		North Carolina	101,540	9	34,795	84.6
	X (3/1-7/3)	North Dakota	6,462	***	***	***
		Texas	350,134	25	260,011	94.4
March 5, 2001		Connecticut	29,344	7	704,552	100.0
March 8, 2001	X (3/5-31)	Maine	6,971	3	14,330	75.0
Winter Storm	X (3/5-4/16)	Massachusetts	38,686	211	1,644,112	92.2
March 12, 2001		Alabama	37,121	5	54,206	100.0
March 17, 2001		Louisiana	353,376	52	691,487	83.7
Winter Storm		Mississippi	41,593	13	75,082	85.2
		Nebraska	12,854	8	58,270	100.0
		Texas	350,134	17	79,926	92.1
March 19, 2001		Alabama	37,213	8	35,032	42.9
April 5, 2001		Connecticut	29,430	22	56,844	79.6
Spring Storms		Florida	1,749,106	43	669,387	87.9
		Louisiana	353,328	33	337,643	73.3
	X*	Maine	7,052	7	66,331	78.6
	X*	Massachusetts	38,734	326	2,210,957	81.2
	X (4/3-5)	Mississippi	41,518	41	734,845	81.0
		New Hampshire	4,740	14	129,812	82.6
		New Jersey	176,760	13	41,251	77.5
		New York	93,633	19	100,141	74.7
		North Carolina	101,829	15	62,004	76.3
		Rhode Island	11,155	39	249,165	78.8
		South Carolina	129,810	57	668,963	91.6
		Texas	349,843	50	345,721	83.1
April 6, 2001	X (3/23-7/3)	Minnesota	10,125	30	144,083	74.4
April 7, 2001		South Dakota	3,175	17	100,080	65.5
Spring Storm						
April 8, 2001	X (4/18-5/29)	Illinois	44,479	5	71,473	7.1
April 20, 2001	X (4/8-5/29)	Iowa	10,181	8	152,907	12.4
Spring Storm		Louisiana	353,328	3	16,225	42.9
	X*	Minnesota	10,125	89	720,748	30.9
		Missouri	21,941	***	***	***
		New York	93,633	5	31,751	39.3
	X*	North Dakota	6,950	41	151,407	45.6
		Ohio	34,118	4	25,273	71.4
		South Dakota	3,175	23	140,869	45.3
		Texas	349,843	25	122,038	58.7
	X (4/10-7/6)	Wisconsin	12,936	26	267,994	25.2
April 21, 2001		Florida	1,750,570	***	***	***
May 1, 2001	X*	Illinois	44,896	13	181,707	13.3
Spring Storm	X*	Iowa	10,176	11	266,929	8.5
	X*	Minnesota	10,250	31	292,946	36.9
		Missouri	22,071	***	***	***
	X*	North Dakota	6,904	2	48,116	52.5
		New York	93,801	***	***	***
		South Dakota	3,210	7	36,097	40.0
		Texas	349,310	8	51,699	41.7
	X*	Wisconsin	12,930	11	69,141	38.5

* See earlier disaster declaration in this state for the FEMA date range of this event.

** An "X" in this column indicates that Federal disaster assistance was made available. The dates in parentheses are those designated by the Federal Emergency Management Agency for eligibility to receive disaster assistance. More than one event in this list may be included in the FEMA date range.

*** Data for this event was not yet available at time of publication.

JUST AROUND THE BEND

Many more workshops will have been added to our schedule since publication of this issue. Please contact the NFIP Bureau and Statistical Agent Regional Offices listed on the detachable telephone sheet on the back cover for specific information about NFIP events for agents, lenders, and other stakeholders.

STATE/EVENT	CITY	DATE
ALABAMA		
Agent Workshop	Birmingham	September 11
Lender Seminar	Birmingham	September 12
Agent Workshop	Montgomery	September 25
Agent Workshop	Mobile	September 26
Lender Seminar	Mobile	September 27
ARIZONA		
NCOIL Annual Conference	Scottsdale	November 15-18
CALIFORNIA		
Agent and Lender Seminar	Santa Rosa	September 13
IAEM Annual Conference	Riverside	November 3-7
CANADA		
MBA Annual Conference	Toronto	October 14-17
COLORADO		
Agent and Lender Seminar	Fort Morgan	September 11
Agent and Lender Seminar	Limon	September 12
Agent and Lender Seminar	Golden	September 19
Agent and Lender Seminar	Fort Collins	October 4
Agent and Lender Seminar	Colorado Springs	October 10
Agent and Lender Seminar	Colorado Springs	October 11
Agent and Lender Seminar	Pueblo	October 12
Agent and Lender Seminar	Golden	October 17
Agent and Lender Seminar	Golden	November 11
Agent and Lender Seminar	Golden	December 5
CONNECTICUT		
Agent Workshop	Norwalk	September 6
Agent Workshop	Wethersfield	September 7
DISTRICT OF COLUMBIA		
NAMIC Annual Conference	Washington	September 23-26
FLORIDA		
Agent Workshop	Ft. Walton Beach	September 11
Lender Seminar	Ft. Walton Beach	September 12
Agent Workshop	Altamonte Springs	September 19
Lender Seminar	Altamonte Springs	September 20
Agent Workshop	St. Petersburg	October 2
Lender Seminar	Tampa	October 3
Agent Workshop	Ormond Beach	November 28
Lender Seminar	Ormond Beach	November 29
ASFPF Floodplain Restoration Workshop	Tampa	March 29-30, 2002
GEORGIA		
Lender Seminar	Dunwoody	November 8
Agent Workshop	Atlanta	November 11
Agent Workshop	Savannah	November 13
Lender Seminar	Savannah	November 14

STATE/EVENT	CITY	DATE
GEORGIA (contd.)		
Agent Workshop	Brunswick	November 15
Lender Seminar	Brunswick	November 16
Agent Workshop	Columbus	November 27
Agent Workshop	Albany	November 28
HAWAII		
IIAA Annual Conference	Honolulu	October 27- November 1
ILLINOIS		
Agent Workshop	Chicago	September 19
Agent and Lender Seminar	Quincy	September 26
Agent and Lender Seminar	Moline	September 27
Agent Workshop	Chicago	October 9
Agent Workshop	Rosemont	October 11
Agent Workshop	Fairview Heights	October 16
Agent Workshop	East Peoria	October 17
Agent Workshop	Rockford	October 18
Agent Workshop	Springfield	November 9
INDIANA		
Agent Workshop	Evansville	October 23
Agent Workshop	Jeffersonville	October 24
Agent Workshop	Bloomington	October 25
IOWA		
Agent and Lender Seminar	Des Moines	November 30
Real Estate Workshop	Davenport	December 4
Real Estate Workshop	Des Moines	December 5
Real Estate Workshop	Council Bluffs	December 6
KANSAS		
Agent and Lender Seminar	Marysville	September 11
Agent and Lender Seminar	Norton	September 12
Agent and Lender Seminar	Salina	September 13
Agent and Lender Seminar	Ft. Scott	September 25
Agent and Lender Seminar	Baxter Springs	September 26
Agent and Lender Seminar	Chanute	September 27
KENTUCKY		
Agent Workshop	Owensboro	October 10
Lender Seminar	Owensboro	October 11
Agent Workshop	Louisville	October 23
Lender Seminar	Louisville	October 24
Agent Workshop	Lexington	October 25
Lender Seminar	Lexington	October 26
LOUISIANA		
NAII Annual Conference	New Orleans	November 4-7
MASSACHUSETTS		
NAIC Fall National Meeting	Boston	September 22-26
NAIC Winter National Meeting	Boston	December 2-5
MICHIGAN		
Agent Workshop	St. Joseph	October 2
Agent Workshop	Muskegon	October 3
Agent Workshop	Grayling	October 4
MISSOURI		
Agent and Lender Seminar	Kansas City	October 16
Agent and Lender Seminar	Hollister	October 17
Agent and Lender Seminar	Mountain Grove	October 18
Agent and Lender Seminar	Kirksville	October 30

STATE/EVENT	CITY	DATE	STATE/EVENT	CITY	DATE
MISSOURI (contd.)			TENNESSEE		
Agent and Lender Seminar	Hannibal	October 31	Agent Workshop	Memphis	December 11
Agent and Lender Seminar	St. Charles	November 1	Lender Seminar	Memphis	December 12
NEW JERSEY			Agent Workshop	Chattanooga	December 18
Agent Workshop	Iselin	September 26	Lender Seminar	Chattanooga	December 19
Agent Workshop	Iselin	December 19	Agent Workshop	Knoxville	December 20
NEW YORK			Lender Seminar	Knoxville	December 21
ASFPM Floodplain Restoration Workshop	Albany	September 24-25	TEXAS		
Agent Workshop	Saratoga Springs	October 10	IBHS Annual Congress	San Antonio	September 13-15
NORTH CAROLINA			VIRGINIA		
NAFSMA Annual Conference	Charlotte	November 5-9	Agent Workshop	Colonial Heights	September 11
OHIO			IBHS Flood Committee Meeting	Alexandria	October 16
Agent Workshop	Sandusky	September 11	FIPNC Meeting	Alexandria	October 18
Agent Workshop	Akron	September 12	WASHINGTON		
Agent Workshop	Bellville	September 13	CRS Task Force Meeting	Seattle	October 23-25

ASFPM	Association of State Floodplain Managers
CRS	Community Rating System
FIPNC	Flood Insurance Producers National Committee
IBHS	Institute for Business and Home Safety
IAEM	International Association of Emergency Managers
IIAA	Independent Insurance Agents of America
MBA	Mortgage Bankers Association
NAFSMA	National Association of Flood and Stormwater Management Agencies
NAIC	National Association of Insurance Commissioners
NAII	National Association of Independent Insurers
NAIW	National Association of Insurance Women
NAMIC	National Association of Mutual Insurance Companies
NCOIL	National Conference of Insurance Legislators
NFIP	National Flood Insurance Program

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