

WATERMARK

2006, Number 2

National Flood Insurance Program

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5 Million Policies, and Growing!

More than 5 million NFIP policyholders are now enjoying the financial protection provided by flood insurance coverage. As of May 31, 2006, there were 511,583 more policyholders than there were at the end of 2004. This translates into more than an 8.5-percent rate of growth.

Who buys flood insurance and where do they live?

According to *The National Flood Insurance Program's Market Penetration Rate: Estimates and Policy Implications*, published by the RAND Corporation in February 2006, slightly more than half of the single-family homes located in Special Flood Hazard Areas (SFHAs) across the country have flood insurance provided by the NFIP or other insurers. Although approximately one-third of NFIP policies are written for property located outside SFHAs, the RAND study estimates that this represents only 1 percent of market penetration in moderate-risk zones.

Overall market penetration varies by region, with the Southern and Western states producing approximately 60-percent penetration and the Northeastern

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Putting the NFIP to the Test

David Maurstad, FEMA

Following are excerpts from the keynote speech delivered by David Maurstad, Federal Insurance Administrator and Director of FEMA's Mitigation Division, at the May 8 Opening Session of the 2006 National Flood Conference held in Philadelphia, Pennsylvania.

Almost a year ago, on the day that began the 2005 hurricane season, we were in Marco Island, Florida, and I delivered my National Flood Conference keynote address. That conference's hot topic was the 2004 hurricane season, when four hurricanes crossed the State in which we were gathered.

We talked about the 75,000 NFIP claims those storms produced, totaling close to \$2 billion in insured damage. I mentioned how the Program exercised



David Maurstad, Director of FEMA's Mitigation Division

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FEMA

Message from the Editor

Dear *Watermark* Reader,

This issue of the *Watermark* is packed with a variety of articles on subjects ranging from a review of the NFIP's status (see "Putting the NFIP to the Test" on page 1) to articles about NFIP award winners (see "Honoring Stakeholder Achievements" on page 13 and "Agency of the Year Award Winners" on page 20) and a study demonstrating the taxpayer savings as a result of the NFIP (see "Mitigation Saves" on page 9). Other articles address mapping progress (see "Hillsborough County Tests Map Mod Outreach" on page 17), gains in the Community Rating System (see "CRS Gains" on page 18), and hurricanes (see "Hurricane Season" on page 14 and "FloodSmart Heightens Awareness Throughout the Hurricane Season" on page 16).

We are continually developing new resources to help consumers and NFIP stakeholders access information about the program more easily. Included in this issue are articles about recent changes to the Program (see "Check Out These Changes to the NFIP" on page 11 and "Preview the New EC Form Requirements" on page 3). "Simple Retrofitting Can Save Money...and Your Home" on page 24 will be of particular interest to NFIP stakeholders who manage floodplain development.

In this issue we kick off a series about some of FEMA's partners—our contractors and vendors—who support much of the work of the NFIP. We begin this series by examining the role of the NFIP Bureau and Statistical Agent—Computer Sciences Corporation (see "We, Too, Are the NFIP" on page 27).

As always, we welcome your comments and questions.

Sincerely,



Susan Bernstein
Watermark Editor
Mitigation Division



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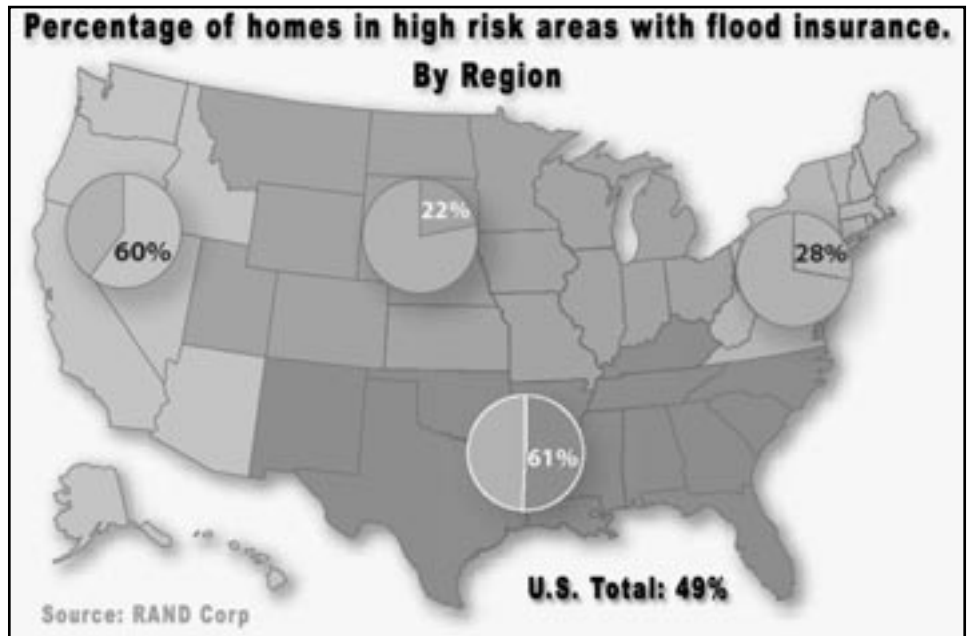
The current issue and selected back issues of *Watermark* are available at:

www.fema.gov/business/nfip/wm.shtm

5 Million Policies, and Growing!
continued from page 1

and Midwestern states experiencing only 20- to 30-percent penetration (see map). Nearly 60 percent of single-family homes in SFHAs nationwide are located in the Southern states. However, less than a quarter of the buildings in NFIP communities nationwide are in the South.

In the next issue of *Watermark*, we will report on more of the highlights of the RAND Corporation's market penetration study of the NFIP. 



Preview the New EC Form Requirements

FEMA's new Elevation Certificate (EC) was approved for use, effective February 13, 2006, through February 28, 2009. The new form now requires the certifier to provide the square footage of the enclosed area below the elevated floor and at least two photographs of the building, if the EC is being used to obtain flood insurance.

New Requirements, Regardless of Form

The new EC form is being phased in on a voluntary basis until December 31, 2006. However, some of the information collected on the new form is now required even when using the old EC form during this transition period.

The new EC is designed to better document the flood risks a building may face. All of the new information

collected will be helpful; some of it is now essential, whether or not the new form is being submitted.

- The format of the EC has been modified slightly to include all building description related items in Section A, dedicating Section C to building elevation information.
- The instructions of the new form have been modified to reflect the changes and to provide better guidance for completing the form.
- Two pages have been added for attaching two or more photographs of the building. Photographs must be a minimum of 3" x 3" and may be digital or analog. Color photographs are preferred.

Getting the Details

Numerous EC changes clarifying a building's flood risk can be explored on pages 13-15 in the 2006-1 *Watermark*, by accessing it online

(www.fema.gov/pdf/nfip/wm2006_1.pdf) or by requesting a hard copy from Susan Bernstein (susan.bernstein1@dhs.gov). An electronic version of the new EC form and instructions is available on the FEMA website (www.fema.gov/business/nfip/elvinst.shtm). The EC form and instruction packet also can be ordered from the FEMA Distribution Center (800-480-2520, ask for FEMA Form 81-31).

Although the old version of the form is no longer available for distribution, existing copies may be used except in CRS communities until the end of 2006. All elevations certified on or after January 1, 2007, must be submitted on the new form and must include photographs.

Putting the NFIP to the Test

continued from page 1

its borrowing authority, for only the fourth time since 1990, in the amount of \$225 million. I thanked you for your hard work and I expressed my gratitude for having the chance to work with our stakeholders and key players in the industry.

It rained that morning. It rained throughout the day and the rest of the week. It rained a lot. It rained on the conference's last day as attendees drove to the airport. And the 2005 hurricane season had begun.

We know what's happened since, and the partnership between FEMA-NFIP and the insurance industry learned and grew together, stronger than ever. Together, we showed our country and our Gulf Coast policyholders that the NFIP works.

Since Katrina struck the Gulf Coast last August 29, the insurance industry—companies, agents, brokers, adjusters, vendors—as well as our other critical stakeholders—lenders, real estate agents, regulators, floodplain managers—have provided me, the NFIP, and FEMA with invaluable support and advice.

We've seen that sound floodplain management and mitigation, backed up by flood insurance, reduce an area's potential for disaster after an event strikes. Destruction and distress are lessened, which, in turn, facilitates effective response and promotes faster recovery. We have a responsibility to remind the nation about the value of flood insurance. We can't let disaster amnesia set in, only to have another Katrina slap us awake.

The Scope of Katrina's Destruction

Approximately 90,000 square miles—an area roughly the size of Oregon—and 1.5 million people were impacted by Katrina. Louisiana, Mississippi, Alabama, and Florida



Hurricane Katrina the impacts Gulf Coast. (Graphic courtesy of NOAA)

were directly hit, and 44 states received emergency declarations following the storm, the most for any single disaster in FEMA history. DHS, FEMA, and the Coast Guard coordinated the rescue of nearly 40,000 people.

Katrina displaced more than 771,000 people, and the peak shelter population following the storm exceeded 267,000. This compares to a peak shelter population of 240,000 following the four 2004 hurricanes, combined. Clearly, Katrina's aftermath resulted in the most significant mass displacement of the country's population since the Dust Bowl of the 1930s.

Within the first 6 days of Katrina's landfall, FEMA and other federal agencies delivered 28 million pounds of ice and 4 million gallons of water. Five days later, 101 million pounds of ice and 11.4 million gallons of water had been provided. And Rita and Wilma had not yet been named.

In addition to DHS and FEMA response and recovery statistics, Katrina's magnitude is easily conveyed with some insurance figures, which don't even include the NFIP numbers that I'll highlight in a moment. According to Property Claims Services, Katrina, alone, damaged more than \$38 billion worth of insured property, resulting in 1.75 million claims. Overall, the six named storms that struck the U.S. in 2005 (Cindy, Dennis, Katrina, Ophelia, Rita, and Wilma) damaged nearly \$53 billion worth of insured Gulf Coast property, resulting in 3.2 million claims. For comparison's sake, the 1994 Northridge, California, earthquake damaged \$12.5 billion of insured property and resulted in 430,000 claims.

The NFIP's Exposure

After reviewing Katrina's astounding magnitude from a DHS, FEMA, and insurance industry perspective, it's easy for folks outside the NFIP to wonder how this program—being such a small element of the Department of Homeland Security—could have a post-disaster role of any significance. Yet, the country is learning that, with more than \$800 billion in insured assets, and nearly 5 million policyholders in more than 20,100 communities, thanks to a record 22 consecutive months of policy in force growth, I might add, the NFIP plays a huge role in flood recovery, all the time, everywhere.

The 2005 hurricane season raised the Program's exposure to new heights. And more people than ever are learning about us—from the media, from their insurance agents,

and from FloodSmart. What an excellent opportunity to show our nation how the NFIP works. And it does work.

Hurricanes Katrina, Rita, and Wilma were unparalleled flooding events that struck the heart of one of the Nation's largest policy bases. We expect the total NFIP payout for the 2005 hurricanes to exceed \$23 billion—\$8 billion more than all claims paid in the Program's entire 38-year history. For Hurricane Katrina alone, claims payments will exceed \$22 billion.

Compare this \$22 billion Katrina figure to Tropical Storm Allison, which, in 2001, became the NFIP's first billion-dollar storm with a little over 30,000 claims totaling \$1.1 billion. Or compare Katrina with the four hurricanes that crossed Florida in 2004, resulting in more than 75,000 claims totaling close to "only" \$2 billion. Since the end of the 2005 hurricane season, the number of NFIP claims filed by Gulf Coast policyholders has exceeded 241,000. Most importantly, more than 95 percent of these claims have been closed.

Facilitating Recovery

The challenges presented by the 2005 hurricane season—in terms of flood insurance claims handling—have never been encountered on this scale before.

Immediately following Hurricane Katrina, I met with the insurance commissioners of Louisiana, Mississippi, and Alabama—going over immediate concerns and discussing how FEMA would work with their offices, the insurance industry, State and local officials, affected

communities, and policyholders in the months ahead.

I also worked closely with representatives from our 88 Write Your Own insurance companies, holding weekly conference calls, discussing methods of streamlining claims processes, and working through our financial challenges.

As you know, soon after Katrina struck, insurance companies had hundreds of adjusters on the ground working to process flood insurance claims in the Gulf. I participated in post-event adjuster briefings and training in Alabama, Mississippi, and Louisiana a week after Katrina hit, and I saw firsthand the difficult and challenging circumstances that the NFIP, the insurance industry, and adjusters were to face in the coming months. Limited access to the most flooded areas, curfews, no lodging for adjusters, and standing water in structures for extended periods were just some of the problems.



Some New Orleans neighborhoods remained flooded for weeks. (Photo by Marvin Nauman, FEMA)

The 2005 hurricane season presented the NFIP with trials it had never seen. Fortunately, the Program—because of our strong public-private partnership—is flexible, and after Katrina we worked together to implement innovative changes that enabled us to better serve our Gulf

Coast policyholders when they needed help the most.

- We waived our proof of loss requirement.
- We worked with insurance companies to provide advance payments on contents coverage.
- We identified claims categories that lent themselves to an expedited adjustment process, allowing greater use of scarce adjuster resources, especially in the early weeks of the event.
- When aerial mapping and other data indicated areas of total loss, WYO companies fast-tracked claims payments up to the maximum insured value. For example, in New Orleans, where the levees broke and there had been standing water for extended periods, there were many claims where it was readily apparent that the damages would exceed the total limits of flood insurance purchased by the property owner. In Mississippi, Alabama, and Louisiana, there were many properties where only a slab or pilings remained and it was equally apparent that damages exceeded the limits of insurance purchased. Through information already contained in underwriting files, other sources, and dialogue with the property owners, these claims were adjusted without a site visit and without the customary level of detailed documentation.

We estimate that 15,000 claims have been resolved through our expedited claims processes.

Finding Our Policyholders

Quickly adjusting and settling claims in the post-Katrina environment was one challenge. Finding NFIP policyholders who had been displaced by the storm was equally daunting. In the days following

continued on page 30

Coming to Your Insureds' Mailboxes

"Why did FEMA send me this packet?"

"What am I committing to if I sign this acknowledgement letter?"

"What is this Loss History Notice and why did you send it to me?"

"Why is FEMA trying to sell me a flood policy when I already have one from my insurance company?"

Hundreds of questions like these have been received by NFIP Help Center specialists every week since FEMA's Mitigation Division began mailing "Important Information About Your Flood Insurance Policy" packets to policyholders in January 2006.

Why This? Why Now?

In June 2004, Congress passed and the President signed the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act (FIRA) of 2004. Several sections within Title II of FIRA 2004 address strategies for increasing policyholder understanding of the policy's provisions and consumer rights under the NFIP.

Congress specified that FEMA develop supplemental forms to provide explicit details about the NFIP coverage purchased, exclusions, how lost or damaged items would be valued if a claim were made, the loss history of the insured building (regardless of owner), and any further information the Director of FEMA might determine to be helpful for understanding flood insurance coverage. In addition, Sections 203 and 204 of Title II required FEMA to produce and distribute an acknowledgement form to be completed by policyholders and an NFIP *Flood Insurance Claims Handbook* that clearly stated how to prepare and submit a claim and, if necessary, appeal a determination.

Beginning in October 2005, FEMA required WYO companies to enclose with each new or renewal policy, copies of:

- The *Summary of Coverage* document (which defines flooding, explains what is and is not covered by the NFIP, and describes how to choose a deductible and how claims are valued).
- The flood insurance policy's declaration page (which includes information about the limits of the policy and the deductible).
- The policy form (for new policies).
- A cover letter (which references the enclosed materials and explains that FEMA soon will be sending an additional package that contain the *Flood Insurance Claims Handbook*, a loss history form, and an acknowledgement letter).



In January 2006, FEMA began distribution of the additional information packets. These new packets are designed to meet the remaining consumer protection and policyholder information requirements of FIRA 2004. Although many new and renewing NFIP policyholders understand the information contained in the packets, thousands of policyholders are confused about why they are receiving this mailing from FEMA instead of

from their insurance company, what the purpose is of the loss history form, and what they are being asked to do with the acknowledgement letter. Some have expressed frustration, believing that the government is asking them to purchase an additional policy from FEMA in addition to one from their own insurance agency. You can anticipate these questions and save your clients unnecessary anxiety by walking them through the packet, helping them to make the most of the information it contains.

In the Packet

FEMA's new FIRA information packets contain a copy of the *Flood Insurance Claims Handbook*, a Loss History Notice, two Acknowledgement of Receipt Forms, a business reply envelope, and a cover letter that explains the packet's contents and what to do with them.

Flood Insurance Claims Handbook

This handbook provides information about what to do before and after a flood regarding policy and claims submission. It also addresses how to appeal an unsatisfactory claim determination.



Loss History Notice

Although each policyholder probably is aware of losses he or she has submitted since purchasing the property, in those states that do not have a disclosure law, it rarely is the case that a building's earlier flood loss history is conveyed when the property changes hands. In fact, because of privacy protections required by the Standard Flood Insurance Policy involving the disclosure of a building's flood loss history, the policyholder's WYO company does not have access to this information. It must be sent directly from FEMA to the property owner.

Acknowledgement of Receipt Forms and Return Envelope

How can the Mitigation Division track whether or not a policyholder has actually received, read, and understood the policy, Declaration Page, and *Summary of Coverage* documents provided by the insurance company and the Loss History Notice and *Flood Insurance Claims Handbook* included in the FIRA packet? By signing the acknowledgement forms con-


tained in the packet, policyholders verify that they have received these materials and understand that contents and building coverage may be purchased for their property, separately or together.

Each packet contains two copies of the acknowledgement form. After each form is signed by the insured listed on the policy, one copy is returned to FEMA in the business reply envelope included in the packet and one copy is kept by the policyholder with other FIRA materials he or she has received.

A Law to Protect Policyholders, Insurers, and FEMA

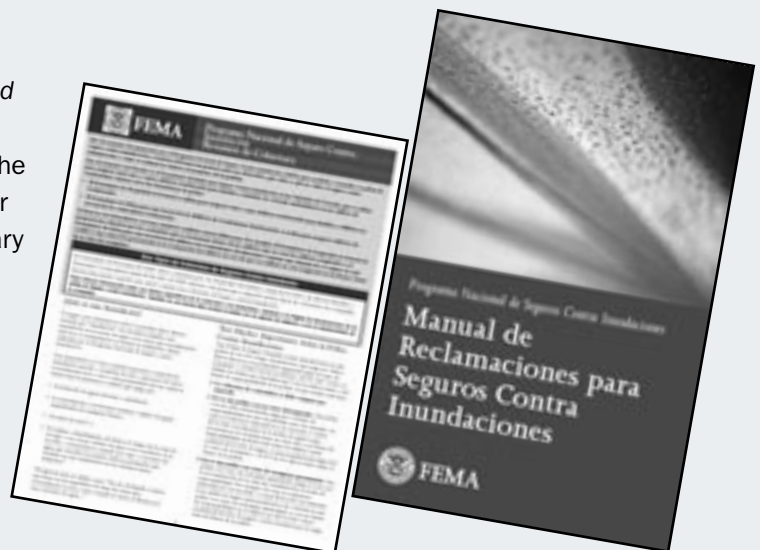
Although Title I of FIRA 2004 primarily amended the Flood Insurance Act of 1968 to reduce repetitive losses, most of the provisions found in Title II of the Act were placed there to increase the likelihood that all policyholders will make informed choices about their coverage. Consequently, WYO companies and FEMA will be better able to respond to the insur-

ance needs of their policyholders when disaster does strike.

All of the materials created by FEMA in response to FIRA 2004 were developed with input from the insurance industry, conducting a comprehensive review of the recommendations, flow charts, and other data provided by numerous WYO companies and insurance agents before implementing FIRA's provisions. For more details about the *Summary of Coverage* document and *Flood Insurance Claims Handbook*, see the 2006, Number 1 *Watermark* (www.fema.gov/pdf/nfip/wm2006_1.pdf, pages 9-10). You may download copies of the *Summary of Coverage* (www.fema.gov/pdf/nfip/summary_cov.pdf) and the *Flood Insurance Claims Handbook* (www.fema.gov/pdf/nfip/f687_claimshdbk.pdf). If you would like to order multiple copies of either document at no charge, contact the FEMA Distribution Center (800-480-2520) and request document F-679 for the coverage summary and document F-687 for the claims handbook. 

Available Soon in Spanish!

The NFIP's *Summary of Coverage* document and *Flood Insurance Claims Handbook* soon will be available in Spanish. To order multiple copies without charge, call the FEMA Distribution Center (800-480-2520) in September and request document F-679S for the coverage summary and document F-687S for the claims handbook. These documents also will be available on the NFIP website.



States Implement NFIP Training Requirements

All too often after a damaging flood occurs, flood victims insist that their insurance agent misinformed them about their flood risk or the availability of flood insurance. Relatively few insurance agents receive training about the hazard of flooding and the availability of flood coverage. Consequently, many are ill-prepared to advise their customers about how to protect themselves against flood losses.

Congressional Mandate

One of the provisions in Title II of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act (FIRA), signed by the President in 2004, addresses the need for NFIP training for insurance professionals. Section 207 charged FEMA, in cooperation with the insurance industry and State insurance regulators, with establishing minimum training and education requirements for all insurance agents who sell flood insurance policies. Congress mandated that FEMA publish these requirements in the *Federal Register* and inform insurance companies and agents of the requirements.

Input received from various stakeholders emphasized the value of working through State Insurance Departments to avoid establishing conflicting or burdensome training requirements on agents. State Insurance Departments have authority over agent licensing and continuing education (CE) requirements for license renewal. Therefore, FEMA is encouraging States to make flood insurance training a part of their

licensing and CE requirements for agents.

Implementation

In September 2005, FEMA published a notice regarding training and education requirements in the *Federal Register*, and subsequently communicated with State Insurance Commissioners via several letters and webcasts/teleconferences. In the months that followed, numerous State Insurance Departments have responded by implementing various regulations that establish flood insurance training requirements for insurance agents in their State.

As FEMA learns of State actions related to flood insurance training requirements for agents, they are shared via the FEMA website (www.fema.gov/business/nfip/state_actions.shtm). For example, as of June 1, 2006, Delaware, Kentucky, Maryland, Massachusetts, and Washington now require agents who sell flood insurance to complete a flood insurance training course. CE credits are earned by agents who complete this training.

North Carolina, Pennsylvania, and Texas each promote flood insurance training and provide CE credits.

Support for States

FEMA supports States in implementing their flood insurance training programs and will provide:


- Expertise for the development of a program that would give agents a basic understanding of the NFIP
- Access to NFIP training sessions and modules, including online.

- NFIP materials and other technical assistance needed to address unique requirements.

As new NFIP policies and procedures or enhancements develop that should be reflected in State-approved training, FEMA will provide these to State Insurance Departments.

Incentives for Trained Agents

An insurance agent who understands how the NFIP works and can answer consumer questions accurately, before the policy is purchased as well as when a loss is sustained, is a valuable Program partner. FEMA offers incentives to encourage agents to pursue the flood insurance training that will enable them to serve in this role. The NFIP's Agent Co-Op Program provides agents, WYO companies, and insurance associations with tools to produce local and regional advertising that supports the national FloodSmart campaign. Agents who participate in this program are reimbursed a portion of their advertising budget when they use the program's pre-approved ad templates. An additional 25 percent in Co-Op funds is offered to agents who have completed a State-approved flood insurance training course within the past 12 months (see www.FloodSmart.com for details).

Agents who enroll in the NFIP Agent Leads Referral Program receive free leads generated through FloodSmart marketing efforts. In development is a plan to give agents who have completed flood insurance training a special designation or priority in the distribution of leads. 

Mitigation Saves

Michael McFadden, NFIP Bureau and Statistical Agent

An independent study released in December 2005 has yielded research-based proof of what federal, state, and community natural hazard mitigation officials have long known through hands-on experience: FEMA's natural hazard mitigation initiatives really work! The study also proved that FEMA's mitigation initiatives more than pay their own way by producing significant monetary savings for society at large and for the U.S. Treasury, both of which translate into direct savings for taxpayers.

The study was undertaken as a result of a Congressional mandate for FEMA to commission "an analytical assessment . . . [of] the degree to which mitigation activities will result in future 'savings.'" Although the study was commissioned and funded by FEMA, it was conducted independently of FEMA by the Multihazard Mitigation Council (MMC) of the National Institute of Building Sciences (NIBS).

More than 50 national experts in a variety of disciplines participated in the study. They represented NIBS member organizations and other professional, scientific, and academic organizations. Their formal objective was to "quantify the future savings (in terms of losses avoided) from hazard mitigation activities related to earthquake, wind [hurricanes and tornados], and flood that are funded through three major natural hazard mitigation grant programs (the Hazard Mitigation Grant Program, Project Impact [1997-2001], and the Flood

Mitigation Assistance Program)" during the 10-year period 1993-2003.

The Preface of the MMC report stated that "FEMA grants to mitigate the effects of floods, hurricanes, tornados, and earthquakes between 1993 and 2003 are expected to save more than 220 lives and prevent almost 4,700 injuries over approximately 50 years." In a reference to the massive property damage, recovery expense, and human suffering caused by Hurricanes Katrina, Rita, and Wilma last year, the Preface also noted that "Recent disaster events painfully demonstrate the extent to which catastrophic damage affects all Americans and the federal treasury."

The report was released to Congress and the public during a December 19 press conference at the National Press Club in Washington, DC, attended by reporters, members of Congress, members of NIBS, FEMA officials, and numerous others. Brent Woodworth, MMC chairperson and manager of IBM's worldwide Crisis Response Team, told those present that "For years, there have been anecdotal reports, but this information gives policymakers the evidence that proves that mitigation is a worthy investment in our nation's safer future."

David Maurstad, Director of FEMA's Mitigation Division, which administers both federal natural hazard mitigation initiatives and the NFIP, noted that "We've all seen that mitigation helps to save lives and reduce property

damage. But until the MMC study, we haven't had independent, objective, quantitative data analysis to show that building stronger and safer is also a sound investment."

Methodology

The independent MMC study proceeded along two parallel tracks. The first track examined a "statistically representative sample of FEMA-funded mitigation grants so that results could be generalized for the entire population of FEMA mitigation grants." This random-sample research track focused on the effectiveness of individual mitigation grants awarded by the three studied mitigation grant programs.

The second track examined a blindly selected sample of eight communities that had received FEMA mitigation grants and that represented "predetermined demographic categories." This empirical research track focused on the effectiveness of broad-based community mitigation grant programs.

The MMC's two-volume report is titled "Natural Hazard Mitigation Saves: An Independent Study to Assess the Future Savings from Mitigation Activities." Volume I is a concise statement of findings, conclusions, and recommendations to Congress. Volume II provides more than 360 pages of study documentation. Both volumes are available in the MMC area of the NIBS website (www.nibs.org/MMC/mmctactiv5.html), as is the 2002 "Phase 1

Report" about design parameters for the study.

Findings

The MMC study found that:

- FEMA mitigation grants "have high benefit-cost ratios" and that "a dollar spent on mitigation saves society an average of \$4." In addition, according to the study, "a dollar spent from the federal treasury on FEMA mitigation grants potentially saves it about \$3.65 . . . in avoided post-disaster relief costs and increased federal tax revenues. These results are statistically robust."
- FEMA community mitigation grants "are cost-effective, often leading to additional non-federally funded mitigation activities, and have the greatest benefits in communities that have institutionalized hazard mitigation programs."

Furthermore, mitigation officials in the eight communities selected for empirical analysis concurred in their conviction that "the [FEMA] grants permitted their communities to attain [through non-federal matching grants] mitigation goals that might not other-

wise have been reached" and produced, in addition to quantifiable benefits, "increased community awareness, esprit de corps, and peace of mind."

Conclusions


On the basis of the study's findings, the MMC Board of Direction concluded that:

- "Mitigation is sufficiently cost-effective to warrant federal funding on an ongoing basis both before disasters and during post-disaster recovery."
- "Mitigation is most effective when it is carried out on a comprehensive, community-wide, long-term basis."
- "Continuing analysis of the effectiveness of mitigation activities is essential for building resilient communities."

Recommendations

Noting that the study's results provide "conclusive evidence that natural hazard mitigation activities are of benefit to the nation as a whole and are a cost-effective investment of fed-

eral funds," the report presented three recommendations of the MMC Board of Direction for federal government policymakers:

- "Invest in natural hazard mitigation as a matter of policy on an ongoing basis both before disasters occur and through federally funded disaster recovery and rebuilding activities and programs;
- "Support mitigation activities that will increase the resilience of communities by increasing knowledge and promoting institutional commitments to mitigation at the local level; and
- "Support ongoing evaluation of mitigation by developing a structured process for assessing the performance of buildings and infrastructure after all types of natural disaster and by measuring the benefits that accrue from process mitigation activities." 

Michael McFadden has worked with flood insurance for more than 8 years as a member of the NFIP Bureau and Statistical Agent's Department of Technical Assistance and Communications.

Losses to Society Avoided

The MMC mitigation study defined "benefits" of mitigation as "losses to society avoided." The following benefits were identified by the study:

- "Reduced direct property damage (e.g., buildings, contents, bridges, pipelines)
- "Reduced direct business interruption loss (e.g., damaged industrial, commercial, or retail facilities)
- "Reduced indirect business interruption loss (e.g., ordinary multiplier of 'ripple' effects)
- "Reduced nonmarket damage (e.g., environmental damage to wetlands, parks, and wildlife and damage to historic structures)"

Check Out These Changes to the NFIP

Lynd Morris, NFIP Bureau and Statistical Agent

The *Flood Insurance Manual* is the NFIP document that spells out all of the fine print about how flood insurance risks are rated and policies are written. If you want to understand the NFIP, you'll need to be familiar with the *Flood Insurance Manual* because, when enhancements or clarifications are made to the NFIP, the manual is the first place to go to find the details about what has changed.

As of May 1, 2006, several manual changes were made that may affect you. Following is a description of the most significant of these.

New Rates

Insurance premium rates increased an average of 4.1 percent for policies written or renewed on or after May 1, 2006. Rating examples in the RATE, CONDO, and END sections of the *Flood Insurance Manual* were updated accordingly. This premium increase varies by zone as described in the sidebar at right.

Updated Contact Information

Several NFIP Bureau and Statistical Agent Regional Office addresses and telephone numbers have been updated in the Reference section.

New Table Matches Building Types to Policies

A new table has been added to the General Rules section of the *Flood Insurance Manual* to simplify the process of matching the NFIP policy forms to the types of buildings that are insurable under each. For example, you can insure a residential

townhouse under the Dwelling Form, a motel under the General Property Form, and a residential condominium building under the Residential Condominium Building Association Policy.

Covering Condos as Construction is Completed

Picture this: The condominium building that is being constructed in your community is almost finished.

NFIP May 1, 2006, Premium Increases

V Zones (coastal high-velocity zones)

Larger rate increases have been implemented again this year as a result of the Heinz Center's Erosion Zone Study, which clearly indicates that current rates significantly underestimate the increasing hazard from steadily eroding coastlines.

- Post-FIRM V Zones: Premiums increased 6 percent.
- Pre-FIRM V Zones: Premiums increased 9 percent.

A Zones (non-velocity zones, which are primarily riverine zones)

There have been modest increases to keep Post-FIRM rates at actuarial levels and slightly decrease the amount of subsidy in our Pre-FIRM rates.

- Post-FIRM AE Zones: Premiums increased about 2 percent as indicated by our actuarial rate model.
- Pre-FIRM AE Zones: Premiums increased about 6 percent.
- AO, AH, AOB and AHB Zones (shallow flooding zones): No change. Experience continues to be favorable in these zones.
- Unnumbered A Zones (remote A Zones where elevations have not been determined): Premiums increased about 5 percent. These increases are designed to keep rates in line with Post-FIRM AE Zones.
- A99 Zones (approved flood mitigation projects, e.g., levees still in the course of construction): Premiums increased about 6 percent.
- AR Zones: Premiums increased about 7 percent.

X Zones (zones outside the Special Flood Hazard Area)

Moderate increases were implemented.

- Standard Risk Policy: Premiums increased about 6 percent.
- Preferred Risk Policy (PRP): No changes.

Mortgage Portfolio Protection Program (MPPP)

MPPP rates were revised to keep them in line with increases to A and V Zone policies.

The developer purchased NFIP coverage against any flood losses that might have occurred during construction by using the General Property Form, which provided limited coverage. Now the building is almost complete and the individual unit owners who have formed a condominium association want to increase their flood insurance protection, even though they haven't moved in yet. How soon can they purchase a Residential Condominium Building Association Policy (RCBAP) from the NFIP and have higher limits of coverage for their property?

Different states have different definitions of when the control of a condominium transfers from the builder/developer to the unit owners. New language in the General Rules section of the *Flood Insurance Manual* cites the NFIP definition of "condominium association" and explains that if a condo association meets the definition, it is eligible for the more comprehensive coverage under the RCBAP.

New Elevation Certificate

The NFIP's Elevation Certificate (EC) is an important document for property owners whose building(s) may be constructed in an area identified on the Flood Insurance Rate Map (FIRM) as having an increased risk of flooding. Several revisions—especially pertinent to surveyors, insurance agents, and public officials—were made to this form to ensure that flood risks are correctly recorded and the appropriate premium charged if flood insurance coverage is purchased for the structure(s). [See the related article on page 3.]



Waterfront condos near completion. (Photo by Rodney Cross, NFIP Bureau)

Although the new form and additional requirements (photos and specific measurements of enclosures) are being implemented immediately, they will not become mandatory until January 1, 2007. You can find a detailed description of the revisions to the EC in the "Revised EC Improves Lowest Floor Determinations" article on pages 13-15 of the *Watermark's* 2006, Number 1 issue (www.fema.gov/business/nfip/wm.shtm).

New PRP Conversion Guidelines


As FEMA's map modernization initiative updates flood risks across the U.S., some property owners are learning that their buildings are less likely to flood than was indicated by older maps, thus making them eligible for the NFIP's moderately-priced Preferred Risk Policy. However, in many other cases, upstream development and other changes to the floodplain are resulting in map changes that make buildings ineligible for the PRP.

A new set of guidelines has been added to the PRP section of the *Flood Insurance Manual* that explains how to convert a policy that no longer meets PRP eligibility criteria to a standard-rated policy.

CRS Continues to Grow

The number of communities participating in the NFIP's Community Rating System (CRS) continues to grow, with 10 new (or reinstated) communities and 25 communities improving their class ratings since October 1, 2005. See "CRS Gains" on page 18 for details.

Online Resource

These and other changes to the *Flood Insurance Manual* are provided in detail on the NFIP website (www.fema.gov/business/nfip/manual.shtm) or you can order a paper copy by calling FEMA's Map Service Center (800-358-9616). 

Lynd Morris has worked with the NFIP's Bureau and Statistical Agent since 1983. She has been Watermark's primary writer and production coordinator since 1998.

Honoring Stakeholder Achievements

At the 2006 National Flood Conference held in Philadelphia, Pennsylvania, several NFIP partners were recognized for activities undertaken during Fiscal Year 2005—October 1, 2004, through September 30, 2005.



Agency of the Year Award winners Warren Barhorst Insurance Group, IKM Insurance Agency, and John O. Bronson Company.

Agency of the Year Award

This award is given to three insurance agencies that display innovative marketing strategies, increase their flood portfolios, and actively promote flood awareness. This year's winners were the Warren Barhorst Insurance Group; the IKM Insurance Agency; and the John O. Bronson Company (see agency profiles on page 20).

Administrator's Club Award

The Administrator's Club Award is bestowed upon Write Your Own (WYO) companies in recognition of their contributions to the growth of the NFIP. Winners are divided into five groups that represent policy base thresholds. This year's winners were Selective Insurance Company of America, American Reliable Insurance Company, MAPFRE PRAICO Insurance Company, Federated National Insurance, and Franklin Homeowner's Assurance Company.

Administrator's Club Trophy

The WYO company that achieved the highest percentage of overall growth is awarded the Administrator's Club Trophy. The Administrator's Club Trophy winner this year was the MAPFRE PRAICO Insurance Company.

Administrator's Quill Award

This award recognizes the WYO company with the highest percentage of overall growth, excluding rewritten policies. The Administrator's Quill Award was given this year to Selective Insurance Company of America.

Public Awareness Materials Awards

WYO companies and other NFIP partners are urged to submit recent flood awareness materials they've developed to the Public Awareness Materials Contest held at the National Flood Conference each year. Conference participants have the opportunity to vote for the companies that produced the most creative and compelling materials. The winners were:

- Fidelity National Property & Casualty Insurance Group for Best Printed Marketing Material
- Housing Insurance Services for Best Advertising Material

- Sacramento Area Flood Control Agency for Best Website
- Both AIG and Fidelity National Property & Casualty Insurance Group for Best Training Material



Bob Butler (center) and other representatives of Selective Insurance with the Quill Award, (from left) Larry Palmer, Annette Winston, Christina Coronato-Conklin, Bob Haraksin, Deborah Gangemi, and Lori Palaina.

Special Recognition Award

Howard Leikin, former Deputy Federal Insurance Administrator, received a special recognition award for his dedication and many contributions to FEMA's Mitigation Division in the months following Hurricane Katrina. 



Howard Leikin (left) receives Special Recognition Award from David Maurstad.

Hurricane Season

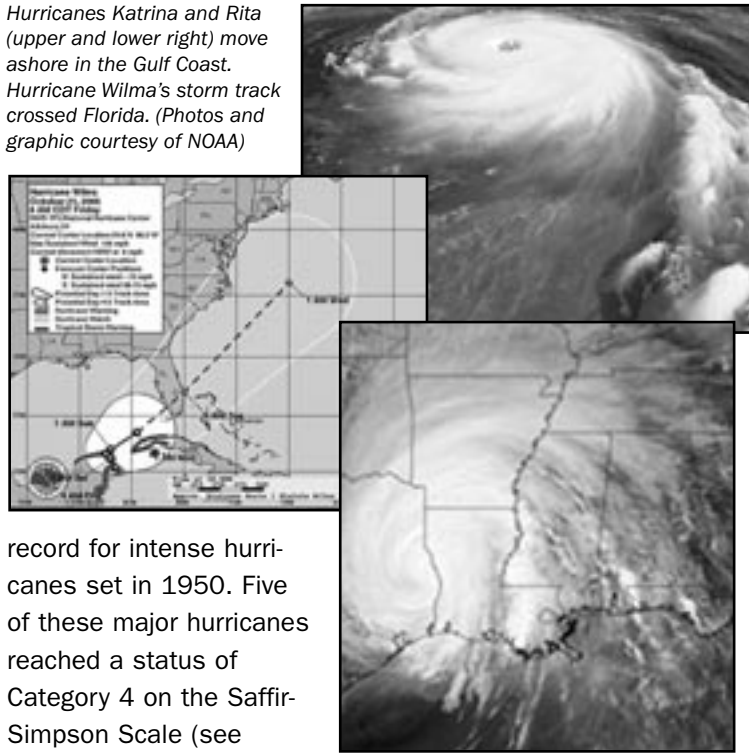
Lynd Morris, NFIP Bureau and Statistical Agent

The 2005 hurricane season was a record breaker, according to Phil Klotzbach and William Gray of the internationally respected Tropical Meteorology Project (TMP) at Colorado State University in Boulder. This year's hurricane season may be just as severe.

2005: A Hurricane Season to Remember

The TMP publishes forecasts for each year's hurricane season (June 1 through November 30 in the Atlantic) as well as analyses of previous hurricane seasons. According to an analysis available on the TMP website (<http://hurricane.atmos.colostate.edu/>), a total of 26 named storms, including 14 hurricanes, 7 of which were major, formed during the record-breaking 2005 hurricane season. This is the most named storms in a single season, breaking the previous record of 21 named storms set in 1933. It is also the most hurricanes in a single season, breaking the record of 12 hurricanes set in 1969. The seven major hurricanes that formed in 2005 tie the single-season

Hurricanes Katrina and Rita (upper and lower right) move ashore in the Gulf Coast. Hurricane Wilma's storm track crossed Florida. (Photos and graphic courtesy of NOAA)



record for intense hurricanes set in 1950. Five of these major hurricanes reached a status of Category 4 on the Saffir-Simpson Scale (see below), and three of these reached a Category 5 status. This is the most Category 5 hurricanes recorded in a single season, breaking the old record of two Category 5 hurricanes set in 1960 and 1961.

Although large numbers of named storms formed in 2005, only seven of these made landfall in the United

States—Arlene, Cindy, Dennis, Katrina, Rita, Tammy, and Wilma. This is one fewer hurricane making landfall than during 2004.

However, the 2005 hurricane

season was the most damaging in history for the United States, largely due to Hurricane Katrina.

Insured damage estimates for the 2005 season are nearly \$70 billion, shattering the old records set in 1992 and 2004, which (when adjusted for inflation) each

caused approximately \$25 billion in insured damage.

The 2006 Hurricane Forecast

The TMP team has predicted that this year's hurricane season will end as active as last year's.

"Information obtained through May 2006 continues to indicate that the 2006 Atlantic hurricane season will be much more active than the average 1950-2000 season," states the team's May 31 projections. "We estimate that 2006 will have about 9 hurricanes (average is 5.9), 17 named storms (average is 9.6), 85 named storm days (average is 49.1), 45 hurricane days (average is 24.5), 5 intense (Category 3-4-5) hurricanes (average is 2.3) and 13 intense hurricane days (average is 5.0).

Saffir-Simpson Scale

Category	Maximum Sustained Wind Speed (Miles per hour)	Storm Surge (Feet)
1	74-95	3-5
2	96-110	6-8
3	111-130	9-12
4	131-155	13-18
5	156+	19+

What Will They Be Named and Where Will They Strike?

Since 1953, the National Weather Service (NWS) has designated names for the tropical cyclones that are generated in the Atlantic Basin. Now, the National

Oceanic and Atmospheric Administration (a branch of the NWS) maintains six lists of alternating male and female names that are rotated annually, only replacing the names of storms that are so damaging that their names are retired and become ineligible for reuse for at least 10 years. Pacific tropical cyclones are called typhoons and have their own lists of names.

There is no certainty where a hurricane will strike. However, the United States Landfalling Hurricane Project has a website (www.e-transit.org/hurricane/map.asp) with an interactive map that shows landfall probabilities for 2006 hurricanes.

2006 Atlantic Hurricane Names

Alberto
Beryl
Chris
Debby
Ernesto
Florence
Gordon
Helene
Isaac
Joyce
Kirk
Leslie
Michael
Nadine
Oscar
Patty
Rafael
Sandy
Tony

Implications for NFIP Stakeholders


After last year's devastating hurricane season, the public is sensitized to the wind and water hazards of tropical cyclones. Those who have not already purchased flood insurance coverage in response to last year's storms will be more receptive this year to the need for financial protection from flood losses due to hurricanes. Because of the NFIP's 30-day waiting period before flood insurance becomes effective, and the fact that hurricane season started on June 1, now is the time to urge residents of communities vulnerable to hurricanes to purchase coverage.

The public may also be more receptive to mitigation projects that will protect their communities from hurricane-related losses. One strategy for using the heightened sensitivity to hazard protection is to include in your public awareness campaign materials high-impact data about last year's storms and damage estimates.

Most importantly, if your office is in an area that is vulnerable to hurricanes or typhoons (or their remnants)—and this includes most of the Southern and Eastern United States, the Pacific Coast States, Hawaii, and the U.S. Territories—be sure to have

a disaster plan in place that will allow you to continue working if your community is hit by disaster. Companies that lose data during a flood or do not have access to their records after the water recedes are much less likely to recover and stay in business. And, when your business is to help others to recover from flood losses, it is even more important that you draw up a disaster plan and practice putting it into action.

FEMA and several other organizations have produced downloadable, step-by-step guidance for developing an emergency response plan for businesses (see below).

Hurricanes may be a fact of life for many who make their homes near the coasts or in nearby states that regularly receive the remnants of hurricane precipitation. But being prepared for disaster can lessen its impact. Putting protection into place now, while the sun is still shining, will provide more peace of mind during and after a hurricane, when you will need it most. 

Lynd Morris has worked with the NFIP's Bureau and Statistical Agent since 1983. She has been Watermark's primary writer and production coordinator since 1998.

Emergency Response URLs

Federal Emergency Management Agency

Emergency Management Guide For Business & Industry
www.fema.gov/business/guide/index.shtm

Institute for Business and Home Safety and The Public Entity Risk Institute

Open for Business
www.ibhs.org/docs/openforbusiness.pdf

American Red Cross

Business and Industry Guide
www.redcross.org/services/disaster/0,1082,0_606_,00.html

FloodSmart Heightens Awareness Throughout the Hurricane Season

Hurricane season can be the most active and costly time of year when it comes to flood damage. The last two hurricane seasons have shown just how damaging floods can be and how important flood insurance is. The four hurricanes that hit Florida in the second half of 2004 (Charley, Frances, Ivan, and Jeanne) and the three major hurricanes that hit the Gulf Coast in 2005 (Katrina, Rita, and Wilma) impacted NFIP policyholders more seriously than at any other time since the program was created.

Five million property owners have taken the step to protect their investments in their homes and businesses by purchasing a flood insurance policy. And, although awareness of flood risk and flood insurance is higher than ever, it is not high enough to protect everyone. The NFIP's goal is to impress upon property owners everywhere the value of flood insurance protection.

Proactive Outreach

This year, the NFIP's FloodSmart marketing campaign started hurricane season outreach earlier than in the past, beginning with extensive public awareness efforts on May 1, 30 days before the official start of the 2006 hurricane season. The timing of this effort was to remind consumers that, because there is a 30-day waiting period for a new policy to go into effect, the perfect time to purchase a policy was then, before

the beginning of hurricane season. Another wave of media contact took place on June 1, "opening day" for the hurricane season.

This year, FloodSmart introduced a new television public service announcement (PSA) addressing the potential for flooding along the entire Eastern seaboard and the Gulf Coast. The spot featured musicians from New Orleans who experienced firsthand the devastation caused by



New FloodSmart PSA features a musician in New Orleans.

Hurricanes Katrina and Rita. It encouraged consumers to protect themselves during what has been predicted to be another devastating hurricane season. The states targeted to receive this PSA were Alabama, Connecticut, Delaware, Florida, Georgia, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Texas, Virginia, and West Virginia.


FloodSmart uses a variety of ways to reach consumers with the NFIP's flood protection message. All

FloodSmart marketing efforts are designed to drive consumers to visit the FloodSmart.gov website. Since the beginning of the campaign, more than 2.8 million people have visited the site. A new page created on FloodSmart.gov this year is dedicated to hurricane season preparedness, post-flood event response, and claims information.

Immediate Claims Response

It is important to note that policyholders are served by the NFIP from the point that they purchase a policy to the point that their claim is paid, and all stages in between. In the unfortunate case that a flood occurs, the campaign distributes claims information immediately to the local media in the affected areas to make sure that policyholders get the information they need in a

timely fashion. FloodSmart's post-flood response has become a cornerstone of the NFIP's marketing efforts, serving customers when they need help the most and demonstrating policy benefits to those without coverage.

Floods cause some of the costliest natural disasters in U.S. history. It is very important that property owners are fully aware of their flood risk well before the first raindrops fall or snowmelt fills rivers and streams. The NFIP is dedicated to making sure that property owners are aware of their risk and are able to protect their most important investments. 

Hillsborough County Tests Map Mod Outreach

Mary Jo Vrem, FEMA

Hillsborough County, Florida, is a large, highly populated, urban county surrounding Tampa, Florida. Including the Cities of Tampa, Plant City, and Temple Terrace, the county has a population of more than 1 million people within its 1,100-square-mile area. Although it is situated in a coastal area, the county is also quite susceptible to riverine and inland flooding. Its flood hazards were first mapped in 1980. That map was followed by five map updates, but only in portions of the county.

In 1992, Hillsborough County became an NFIP Community Rating System (CRS) community. Through its dedicated efforts to adopt and enforce more stringent floodplain management measures, the county now has a CRS Class 6 rating, earning county NFIP policyholders a 20 percent discount on their annual premiums. Having experienced substantial development and significant El Niño-related flooding in low- and moderate-risk areas in 1997 and 1998, county officials recognized that they needed to further improve their floodplain management. With this goal in mind, Hillsborough County became a FEMA Cooperating Technical Partner in 1999, and embarked on a journey to thoroughly update its Flood Insurance Rate Maps (FIRMs).

Communicating the Risks

Using primarily county funds, the entire county (except coastal areas and most of the incorporated sections of the three cities within the county) was set to be remapped. The county used its own risk modeling techniques and platforms, allowing

greater flexibility in data management.


Early on, the county realized the tremendous impact remapping would have on a number of constituencies including property owners, builders and developers, county planners, insurance and real estate agents, and others. Initial analysis showed that more than 10,000 parcels of land would be mapped outside a high-risk zone (Special Flood Hazard Area) and more than 20,000 would be mapped inside a high-risk zone. Early estimates also suggested that another 60,000+ parcels might have a Base Flood Elevation (BFE) change. Because the map changes threatened to impact so many properties, key stakeholders (i.e., community officials, insurance agents and WYO companies, real estate agents, surveyors, builders, and homeowners associations) were invited to be part of the process, share their concerns, and recommend strategies to best communicate with members of their specific industry. This local Stakeholder Advisory Group was very active throughout the map modernization process, providing important practical feedback on outreach messages and materials, and helping to inform their colleagues and constituents of upcoming changes.

In early 2005, Hillsborough County was approached to see if it would like to partner with FEMA and its FloodSmart campaign contractor (JWT) to develop and test outreach material that focused on the effects of map changes on insurance. The FloodSmart Team worked with Hillsborough County officials throughout the summer and early fall to cre-

ate materials that would help community officials inform various stakeholder groups, the media, and the public about map changes and their implications. These pieces were vetted through the Stakeholder Advisory Group and then used to shape presentations and for distribution at local and organizational meetings.

Unifying the Message

The FloodSmart Team and Hillsborough County jointly developed a suite of materials that enabled county personnel and FEMA representatives to highlight key points and stay on message in their meetings with the press and presentations to the County Commissioners. Media analysis of the local press coverage that ensued showed how successfully the FloodSmart/Hillsborough effort informed and engaged the press. Media outlets covered the story accurately and consistently focused on central and positive flood insurance and mitigation messages.

On the basis of feedback from the use of the outreach material, the FloodSmart Team has now created template versions of these pieces that are available for use by other communities that are going through a remapping. Outreach material designed specifically for insurance agents has been placed on FloodSmart's dedicated agent website (agents.floodsmart.gov). 

Mary Jo Vrem is FEMA's Program Officer for the FloodSmart Campaign. She has worked with FEMA for 11 years.

CRS Gains

The NFIP's Community Rating System (CRS) is a voluntary incentive program that recognizes and encourages community floodplain management activities that exceed the minimum NFIP requirements. As a result, flood insurance premium rates are discounted in participating CRS communities to reflect the reduced flood risk resulting from community actions that meet the three goals of the CRS: (1) reduce flood losses; (2) facilitate accurate insurance rating; and (3) promote awareness of flood insurance.

Saving Lives and Reducing Property Damage

There are now 1,038 communities receiving flood insurance premium discounts because they engage in local mitigation, outreach, and educational activities that go beyond minimum NFIP requirements. More importantly, these communities are carrying out activities that save lives and reduce property damage.

CRS communities represent a significant portion of the nation's flood risk, accounting for more than 67 percent of the NFIP's policy base. Communities receiving premium discounts through the CRS range from small to large, with a broad mixture of flood risks including coastal and riverine.

Lower Risk Equals Higher Premium Discounts

Between October 1, 2005, and May 1, 2006, 10 communities joined or were reinstated in the CRS and 25 communities improved their rating.

We welcome the following communities to the CRS.

CLASS	DISCOUNT	COMMUNITY	STATE
9	5%	Mesa County	Colorado
9	5%	Caribou County	Idaho
9	5%	Bristol	Tennessee
8	10%	Homestead	Florida
8	10%	Fayetteville	Georgia
8	10%	Heppner	Oregon
7	15%	Bonita Springs	Florida
7	15%	Fargo	North Dakota
7	15%	Fife	Washington
5	25%	Snohomish County	Washington

Most of the 25 communities that improved their class rating and the premium discounts offered residents, engaged in enough creditable CRS activities to move to the next better class. Seven communities—Baldwin County, Alabama; Denver City and County, Colorado; Kenneth City, Florida; Morgan City, Louisiana; and Tiki Island and Bridgewater, Texas—

moved from Class 9 to Class 8, earning their residents a premium discount of 10 percent on policies purchased or renewed on or after May 1.

Two Florida communities (Holmes Beach and Tamarac) and Houston, Texas, moved from Class 8 to Class 7, earning a premium discount of 15 percent.

Seven communities—Santa

Barbara, California; Arvada, Colorado; Oldsmar, Florida; Jekyll Island

Authority, Georgia; Harrisburg, Pennsylvania; Baytown, Texas; and North Bend, Washington—moved from Class 7 to Class 6, earning their residents a premium discount of 20 percent.

And two Washington communities—Bellevue and Monroe—moved from Class 6 to Class 5, earning their residents a 25 percent premium discount.

Sometimes communities engage in so many new creditable CRS activities that they jump more than one class. The following communities jumped two classes.

CLASS CHANGE	NEW DISCOUNT	COMMUNITY	STATE
9 to 7	15%	Lenoir Co.	North Carolina
8 to 6	20%	Mecklenburg Co.	North Carolina
8 to 6	20%	Pineville	North Carolina
8 to 6	20%	Westminster	Colorado

Another North Carolina community jumped three classes.

CLASS CHANGE	NEW DISCOUNT	COMMUNITY	STATE
8 to 5	25%	Charlotte	North Carolina

And yet another North Carolina community managed to jump four CRS classes!

CLASS CHANGE	NEW DISCOUNT	COMMUNITY	STATE
9 to 5	25%	Kinston	North Carolina

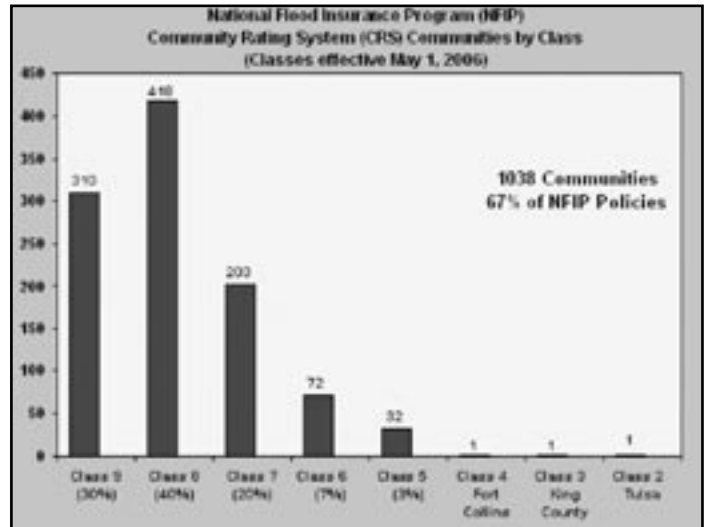
The graph and sidebar at right show the number of CRS communities by class as of May 1, 2006.

Premium Discounts Awarded for Activities to Reduce Risks

For CRS participating communities, flood insurance premium rates are discounted in increments of 5 percent. For example, a Class 1 community would receive a 45 percent premium discount, while a Class 9 community would receive a 5 percent discount (a Class 10 community is not actively participating in the CRS and receives no discount). The CRS classes for local communities are based on 18 creditable activities, organized under four categories: (i) Public Information, (ii) Mapping and Regulations, (iii) Flood Damage Reduction, and (iv) Flood Preparedness.

Your Community Could Benefit, Too!

Many communities that are not yet participating in the CRS are already engaged in public information, mapping and regulations, flood damage reduction, and flood preparedness activities that could earn CRS credit once documented. For more information about how to join this successful program, visit the CRS Resource Center (<http://training.fema.gov/EMIWeb/CRS/>).



CRS Communities by Class as of May 1, 2006

- Class 9 = 310 (30%)
- Class 8 = 418 (40%)
- Class 7 = 203 (20%)
- Class 6 = 72 (7%)
- Class 5 = 32 (3%)
- Class 4 = 1—Fort Collins, Colorado
- Class 3 = 1—King County, Washington
- Class 2 = 1—Tulsa, Oklahoma

DEFINITION

Coastal Barrier

Bad weather, traffic jams, and unexpected road closures can all pose barriers to getting to the coast for a day in the sun. But to the NFIP, a coastal barrier is something more solid—an offshore land formation paralleling the coastline that plays an important role in protecting the mainland from erosion. According to the NFIP's *Flood Insurance Manual*, a coastal barrier is:

"A naturally occurring island, sandbar, or other strip of land, including coastal mainland that protects the coast from severe wave wash."

Agency of the Year Award Winners

FEMA relies on the hard work, creativity, and initiative of thousands of insurance professionals to promote flood awareness and financial protection against flood losses. It is through the efforts of flood insurance producers that more than 5 million property owners are covered against the risk of flooding. The contributions of these insurance agents to their communities enable flood victims to move from disaster response to recovery.

At the National Flood Conference each year, FEMA honors three insurance agencies for the work they've undertaken on behalf of the NFIP. Agencies are nominated for this honor on the basis of their flood portfolio growth during the previous year, the marketing strategies they've used to increase flood insurance policy sales, the activities they've undertaken to promote flood awareness, and their adherence to NFIP underwriting guidelines.

Every Agency of the Year Award winner is selected for the innovation and dedication demonstrated in achieving the NFIP's goal of protection from flood losses. Award winners exemplify this successful public-private partnership that benefits millions of property owners in the U.S. and its territories.



Accepting the Agency of the Year Awards were (from left) Warren Barhorst of the Warren Barhorst Insurance Group, Deborah Brant of the IKM Insurance Agency, and Irene Sabourin of the John O. Bronson Company.

Warren Barhorst Insurance Group

For the second year in a row, the Warren Barhorst Insurance Group in Houston received one of the NFIP's three Agency of the Year Awards.

Why?

By the end of 2005, the Warren Barhorst Insurance Group had 1,631 NFIP policies in force. The group wrote 824 new flood insurance policies in 2005, a 78 percent increase over new policies written in 2004 (which was a 63 percent increase over the number of new NFIP policies written in 2003!).

According to agency owner Warren Barhorst, a number of strategies have contributed to broadening flood awareness in his community and increasing NFIP policy sales for his

agency. Marketing, selling, and servicing operations are conducted by 50 agency personnel in several offices, although new flood policy sales are written primarily by four producers. The entire staff of Barhorst Insurance Group makes sure that every policyholder is aware of flood hazards during any homeowner transaction.

Barhorst Insurance Group became a FloodSmart agency in May 2005, taking advantage of the NFIP

Co-op Program to increase their marketing dollars. The group ran ads in local papers and used the NFIP medium message ad in three cities.

In 2005, the agency conducted several direct-mail, radio, and print campaigns to promote flood insurance. One of these included running the "NFIP squishy sounds" radio campaign in Houston from August through November. A tag line, "Call your Nationwide FloodSmart agent at 866-58-FLOOD," was added to each radio spot. Barhorst also wrote an editorial that was published in the September 16-22 issue of the *Houston Business Journal* about why businesses need flood insurance protection.

During 2005, Barhorst offered home and flood insurance presenta-

tions to a number of local real estate and mortgage companies and used real estate closings to alert new homeowner clients about the need for flood coverage. With upcoming map modernization projected to affect Flood Insurance Rate Maps in the region, the Barhorst Insurance Group emphasized that new maps would be issued in 2006 for designated counties and encouraged property owners to purchase insurance before the new maps went into effect.

Last year, letters providing key facts about local flood hazards and information about NFIP flood coverage were sent to all clients who had homeowners policies but did not have NFIP policies. Agency staff followed up with calls to these clients. Flood insurance brochures and promotional literature produced by its WYO company, Nationwide Mutual Fire Insurance Co., were distributed to improve client awareness of flood risk. In addition, the agency updates flood awareness and marketing messages on a marquee sign in front of the agency's headquarters, facing a heavily used road.

Agency personnel are encouraged to learn about flood insurance issues and take initiative in NFIP policy growth. As a result of internal agency-wide flood insurance sales educational and motivational efforts, the Barhorst Insurance Group was named Nationwide's largest producer of new sales in 2005 and recognized as one of Nationwide's top flood producers in a yearly sales contest that earned a golf trip reward.

John O. Bronson Company

The John O. Bronson Company is the largest producer of flood insurance in the Sacramento area, offering NFIP policies for more than 15 years. By the end of 2005, this agency had 1,922 NFIP policies in force.

There are 20 people who contribute to the agency's flood insurance sales effort. Flood insurance policy quotes are included with each homeowners/fire policy quote. Once a flood policy is purchased, customers are notified in writing about the terms of their flood insurance coverage. And, to ensure that older policies continue to provide appropriate coverage and are rated correctly, the agency last year began obtaining new flood zone determinations for their long-term NFIP customers.

When much of the Sacramento area was removed from the floodplain through remapping in early 2005, the agency sent customers affected by the change a mailing that included facts and statistics in support of retaining flood insurance coverage in moderate-risk zones. Recipients were advised of their right to convert their coverage to a Preferred Risk Policy (PRP) and urged not to cancel their coverage. The mailing received a strong response from their client base, resulting in an 82-percent rate of flood policy retention since the rezoning took effect. In many cases, policyholders actually increased their flood insurance coverage.

The John O. Bronson Company has contributed to public awareness of flood hazards and the value of flood

insurance before, during, and after remapping in the Sacramento area by using FloodSmart's Co-op advertising funds to place ads in the *Sacramento Bee*, which has a circulation of 55,000 and by working with the media to produce flood-related news items. Several TV reports and newspaper articles in 2005 included interviews with agency representatives about the necessity of maintaining flood insurance coverage in the Sacramento area. The agency also reached out to other NFIP stakeholders by making presentations about flood insurance at real estate sales meetings as well as working directly with the Sacramento Area Flood Control Agency and with FEMA to find ways to inform the public about flood risks and to encourage NFIP coverage conversion to PRPs in the wake of rezoning.

IKM Insurance Agency

Inman, Kircher, McBride (IKM) Insurance Agency, Inc., in Harvey Cedars, New Jersey, had 1,382 NFIP policies in force by the end of 2005. Five people located in two offices managed flood insurance policy sales.

This agency offers flood coverage to every new prospect who enters their offices, regardless of the zone in which the property is located, and promotes insuring property to value, when coverage is available. Whenever an NFIP policyholder reaches the \$250,000 maximum building coverage on the Standard Flood Insurance Policy, IKM agency staff send a letter describing excess flood coverage,

explaining its availability, and recommending that the property owner review his or her contents coverage.


The IKM agency urges all NFIP policyholders to carry contents coverage (again, regardless of the zone), even when this protection is not required by their lenders. In fact, IKM requires that customers who choose not to purchase flood insurance sign a waiver form that underscores the risk they are taking.

The IKM agency flood insurance producers advise their NFIP policyholders of floodproofing or other forms of mitigation they might use to better protect their building and contents and to lower the cost of their flood insurance coverage.

The IKM agency's quarterly newsletter focuses on flood insurance coverage twice yearly. This newsletter is sent to all IKM agency customers and is also provided to area real estate agents for distribution to their customers. Additionally, IKM agency staff send letters to all clients when their flood policies come up for renewal to encourage them to increase coverage to replacement cost on their building or to increase their contents coverage.

In 2005, the IKM agency began using homeowner refinancing as another opportunity to educate NFIP policyholders about flood risk and improved building and contents coverage. When an insured contacts the agency to inform them of the refi-

ancing, the IKM agent discusses the building value, the need to increase coverage, and the availability of excess flood coverage.

The flood insurance producers in the IKM Insurance Agency attend flood training seminars and rely upon the WYO Flood Underwriting team at Fidelity National Property and Casualty for additional assistance. One example of this agency's focus on maintaining high underwriting standards has been in the area of Elevation Certificates (ECs). When discrepancies have been discovered on ECs provided by local surveyors, agency staff verify the information with community officials and then resubmit the ECs for correction. 

Flood Insurance a la Carte

Would you like to be able to determine a property's location online and verify this with the NFIP electronically? How about downloading NFIP policy forms while your client is sitting in front of your desk? Wish you could search for claims figures or access rates without having to wait for someone else to "get back to you" with the correct information?

All of these services are available now or will be available before the end of 2006 through services developed by the NFIP's NextGen project.

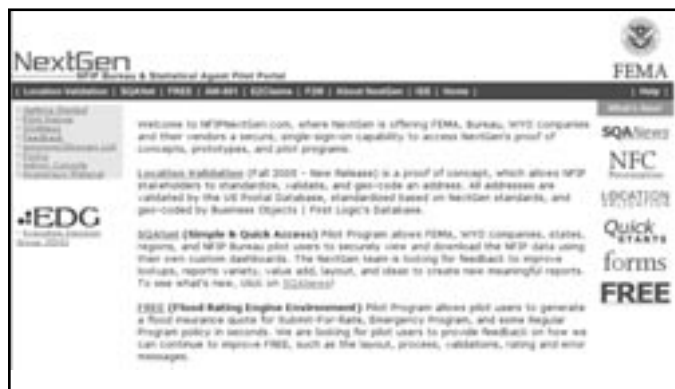
Progress Report

One of NextGen's newest developments this year is shifting the Transaction Record Reporting Process (TRRP) data reporting from a monthly


to a daily submission. TRRP is the process of collecting and consolidating all of the policy and claim information from the WYO companies, checking its quality, and producing reports for FEMA to track and administer the NFIP.

The a la Carte Approach

Because all NextGen "a la carte" services are optional, independent agents, WYO companies, and vendors can choose to use just the tools that best fit their needs. For example, a WYO company may prefer to use its



own claims system for processing losses but opt to use NextGen's Flood Rating Engine Environment (FREE) rating system for underwriting its NFIP business.

Watermark articles will review all new modules—or a la carte offerings—as they become available. 

How Long Must You Wait?

The 30-day waiting period before flood insurance goes into effect is a pretty basic rule that lenders need to be aware of when they are making a loan for a property in a Special Flood Hazard Area (SFHA). However, applying this "basic" rule can be a little complex, so let's take a look at the background of the 30-day rule and what its exceptions are.

Why Require a 30-Day Wait?

The National Flood Insurance Reform Act (NFIRA) of 1994 lengthened the waiting period required before an NFIP policy can go into effect from 5 to 30 days. This 30-day wait is for "coverage under a new contract for flood insurance" and "any modification to coverage under an existing flood insurance contract." The express intent of Congress in mandating a 30-day waiting period was to prevent the purchase of flood insurance just before a flood hits. Unless an exception applies, as described in the following two sections, a 30-day waiting period is required before NFIP flood insurance goes into effect.

In layman's terms, Congress sought to avoid a situation in which property owners in high-risk areas such as the Atlantic and Gulf Coast states played "hurricane roulette" by letting their policies expire when the hurricane forecast was good and then, when the forecast showed a hurricane developing off the African west coast, "re-upping" with only a 5-day wait. Hence, the name "hurricane roulette," since it usually takes longer than 5 days for a hurricane to

cross the Atlantic. After the hurricane seasons we had in 2004 and 2005, it's hard to imagine a "good year" for hurricanes, but treating the threat like roulette in a year with a relatively less active hurricane season has been known to happen.

Playing roulette with insurance coverage is clearly shortsighted because it's not just hurricanes that flood homes. "Small storms" with little warning can also tear a house apart. A 30-day waiting requirement promotes a longer view of financial protection from flood losses.

The Two Exceptions

The following two exceptions are crucial to a variety of situations that lenders deal with every day. They apply when coverage is placed in conjunction with loan activity or the remapping of a community. NFIRA contains what is called the "initial purchase" provision, which states that the 30-day waiting period does not apply to the following instances: (1) "The initial purchase of flood insurance . . . when the purchase is in connection with the making, increasing, extension, or renewal of a loan, " or (2) "The initial purchase of flood insurance . . . pursuant to a [map] revision or updating of flood-plain areas of flood zones" within a 1-year period.

The effective date of coverage begins at 12:01 a.m. local time on the first calendar day after the application date and the presentment of payment of the premium.

It is significant to note that the first exception described above is

much broader than it may appear. FEMA has interpreted the exception to the 30-day waiting period to apply in situations pertaining to refinancing, placement of second mortgages, and modification of existing mortgages. This also applies to lender placement, increased limits at renewal, and map revisions.

Applying the Exceptions

Following are two examples of how the exceptions to the 30-day waiting period may get a little tricky.

When a Community Changes to the "Regular Program"

If a community's status changes from the NFIP's Emergency Program to the Regular Program, thereby increasing the amount of federal flood insurance available, must a bank require a borrower to increase the amount of flood insurance as soon as it has knowledge of that change? Or may the borrower wait until the flood policy renews to increase the amount of coverage?

A lender should require the increase to get the best coverage available for the homeowner. Check pages 6-7 of the *Mandatory Purchase of Flood Insurance Guidelines* booklet for a discussion of studies and maps. Policyholders in Regular Program communities are eligible for the maximum amount of NFIP flood insurance available.

Usually when a community changes from the Emergency Program to the Regular Program, its map changes from a Flood Hazard Boundary Map (FHBM) to a Flood Insurance Rate Map (FIRM). The

FHBM is a basic "in-or-out" map, showing only areas at high and low flood risk, while the FIRM has a variety of risk zones clearly delineated.

So, if the property in question was shown as a moderate risk on the FHBM but is now in the SFHA on the FIRM, a lender would apply only a 1-day waiting period for the purchase of the higher amount of insurance. If the property was at high risk on the FHBM and is now in the SFHA on the FIRM (and thus, there is no change—change being the key to applying the exception), that policy is subject to the 30-day waiting period.


When the Policy Changes Hands

There is no waiting period when an existing policy is assigned to a purchaser of improved real estate. But the intention to assign the contract must be clear.

Prior to NFIRA, the regulations provided for no wait if the policy was applied for and the premium was paid at or prior to the time the title transfer or assignment of the policy occurred. Now, unless there is an assignment of the policy from the seller to the buyer where the purchaser does not obtain a mortgage, a 30-day wait is required.

The General Conditions article of the Standard Flood Insurance Policy form contains an assignment provision—"D. Amendments, Waivers, Assignment"—which allows an assignment upon transfer of title.

Looking for More Information?

Watch for upcoming legislative changes in this area. The NFIP's manual on lender issues is the *Mandatory Purchase of Flood Insurance Guidelines*, available online (www.fema.gov/business/nfip/mpurfi.shtm) or in hard copy by calling FEMA (800-480-2520) and asking for publication "FEMA-186." 

Simple Retrofitting Can Save Money...and Your Home

Janice Roper-Graham, Outreach Process Partners

Hurricane Katrina drove 4 feet of water into Bruce Colby's Slidell, Louisiana, garage and 1 foot of water into his home. Colby's neighbors' garage doors were blown out, and many garages will have to be replaced due to structural damage. But Colby's garage doors are intact and his home is structurally sound.


Colby wasn't just lucky. He installed three International Code Council (ICC)-certified flood vents before Katrina. But protecting his home was not the main reason Colby installed the flood vents. Saving on flood insurance was. "My agent told me to get flood vents and so I did an Internet search." Colby found an ICC-certified flood vent. ICC certification means the vent was rigorously tested for performance under flood conditions, including debris-filled flood waters that could clog ordinary vents.

NFIP policyholders in SFHAs may qualify for reduced premium rates by installing FEMA-approved flood vents

for residential basements, crawl spaces, garages, and other enclosed structures that are below the BFE. Unlike air vents, flood vents are designed to open during flooding to allow water flow and pressure to equalize. Normally these vents are closed to keep out animals and moisture. Some models are sealed, allowing for air conditioned space on the interior. Other models are temperature sensitive, opening during hot weather to allow air circulation. The key feature is that the vent will open during a flood to allow the free flow of water through the structure.

This is important because, if the floodwater cannot equalize quickly enough, its pressure can blow out doors and windows, increasing flood damages. Pressure from flood waters in enclosures that are not properly vented may compromise the entire structure, resulting in the home's being condemned. Proper flood venting will prevent this kind of loss.

Colby paid \$600 for his three flood vents and saves \$700 every year in flood insurance premiums because of them. That is a \$2,900 net savings over 5 years, a tidy return on his \$600 outlay for the flood vents. The fact that his garage survived and his home is structurally sound despite Katrina's wrath underscores the real value of proper flood venting. A ride through his devastated community illustrates what happened to many and could have happened to him.

Says Colby: "I don't know anyone who has a flood vent. No one around here knew what they were. I guess it will all change now." 

Janice Roper-Graham is the Managing Partner of Outreach Process Partners. A former journalist, she specializes in writing about technical/engineering topics so the general public can understand and apply the information.

State Support

Most states experience some form of flooding each year. Flood damage can cost state governments millions of dollars, in addition to the amount paid by the Federal government for disaster prevention and assistance. A report produced by the University Corporation for Atmospheric Research (UCAR) estimates that nearly \$97.6 billion in damages has resulted from floods since 1926 (see sidebar at right). No state has been immune to flood losses. Even states with lower damage estimates—such as Delaware and Rhode Island—each reported in excess of \$40 million in flood damage during the analysis period (1926-2003).

Who Paid for These Damages?

Those property owners who were protected from financial losses with flood insurance coverage were able to use their claim payments to aid in their recovery.

When a flood is large enough to warrant a Presidential disaster declaration, Federal assistance becomes available in the form of temporary housing, loans, and grants. But in many cases, Presidential disaster declarations are not made, and it remains the responsibility of local jurisdictions and state governments to pick up the tab for response and recovery costs.

Self-Protection

State departments of insurance protect consumers by creating and enforcing fundamental insurance regulations while promoting the reliability

How Much Flood Damage Has Your State Suffered?

Flood Damage in the United States, 1926-2003: A Reanalysis of National Weather Service Estimates is an online UCAR report (www.flooddamagedata.org/index.html). Visitors can explore UCAR's findings and methods as well as use the data links to research flood damages for specific states. Per capita data sorting allows readers to see the high impact of flooding even on individuals in less populated states.

Even mountainous and desert states have suffered devastating flood losses. During the analysis period, flooding caused more than \$1 billion in damage in Colorado, \$920 million in Arizona, \$728 million in Nevada, \$183 million in Montana, \$140 million in New Mexico, and \$67 million in Wyoming.


The mountainous New England states did not fare much better. Flood damage estimates exceeded \$197 million in Vermont, \$170 million in Maine, and \$79 million in New Hampshire.

Most states were even worse. During the analysis period, 28 states suffered an estimated \$1 billion or more flood damage, and damage estimates exceeded \$11.5 billion for Texas, \$7.7 billion for Iowa, and \$6.9 billion for California.

and financial solidity of the insurance institutions that operate within their state. Through outreach to consumers and the insurance industry as well as by creating regulations that encourage comprehensive coverage practices, each state's department of insurance can promote better understanding of flood risks and flood insurance so that property owners and renters can better protect themselves and communities can take steps to mitigate against flood losses. FEMA recently produced two publications (see below) designed to support the work of state insurance

departments to inform their constituents about flood hazards, mitigation measures, and flood insurance.

Getting Your Copies

Copies of both publications have been sent to the department of insurance for each state as well as to many of the chairpersons of state legislative committees. You can access these publications on the FEMA website or by ordering hard copies from the FEMA Distribution Center (800-480-2520). 

Top 10 Things State Insurance Commissioners Can Do

This publication describes 10 FEMA recommendations that insurance commissioners can follow to ensure that consumers in their state have access to financial protection against flood losses (www.fema.gov/business/nfip/ins_10.shtm).

Six Ways State Insurance Commissioners Can Support Agent and Consumer Education and Training

This publication encourages state insurance commissioners to develop flood insurance education programs and to provide incentives to flood insurance training providers and agents to attend flood training (www.fema.gov/business/nfip/f682_sixways).

Ask the Experts: Home Buyers, Be Aware

Susan Bernstein, FEMA

When your customers are buying or renovating a home, they may want you to answer a variety of questions about flood insurance. Here are two samples: one basic and one that's a little more complex. If you wonder about how to answer, you are not alone.

Do I Have a Right to Know?

QUESTION: If I am planning to buy a house, is the seller obligated to inform me if the house is in a FEMA-designated flood area? What if the seller doesn't know?

ANSWER: The requirements that go with selling a home vary from state to state (and even community to community—a community may, theoretically, have stricter requirements than the state) but a real estate agent should know what is required. For instance, when I bought my home, a termite and roof inspection (and guarantee) were required, but nothing about the flooding history.

In some areas, sellers do have deed requirements to include infor-

mation about past flood damage, but this is rare. Remember, a seller may not know the home's history before he bought it. You might be able to see evidence of prior flooding—such as flood lines on the brick foundation—but that's not always evident.


Is My Renovation Considered Substantial Improvement?

QUESTION: We bought a house on a cove on the Connecticut shoreline that is in a V-10 zone and therefore subject to flooding from a hurricane. I want to add a small addition to the existing dwelling. The town's building official claims that this is new construction (because it requires a foundation), even though it comes in under the 50 percent market value defined as substantial improvement. Is an addition to an existing dwelling considered new construction if the total cost is less than 50 percent of the market value?

ANSWER: The addition to your existing dwelling would be considered new construction. The fact that the cost to construct it is less than 50

percent of the market value of the existing building means that your dwelling would not be considered substantially improved and there would be no change in the manner in which the policy is rated. However, please check with your building official. The addition must be built next to and in contact with the existing building and constructed so that the bottom of the lowest supporting member of lowest floor is at or above the BFE. You'll also have to provide an EC to verify that the addition has been built in accordance with your community's floodplain management ordinances.

Tracking Changes

Remind your clients that any change in their status as owners can affect all forms of insurance, including flood. So, agents, remember to check the *Flood Insurance Manual* if you aren't completely sure how to answer a customer's question. 

Susan Bernstein is the Editor of Watermark and is now working with NFIP Legislation issues.

DEFINITION

Provisional Rating

How do you rate the bottles, boxes, and cans of provisions you've stored away in your larder? Distinguishing between "vintage" and "passed its shelf life" may be a challenge when cleaning out your pantry, but most would agree that provisional rating under the NFIP is a no-brainer, especially if you are trying to purchase flood insurance for an elevated home in the floodplain! According to the NFIP's *Flood Insurance Manual*, provisional rating is:

"A method for placing flood coverage prior to the receipt of a FEMA Elevation Certificate."

We, Too, Are the NFIP

When you request NFIP statistical information, is it a Federal employee who writes the computer program that will produce the data you need?

No, in most cases, it is an employee of a Federal contractor who works closely with FEMA staff to ensure that your request is met quickly and accurately.

When you call the NFIP toll-free number, is it a Federal employee who answers your call?

No, contractor staff trained by FEMA specialists answer all but the most complex telephone calls as well as the emails that are sent to "Ask the Expert" on the NFIP website.

When you read a FloodSmart bulletin or NFIP newsletter, technical document, or other publication, is it a FEMA employee who produced it?

Not directly. All publications are carefully reviewed and approved by FEMA staff, and often text is contributed by FEMA specialists. However, most NFIP publications are written and produced by highly trained Federal contractor employees who work closely with their FEMA counterparts to produce flood insurance, mitigation awareness, and technical guidance materials.

The NFIP is a single organization with several components, all uniquely suited to carry out its numerous and diverse functions. Fewer than 175 Federal employees work in the Mitigation Division at FEMA. But more than twice that many specialists work for FEMA contractors to support the efforts of their Mitigation Division



counterparts. This article is the first in a series about the companies that currently are contracted to assist the Mitigation Division in fulfilling its mission. We want you to know who these companies are and what they do so that the next time you interact with the NFIP, you'll have a better idea of how the organization works.

The NFIP Bureau

In 1983, Computer Sciences Corporation (CSC) was awarded its first contract as the NFIP Servicing Agent. Under this contract, CSC was responsible for servicing the 1.9 million policies in force at that time through the direct flood insurance business. This contract also involved creation of a new partnership with the private sector insurance industry in which insurance companies were permitted to issue NFIP policies through the WYO Program.

In 1993, the NFIP Servicing Agent contract, which included public awareness, customer service, and document distribution center functions, was split into separate contracts. CSC successfully won the NFIP Bureau and Statistical Agent contract.

The NFIP Bureau is made up of a team of CSC employees who provide project and program management services for the Mitigation Division. These services include insurance

underwriting and research; claims management; training and stakeholder communications support; WYO company support; meeting planning and coordination; financial planning, analysis, and management; market research support; and information and data management.

Underwriting and Claims Support

The NFIP Bureau's Claims and Underwriting Department provides the Mitigation Division and the WYO companies with underwriting support, documentation, and training. The majority of work performed by Bureau underwriters is reviewing more than 10,000 submit-for-rate applications from the WYO companies each year, documenting thousands of rating errors made on flood insurance policies and appeals submitted on CBRA properties and Preferred Risk Policies. In addition, hundreds of requests for underwriting information are researched annually. These requests come from the Mitigation Division and the FEMA Regions, as well as the NFIP Help Center and the "Ask the Expert" portion of the NFIP website. The Underwriting Group also conducts onsite and teleconference NFIP underwriting training for new WYO companies and for employees at the Flood Response Offices established after a major flooding event.

The Bureau's claims personnel spend the first 6 months of each year offering dozens of training seminars to thousands of insurance adjusters across the U.S. to ensure that they are prepared to adjust NFIP claims accurately after a flood event. In addition, before the hurricane

season officially begins on June 1 each year, Bureau claims personnel travel to states that are vulnerable to tropical cyclones so that they can arrange claims coordination agreements with state windpool associations. Bureau claims staff closely track storm systems as they move across the U.S. or threaten its coasts or territories to ensure that NFIP general adjusters are on site to assist Program stakeholders and consumers, often before flooding begins.

When flood disasters occur, Bureau employees participate in disaster response by establishing Flood Response Offices (FROs) in the affected areas in conformance with FEMA guidelines and within the required time. Bureau insurance specialists are deployed to FROs and to FEMA's Disaster Field Offices to answer questions about NFIP rules and regulations as well as claims processing and to provide onsite NFIP training. When losses include both wind and flood damage, the Bureau establishes a Claims Coordinating Office to simplify and accelerate claims processing by combining claims adjustment for both hazards, in accordance with the agreement made with the affected windpool.

The Bureau's general adjusters not only offer adjuster training prior to flood events, but also manage claims quality control after a disaster occurs, conducting an extensive program of re-inspections and special assist inspections, file reviews, and special audits when claims issues

are submitted for further analysis to the Mitigation Division.

Technical Assistance and Communications

The NFIP Bureau's Technical Assistance and Communications (TAC) Department operates education, technical assistance, and information programs nationwide for agents, WYO companies, lenders, adjusters, real estate agents, engineers, and special-interest audi-



Bureau senior management and Regional field staff, May 2005. (Photo by Normand Bernache, NFIP Bureau)

ences. These programs are offered through a central office, on-site workshops conducted at 10 regional offices and one satellite office, online, and through teleconferences, NFIP flood forums, and seminars for target audiences. Dozens of these training opportunities each year are post-flood workshops held in response to major flooding events in the U.S. and its territories.

Since 1983, CSC has organized and managed the NFIP's National Flood Conference, which now draws an average annual attendance of 700. Bureau personnel also support the Mitigation Division by providing administrative assistance as well as underwriting, claims, and information technology expertise to NFIP-related

insurance industry committees, working groups, and task forces.

Specialists in the Bureau's TAC Department develop and distribute NFIP informational materials, procedures, and technical manuals. These materials now include CDs, video, audio, electronic, and printed technical assistance. Since October 2003, the department has made NFIP training available online through a dedicated website that has had more than 250,000 hits since it was launched.

Besides writing and producing the *Watermark* newsletter in conjunction with FEMA specialists two to three times each year, TAC specialists regularly update Program manuals and other documentation—such as the *Flood Insurance Manual*, the *Actuarial Rate Review*, the *Adjuster Claims Manual*, and the *Transaction Record Reporting and Processing (TRRP) Plan*.

More than 20 years ago, CSC established a "clearinghouse" system to coordinate the distribution of timely, accurate, and consistent information from the NFIP to its stakeholders. The Bureau maintains contact lists and, as bulletins are posted on the BureauNet, appropriate stakeholder groups are notified by email.

In 2005, the NFIP Help Center was established to assist policyholders who have concerns or issues with their WYO carrier. This center is staffed to respond to calls during normal business periods and is expanded to handle the increased number of calls received from government employees, insurance department personnel, and policyholders after flooding events. Help Center

Specialists also serve as the points of contact for responding to insurance-related inquiries through FEMA's web-based "Ask the Expert" site.

The Bureau is responsible for guiding new insurance companies through the process of becoming fully integrated into the WYO Program as well as monitoring data submissions for WYO companies to ensure accuracy and adherence to the *TRRP Plan*. Startup support for WYO companies includes training, responding to frequent requests for assistance and monitoring these to successful conclusion, and providing an array of reference documents, NFIP technical reports, bulletins, and other materials for the WYO Program.

Information Technology and Financial Management


At the center of the Bureau's support of the Mitigation Division is transaction record reporting and processing—the process of collecting and consolidating all of the policy and claim information from the WYO com-

panies, checking its quality, and producing reports for FEMA to track and administer the NFIP. In addition to maintaining the WYO policy database, which has grown to more than 5 million, the Bureau's Information Technology Department also supports the activities of the Mitigation Division's functional organizations and their information requirements, including sales reports and analyses, program evaluation, special underwriting reports, claim history analysis, and disaster operations data.

The Bureau's Financial and Statistical Control Department conducts cost analyses, manages the NFIP's accounting and financial reporting systems, maintains general ledger operations, performs cash management, and oversees compliance with the WYO Financial Control Plan.

Effective and Experienced Staff

CSC has been assessed People-Capability Maturity Model (P-CMM)

Level 2 by the Carnegie Mellon Software Engineering Institute for its work as the NFIP's Bureau and Statistical Agent. All departments within the Bureau contain knowledgeable insurance professionals and flood insurance subject matter experts who provide support to FEMA. The Bureau is immediately responsive to FEMA's requests, priorities, and objectives, staying in close communication through a variety of formal meetings held on a weekly, biweekly, and quarterly basis between Bureau personnel, FEMA monitors, and other FEMA personnel. Many informal and ad hoc meetings also are held between Bureau personnel and FEMA in all operational areas. More than 2 decades of NFIP experience is applied continuously to make recommendations for the operation and improvement of the Program. 

DEFINITION

Basement

Basements can be transformed into wine cellars, mushroom farms, entertainment centers, storage rooms, or even home offices. But because the risk of flooding is so high in basements, NFIP coverage only includes the cleanup expense as well as damage to items such as furnaces, water heaters, washers and dryers, air conditioners, freezers, utility connections, and pumps. Because coverage does not include improvements to basements—such as finished walls, floors, and ceilings—nor does it include any contents, you may want to move your stereo system to a higher floor or consider putting your home office (or mushroom farm) in the attic. And, are you aware that the NFIP considers sunken living rooms as basements? According to the NFIP's *Flood Insurance Manual* a basement is:

"Any area of the building, including any sunken room or sunken portion of a room, having its floor below ground level (subgrade) on all sides."

Putting the NFIP to the Test

continued from page 5

Katrina, the NFIP–insurance industry partnership worked closely to implement systems to contact policyholders who were cut off from their usual sources of information and communication. We cross-referenced a National Processing Service Center report of all callers who applied for disaster assistance and who indicated they had flood insurance, matched the addresses of damaged properties to NFIP policy addresses, and then connected insurance companies to their flood insurance policyholders.

In our Jackson, Mississippi, Joint Field Office, we staffed a telephone Help Line with insurance specialists to support all of the other FEMA/DHS Disaster Recovery Centers. This Help Line assisted policyholders with their flood insurance questions and transferred callers to their specific insurance companies as needed. Additionally, we set up a General Insurance Center, which, through a toll-free 1-800 number, provided relocated policyholders with service access from anywhere in the country. This center also answered claims and coverage questions, and guided NFIP policyholders through avenues of recourse if they disputed their claims estimates.

Finally, to make sure that our policyholders were given maximum access to our services, we partnered with the Insurance Information Institute's Disaster Insurance Hotline, which provided callers with flood insurance information as well as their specific insurance company's direct phone number.

FIRA '04 Initiatives Deployed

The Flood Insurance Reform Act of 2004 (FIRA '04) fostered two important documents: the *NFIP Summary of Coverage* and the *Flood Insurance Claims Handbook*.

Immediately following Hurricane Katrina, we distributed these documents to policyholders to help them through the claims process. These materials have been available in our Joint Field Offices, Disaster Recovery and Flood Response Centers, as well as distributed in Town Meetings.

The ability of the *NFIP Summary of Coverage* and the *Flood Insurance Claims Handbook* to clarify the claims process for our Gulf Coast policyholders cannot be overstated. These materials, combined with our systematic efforts to expedite claims and find displaced policyholders played a pivotal role in resolving 2005 hurricane season flood claims promptly and fairly.

Several other critical elements of FIRA '04 also got under way in September:

- Congress authorized funding for our Repetitive Loss initiative, and
- We published educational and training requirements for agents who sell flood insurance.

Repetitive Losses

Phasing out subsidies for pre-FIRM structures and reducing the number of the nation's repetitive loss properties have been significant elements of our mitigation strategy for some time. The Severe Repetitive Loss Pilot Program required by FIRA 04 is in its final stages of development, and, last fall, Congress authorized FEMA to transfer up to \$40 million

from the National Flood Insurance Fund to mitigate these properties. This funding is in addition to the \$28 million available in the Flood Mitigation Assistance program. And, we recently released guidance on the new \$10 million Repetitive Flood Claims Program. Under the proposed pilot, if the owner of a "severe" repetitive loss property refuses a mitigation offer, the flood insurance premium for that property will increase 150 percent. This will be the first time that there will be adverse consequences for someone who refuses a mitigation offer.

Agent Training

Property and casualty insurance agents are a critical part of the Mitigation Division's awareness efforts, and their importance to sound floodplain management strategies cannot be overlooked. We continue to encourage the states that already have minimum training and education criteria to place these requirements in their licensing and Continuing Education programs. Moreover, for the states that do not have education and training requirements, FEMA is committed to providing our technical assistance and resources, as appropriate. *[Editor's note: See related article on page 8.]*

One such resource is the agent website (Agents.FloodSmart.gov). As part of our FloodSmart marketing and public awareness campaign, this website provides extensive information for flood insurance agents, including links to educational and training programs.

Claims Appeals

As required by FIRA '04, FEMA has drafted a process through which flood

insurance policyholders may appeal the decisions of adjusters, agents, insurance companies, or FEMA regarding claim settlements.

The appeals draft speaks to the issue of mediation, which is most effective when it occurs early in the claims process. I am currently working with the FEMA Office of General Counsel on ideas of how mediation may be expanded within the program.

I believe it is important to point out that the NFIP has long operated at a high success rate in resolving claims without litigation. Again, this success can be attributed to our strong NFIP–insurance industry partnership. We’ve successfully closed more than 300,000 claims in the past two hurricane seasons.

The NFIP’s Financial Forecast

Hurricane Katrina forced Congress to get real familiar with the National Flood Insurance Fund and the financial matters that unavoidably arise when the nation’s largest single-line property insurance provider encounters the nation’s most catastrophic flood event.

The NFIP had been financially self-supporting since 1986 for the average historical loss year. Consistent with the law, during periods of high losses, the NFIP has borrowed from the U.S. Treasury. These loans have been repaid—with interest—from the premiums and related fees collected from policyholders, without cost to the nation’s taxpayers.

Until last fall, 2004 claims activity represented the most significant loss year in NFIP history, and the program exercised its borrowing authority in the amount of \$225 million to cover

these claims. This was only the fourth time since 1990 that the Program was in a borrowing position. Since Katrina, we’ve worked with Congress to increase the NFIP’s borrowing authority three times, to the present limit of \$20.8 billion. That’s 100 times the amount borrowed just a year ago to cover the 2004 claims.

Our Obligation

As I update Congress with operational information and myriad statistics, I’ve emphasized the following simple fact. Claims from NFIP policyholders whose homes and businesses have been damaged or destroyed are not a new obligation—they are the result of a legal promise.

Homeowners and businesses pay premiums, communities adopt building codes to mitigate future flood dangers, and the Federal government agrees to provide insurance coverage to policyholders after they suffer a loss. Every single NFIP claim represents someone who did the right thing by purchasing flood insurance. Every single claim represents a company and an agent who did the right thing by making sure their customer was protected with an NFIP policy.

We not only have a legal obligation to honor our commitments, but we have a moral obligation to provide the coverage the Federal government promised.

Map Modernization and ABFEs

If there is a silver lining around these daunting financial figures and issues, it’s that Capitol Hill knows more about the NFIP and flood insurance than they ever have. This includes the NFIP flood map modern-

ization initiative (Map Mod). In the aftermath of the 2005 hurricane season, we’re pushing forward with our 5-year, \$1 billion initiative to modernize our Flood Insurance Rate Maps (FIRMs). Halfway through the undertaking, we’re making course improvements with an adjusted focus that places greater emphasis on updating flood hazard data and verifying floodplain boundaries. This emphasis will result in more detailed flood maps for those parts of the country facing the greatest flood risk. As we make progress, we’ll also implement a new boundary standard that matches flood boundaries to the best available topographic information, ensuring that inaccuracies in floodplain boundaries are corrected before paper maps are digitized.

Related to our Map Mod initiative is our new Advisory Base Flood Elevation (ABFE) policy. Implemented for the first time following Katrina and Rita, our ABFEs provide an excellent example of what we’re doing to ensure that communities rebuild wisely. Hurricane Katrina reminded us that, while flood risks in areas outside the mapped floodplain are not as great, these areas can experience substantial losses. Rebuilding higher is often necessary. When ABFEs are provided to communities post disaster—and they won’t be developed after every event—FEMA now requires communities to use ABFE rebuilding guidance for all reconstruction activities that involve FEMA mitigation and public works grant programs. We’ve provided ABFEs to all the affected areas in Mississippi and Louisiana. There is simply no sense in spending tax dollars to rebuild to outdated standards only to have

similar damage when the next storm comes along.

Changing the Future

Let me conclude my presentation by sharing a rather lofty goal of mine, a goal I'd like you and our other flood insurance and mitigation partners to seriously consider joining me in reaching for. I want to see all homeowners, renters, and businesses located in the nation's Special Flood Hazard Areas (SFHAs) to be insured against flood, 100 percent.

In the wake of the last two hurricane seasons, it became apparent that people residing and working in floodplains don't have a clear understanding of the risks they face. This lack of awareness is reflected by the substantial number of Gulf Coast property owners who should have had flood insurance but didn't. We're estimating that only 50 percent of Hurricane Katrina and Rita flood victims were insured through the NFIP

Although the other 50 percent clearly faced significant flood risks, they, for whatever reasons, weren't covered, and many of them lost everything. The Gulf Coast region isn't unique in this regard. Unfortunately, this is the case across our great nation.

The current requirement that property owners with federally backed mortgages must have flood insurance has certainly increased the number of policyholders in the SFHA. But, property owners without mortgages, with other than federally backed mortgages, and—very important—renters aren't touched with this regulatory scheme. We simply have an obligation to do better.

We certainly have a foundation to work from: more than 20,100 NFIP communities and over 1,000 CRS communities are working daily to reduce their vulnerability to flooding. We have 88 Write Your Own insurance companies that understand the NFIP and have helped us operate effectively under extreme and difficult circumstances. Thousands of agents. Thousands of adjusters. We have banking and lending associations whose members work regularly with the mandatory purchase of flood insurance guidelines. We have the Association of State Floodplain Managers, the National Association of Flood and Stormwater



Management Agencies, and 50 State Insurance Commissioners.

The goal of insuring all SFHA homeowners, renters, and businesses is daunting, but that doesn't mean we shouldn't pursue it. Through teamwork and perseverance, a strong partnership should be able to design a comprehensive effort that will not only educate our at-risk population, but will provide them with reasonable flood insurance options that would be difficult to ignore. Hurricane Katrina

showed us all what can happen, and what will happen again.

The 2005 hurricane season presented us with substantial challenges that we'll be addressing for years to come.

In the midst of all the exposure and scrutiny, the challenges and opportunity, an important fact has become apparent to me: the NFIP works. Congress now clearly understands the NFIP and the fiscal issues that surround the Program, and we're working with Capitol Hill to make the NFIP stronger. We're modernizing our flood maps and providing Gulf Coast communities with the information they need to rebuild stronger and smarter.

However, it is time to go to the next level with our efforts to reduce the nation's vulnerability to floods. Let's focus our partnership's strengths on making sure that all homeowners, renters, and businesses located in the nation's floodplains have flood insurance. Let's start reaching for this goal now, with well-planned objectives, so that when the next Katrina strikes—or for that matter, when the next flooding event happens in any of the 20,100 participating communities—100-percent coverage in flooded high-risk areas will simply be a matter of course. [📄](#)

Now serving as Federal Insurance Administrator and Director of FEMA's Mitigation Division, David Maurstad was once Mayor of Beatrice, Nebraska, served as a Nebraska State Senator, and later held the office of Lieutenant Governor of Nebraska. He joined FEMA in 2001 as the Director of the Region VIII Office.

Re:Sources

Watermark seeks to serve its readers with as wide a variety of resources as possible. We remain dedicated to disseminating 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 all of our stakeholders can provide themselves, their clients, and their community members with the tools needed to better protect against flood losses.

We offer this information for reference but do not necessarily endorse any organization, product, or service. Unless otherwise noted, resources cited are free of charge. Website addresses may have changed since this edition of *Watermark* went to press.

Publications

Population Trends Along the Coastal United States: 1980-2008

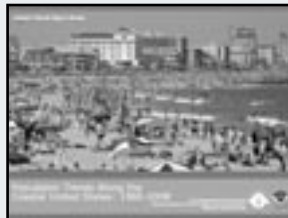
The narrow coastal fringe that makes up 17 percent of the nation's contiguous land area is home to more than half of its population. Although population increase and coastal development produce numerous economic benefits, they also may result in the loss of critical habitat, green space, and biodiversity. The risk of flood damage along the United States' coastlines is high.

This report, produced by the National Oceanic and Atmospheric Administration's (NOAA's) National Ocean Service presents an overview of coastal population trends from 1980 to 2003 and projected change in coastal population by 2008. It is designed to provide coastal resource managers and stakeholders with information to enhance coastal management decision making.

This report is available electronically by accessing it from the NOAA website (www.oceanservice.noaa.gov/programs/mb/pdfs/coastal_pop_trends_complete.pdf) or in hard copy (send request to Kristen.Crossett@noaa.gov).

Flood Cleanup: Safety and Salvaging

During times of melting-snow runoff and torrential rains, rivers and streams overflow their banks causing water to cover the surrounding area. Added to this already contaminated water are the remains of damaged and destroyed



homes, industries, automobiles, and waste material. The International Codes Council (ICC) has produced a brochure that addresses many of the problems of reentering a flooded area. Topics included in the brochure are: what to check before entering an area, infectious organisms and bacteria, tips for residential cleanup, and smart cleanup precautions. To order the brochure (available in packs of 25), visit the ICC website (www.iccsafe.org/dyn/prod/7309S.html).

The ICC, a membership association dedicated to building safety and fire prevention, develops the codes used to construct residential and commercial buildings, including homes and schools. Most U.S. cities, counties, and states that adopt codes choose those developed by the International Code Council.

Websites

www.ihrc.fiu.edu

The International Hurricane Research Center (IHRC) at Florida International University (FIU) is Florida's official hurricane research center for ten universities that comprise the state system. IHRC is also designated as the formal liaison for NOAA's Tropical Prediction Center and National Hurricane Center. The IHRC is an interdisciplinary research center focused on the mitigation of hurricane damage to people, the economy, and the built and natural environments.

Four laboratories make up the IHRC: Laboratory for Coastal Research, Laboratory for Social Science, Laboratory for Insurance, Financial, and Economic Research, and Laboratory for Wind Engineering. Links to each of these can be found on the IHRC's home page. In addition, the "All About Hurricanes" section of the website includes information on historical hurricanes and typical meteorology. It also offers an interactive geographic information system application, a Hurricane Hazard pamphlet, and a Get Ready Guide for the hurricane season.

www.nationalacademies.org/publications

The National Academies is made up of four organizations—the National Academy of Sciences, the National Academy of Engineering, the Institute of Medicine, and the National Research Council—that bring together committees of experts in all areas of scientific and technological endeavor to address critical national issues and give advice to the federal government and the public.

Go to the URL listed above and type "flood" in the search window. This page on the National Academies website contains links to numerous papers and reports about flood issues.

Just Around the Bend

More workshops will have been scheduled since publication of this issue. For updated workshop information, visit the NFIP website (www.fema.gov/business/nfip/wshops.shtm).

For information about NFIP events for agents, lenders, and other stakeholders, call the NFIP Bureau and Statistical Agent Regional Offices (listed on the next page).

STATE/EVENT	CITY	DATE	STATE/EVENT	CITY	DATE
ALASKA			MASSACHUSETTS		
Lender Workshop	Fairbanks	September 12	Agent Workshop	North Falmouth	September 6
Agent Workshop	Anchorage	September 13	Agent Workshop	Hyannis	September 7
Lender Workshop	Anchorage	September 14	Agent Workshop	Northampton	September 11
Agent and Lender Workshop	Ketchikan	September 15	Agent Workshop	Westport	September 19
CALIFORNIA			Agent Workshop	Sturbridge	September 22
Lender Workshop	Coronada	September 5	Agent Workshop	Wakefield	September 25
Lender Workshop	McClellan AFB	September 14	Agent Workshop	Randolph	September 26
Agent Workshop	San Jose	September 18	Agent Workshop	Tewksbury	September 27
COLORADO			Agent Workshop	Plymouth	October 4
Agent and Lender Workshop	Lakewood	September 26	Agent Workshop	Taunton	October 5
Agent and Lender Workshop	Lakewood	October 24	Agent Workshop	West Springfield	October 10
Agent and Lender Workshop	Lakewood	November 14	Agent Workshop	Pittsfield	October 12
CONNECTICUT			Agent Workshop	Hyannis	October 18
Agent Workshop	Wethersfield	October 3	Agent Workshop	North Falmouth	October 19
Agent Workshop	Norwalk	October 4	Agent Workshop	Sturbridge	October 31
Agent Workshop	Norwich	October 5	MICHIGAN		
DELAWARE			Lender Workshop	Livonia	September 7
Agent Workshop	Wilmington	November 30	MISSOURI		
FLORIDA			Agent and Lender Workshop	O'Fallon	October 3
Agent Workshop	Rockledge	September 12	Agent and Lender Workshop	St. Louis	October 4
Lender Workshop	Rockledge	September 13	Agent and Lender Workshop	Hillsboro	October 5
HAWAII			Agent and Lender Workshop	Warrenton	October 17
Agent and Lender Workshop	Honolulu	September 5	Agent and Lender Workshop	Troy	October 18
Agent and Lender Workshop	Hilo	September 7	Agent and Lender Workshop	Union	October 19
Agent and Lender Workshop	Kailua-Kona	September 8	NEW HAMPSHIRE		
Agent and Lender Workshop	Kahului	September 11	Lender Workshop	Concord	September 7
Agent and Lender Workshop	Lihue	September 12	NEW JERSEY		
INDIANA			Lender Workshop	Wayne	October 25
Agent Workshop	Scottsburg	October 17	OHIO		
Agent Workshop	Indianapolis	October 18	Lender Workshop	Cincinnati	September 14
Agent Workshop	Fort Wayne	October 19	Agent Workshop	Perrysburg	September 19
IOWA			Agent Workshop	Chillicothe	September 20
Real Estate Agent Workshop	Wichita	September 7	Agent Workshop	Miamisburg	September 21
Agent and Lender Workshop	Sioux City	September 12	PENNSYLVANIA		
Agent and Lender Workshop	Council Bluffs	September 13	Lender Workshop	Harrisburg	October 18
Agent and Lender Workshop	Des Moines	September 26	RHODE ISLAND		
Agent and Lender Workshop	Clear Lake	September 27	Agent Workshop	Warwick	August 23
Agent and Lender Workshop	Waterloo	September 28	Agent Workshop	Warwick	October 17
KANSAS			TEXAS		
Agent and Lender Workshop	Hutchinson	September 6	Agent Workshop	San Antonio	August 15
Agent and Lender Workshop	Hutchinson	September 7	VIRGINIA		
Agent and Lender Workshop	Wichita	September 7	Agent Workshop	Norfolk	October 9
Agent Workshop	Shawnee Mission	September 26	Agent Workshop	Richmond	October 10
KENTUCKY			Agent Workshop	Roanoke	October 11
Agent Workshop	Covington	September 7	Agent Workshop	Richmond	October 12
MARYLAND			Agent Workshop	Manassas	October 13
Agent Workshop	Glen Burnie	September 27	Agent Workshop	Norfolk	December 13
Agent Workshop	Glen Burnie	September 28	WASHINGTON		
Agent Workshop	Ocean City	September 29	Agent Workshop	Spokane	September 30
			Agent Workshop	Bellevue	October 6
			WISCONSIN		
			Agent Workshop	Fond du Lac	October 3
			Agent Workshop	Wisconsin Dells	October 4
			Agent Workshop	Milwaukee	October 5

National Flood Insurance Program

www.fema.gov/business/nfip

NFIP Telephone Numbers

Number	Service
800-638-6620	Direct Business
800-720-1093	Agent Information
800-427-4661	General Information
800-611-6125	Lender Information
800-427-5593	TDD
877-336-2627	FEMA Map Assistance Center (Information about flood hazard maps and map changes)
800-358-9616	FEMA Map Service Center (Order flood maps and FIS studies, <i>Flood Insurance Manual</i> , and <i>Community Status Book</i>)
800-480-2520 301-497-6378 FAX	FEMA Distribution Center (Order free NFIP forms and public awareness materials)

Regional Office Telephone Numbers

Region	FEMA	NFIP Bureau & Statistical Agent
Region I CT, MA, ME, NH, RI, VT	617-956-7501	781-848-1908
Region II NJ, NY Caribbean Office-PR,VI	212-680-3600 787-729-7624 ¹	856-489-4003 ² 281-829-6880 ³
Region III DC, DE, MD, PA, VA, WV	215-931-5608	856-489-4003
Region IV AL, GA, KY, MS, NC, SC, TN FL	770-220-5200 770-220-5400 ⁴	770-887-6865 813-779-9642 ⁵
Region V IL, IN, MI, MN, OH, WI	312-408-5500	708-326-3072
Region VI AR, LA, NM, OK, TX	940-898-5399	281-829-6880
Region VII IA, KS, MO, NE	816-283-7061	785-242-1097
Region VIII CO, MT, ND, SD, UT, WY	303-235-4800	303-275-3475
Region IX AZ, CA, GU, HI, NV	510-627-7100	916-780-7889
Region X AK, ID, OR, WA	425-487-4600	425-482-0316

¹ FEMA contact number for Puerto Rico and Virgin Islands

² B&SA contact number for Regions II and III

³ B&SA contact number for Puerto Rico and Virgin Islands

⁴ FEMA contact number for Florida

⁵ B&SA contact number for Florida

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