NFIP IT Services: The Next Generation of NFIP Technology

EDG Meeting 11 | July 2008

NextGen Project Overview & Status

NFIP IT Services

Agenda
Welcome
NextGen Overview/Intro
New NFIP Bureau
NFIP IT Services Status
Change Management
Q&A

FEMA

ezClaims F2M FREE Data warehouse SQANet LOCATION VALIDATION TRRP DAILY CYCLE AW-501 &RL MAINTENANCE webportal

FEMA NFIP NextGen Project Objective

- Information Technology (IT) effort to modernize the government's NFIP **systems, business activities and processes** with current and industry-proven technologies

- Offer secure and flexible business options to NFIP Stakeholders

- Providing FEMA the means to effectively monitor, oversee and lead the NFIP while supporting insurance and mitigation efforts

The NextGen Project is the Flood Insurance IT Modernization Effort

NextGen Core Principles

- All requirements must be business driven
  - Value-add to multiple stakeholders (Bureau, FEMA, WYO Companies, Independent Adjuster, Mitigation, etc.)
  - Define and improve the business process first
  - **Processes don't change as fast as technology**

- *NextGen technology is enabling incremental process improvements.*

Change Management for ALL users (FEMA, Bureau, Adjusters, WYO Co.)

NextGen Project

- 5-Year Effort to Modernize NFIP Systems
  - Year 1: Joint Working Groups and WYO Co Awareness Program
  - Year 2: Cataloging and Requirement Gathering of 110 "Bureau Systems" (TRRP/LAN Systems), Web Portal Pilot Program, and proof of concepts
  - Year 3: SQANet, AW501 and FREE Pilot Programs
  - Year 4: TRRP Testing, ezClaims Pilot Program, Executive Decision Group (EDG), and WYO Co Awareness Program
  - Year 5: Transition Process into Production
  - Now NFIP IT Services

The NextGen Project relied on support and commitment from all NFIP Stakeholders.

New NFIP Bureau

- ## NFIP IT Services (aka NextGen)

  1) Develop and Maintain TRRP Cycle Operations and Maintenance (TRRP)
  2) NextGen Application Development (e.g., FREE)
  3) Generate and Disseminate NFIP Reports and Data Files
  4) Full Production/Operations of NextGen Applications
  5) Service Desk for NFIP IT and Applications
  6) Support FEMA

- ## NFIP Services

  1) Support WYO companies with TRRP Requirements and Results
  2) Review & Validate Inputs into NextGen applications (e.g., SFR Policies Risk Characteristics in FREE)
  3) NFIP Services (Underwriting, Claims, WYO Co Support, Financials, etc.)
  4) Users of NextGen Applications
  5) Support FEMA

FEMA is still determining how the 4 new Bureau contracts will work together.

Year 5: Transition Process into Production

- ## NFIP Data

  - Validate Oracle Relational Data Warehouse Design that support Legacy Mainframe and LAN Systems Data

  - Extract, Load and Transform Mainframe and LAN NFIP Data (~ 1 Terabyte)

  - Pilot all NextGen applications with Pilot groups and Bureau

  - Awareness for all users

  - Change Management with WYO companies or their vendors

Goal is to have a smooth transition into the new Bureau NextGen IT Environment

Production Month 1 (June)

- Very Tight Schedule

- TRRP Cycle, Reports and Files
  - Bureau March TRRP Cycle (March Data | April 21-May 15)
  - Extract Baseline Data Set (up through May 15 Mainframe and June 1 for LAN systems) – May 15-May 25
  - Data QC – May 26-29
  - Load and Transform Mainframe and LAN NFIP Data (1 Terabyte) May 29 – June 12
  - NextGen April TRRP Cycle – June 13-15
  - Refresh Materialized Views & Scheduling FTP Reports/Files – June 15
  - FTP Reports/Files QC – June 16+

Production Month 1 (June) – continued

- Applications
  - FREE - full production/required
  - F2M - full production/required
  - Location Validation - full production
  - ezClaims - full production
    - ezClaims Adjuster Admin: Entry of All Claims Presentation Workshop Attendees (5000+)
    - ezClaims Adjuster Console/PDA: Approval of Adjusters
    - ezClaims Re-Inspections: Ready to go
    - ezClaims Disaster Info: Entry of Mid West Flooding FICOs
  - Admin Console: In production
  - SQANet: FEMA, States and Bureau
  - AW501&RL Maintenance: Production Release 1
  - Web Portal – full production

Production Month 2 (July)

- ## TRRP Cycle, Reports and Files
  - Weekly Calls with WYO Companies/Vendors
  - NextGen May TRRP Cycle – June 25-26
  - QC May TRRP Cycle – June 27-28
  - Refresh Materialized Views & Schedule FTP Reports/Files – June 29
  - QC Reports/Files – June 30+
    - Known Historical and Fix-its Data Issue (this does NOT affect current TRRP Cycle results)
  - ezClaims: full production
    - ezClaims Adjuster Console/PDA: Approval of Adjusters; over 225 PDA Submissions; 5 Training Sessions
    - ezClaims Re-Inspections
  - SQANet: WYO Co and Vendors
  - AW501&RL Maintenance: Production Release 2
  - FREE: full production/Bureau processing submissions
  - F2M: full production/Bureau processing submissions
  - Floodplain Management Inspection (Monroe): Kickoff with Locals

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Production Month 3/4 (August/Sept)

- WYO Co and Vendors
  - Validate TRRP Files and Reports
  - Conduct Daily TRRP Testing
  - Establish Access Control Baseline
  - Complete Encryption Testing for Reports/Files – if not completed yet
  - Start Really Using NextGen Applications
  - Complete ISA/MOU
  - Attend NextGen Applications Webinars
- Establish NFIP IT Service Desk (August)
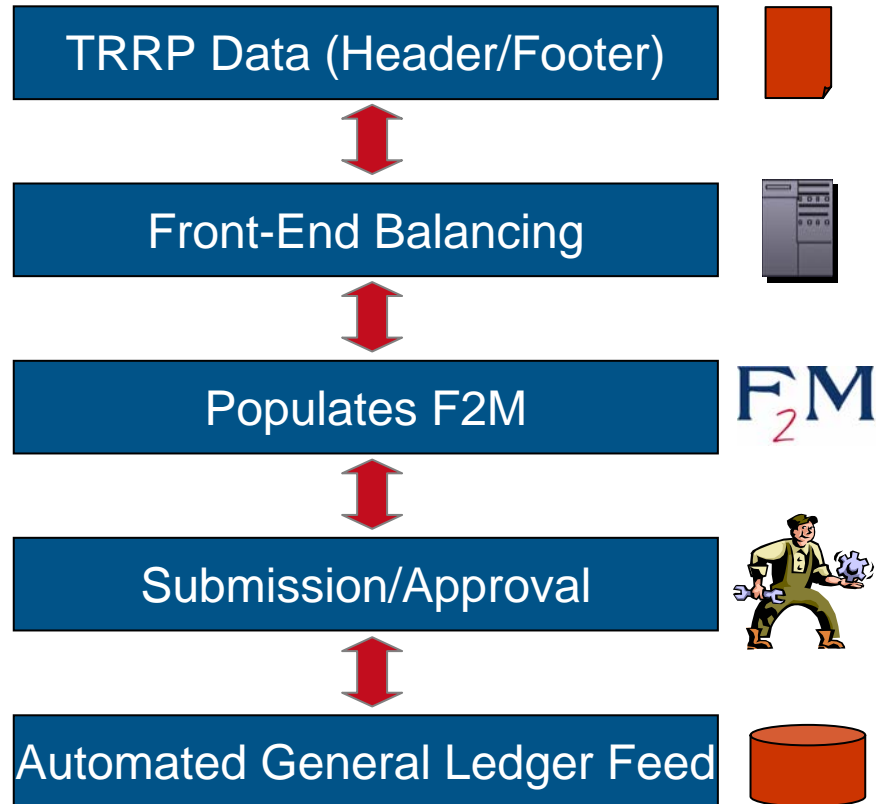
Production Month 5 (October)

- Daily TRRP
  - September Submissions: First week of October
  - October First Week TRRP
  - First Daily Cycle: October 1

Financial Management

- Developed F2M 1.0
  - Complex Java Application with over 400 data elements
    - File Upload (Supporting Domination, Spreadsheet)
    - Auditing and Tracking Functionality
    - Workflow
  - Developed Over 40 Bureau Financial Reports
  - Access to All WYO Co and/or their Flood Vendors
  - QuickStart
- Successes
  - Pilot Program Jan-March 2008
  - Starting with April Submission: working with NFIP Bureau and WYO companies during transition

The Financial JWG recommends 1) NextGen pursue processes and technologies that fully support electronic financial reporting that are flexible and widely adaptable by WYO companies and vendors; and 2) Improve exhibit tracking and monitoring to ensure timely submissions from all WYO companies.

Financial Management Lifecycle

TRRP Data (Header/Footer)

⬍

Front-End Balancing

⬍

Populates F2M

⬍

Submission/Approval

⬍

Automated General Ledger Feed

Financial Management is truly integrated within the financial management lifecycle.

TRRP Cycle

- Developed TRRP Cycle 1.0
  - Complex Application
  - Automated Transmittal File via Header/Footer
  - Automated Front-End Reconciliation
  - Parallel Program Late 2007 and Early 2008

- Production Challenges
  - Encryptions
  - Header, Reconciliation and Footer
  - Naming Conventions
  - Reject Control Numbers Generated in April by Legacy System Used in New System
  - Unknown Errors to Run Through Fix-its

IT JWG: Improve TRRP reporting cycles and response time to WYO companies. Goal is to increase data integrity, timeliness and accuracy of the data.

TRRP Cycle

- Production Error Trends
  - Differences in Both System
    - Stricter/Loose Rules in both systems due to implementation, understanding and enforcement of logic (Edit Spec Doc)

PI010010	NAME (DESCRIPTIVE INFORMATION FOR STREET ADDRESS) MUST BE ALPHABETIC AND A VALID CODE.
PI015010	TAXPAY OR IDENTIFICATION NUMBER IS NOT NUMERIC AND/OR IS INVALID
PL004150	POLICY DOES NOT HAVE A CURRENT MAILING ADDRESS ON FILE.
PL011130	PROPERTY ADDRESS 1 AND 2 ARE NOT VALID FOR PROPERTY ZIPCODE.
PL011140	HOUSE/BOX NUMBER NOT VALID FOR PROPERTY STREET ADDRESS.
PL032030	OBSTRUCTION TYPE DOES NOT CORRESPOND WITH THE ELEVATED BUILDING INDICATOR.
PL169010	SECOND LENDER LOAN NUMBER IS REQUIRED.
PL177020	ADDITIONAL BUILDING RATE SUBMITTED BY WYO COMPANY DOES NOT EQUAL THE NFIP CALCULATED ADDITIONAL BUILDING RATE.
PL181020	DEDUCTIBLE PERCENTAGE SUBMITTED BY WYO COMPANY DOES NOT EQUAL THE NFIP CALCULATED DEDUCTIBLE PERCENTAGE.
PL182020	ICC PREMIUM SUBMITTED BY WYO COMPANY DOES NOT EQUAL THE NFIP CALCULATED ICC PREMIUM.
PR004040	THE POLICY NUMBER SUBMITTED WITH THIS TRANSACTION COULD NOT BE FOUND ON FILE.
PR006030	OLD POLICY NUMBER MUST BE ON FILE.
PR006040	THE POLICY MUST BE ACTIVE TO CHANGE THE POLICY NUMBER.
PR011180	MAILING ADDRESS IS INSUFFICIENT.

IT JWG: Improve TRRP reporting cycles and response time to WYO companies. Goal is to increase data integrity, timeliness and accuracy of the data.

Errors in Detail

- **ERROR CODE: PR011180**
- INFORMATION IS MISSING ON THE MAILING ADDRESS (12A) TRANSACTION FOR ANY OF THE FOLLOWING DATA ELEMENTS: 1. MAILING ADDRESS LINES 1 AND 2. MAILING CITY 3. MAILING STAT
- Resolution: 1) Long term: Create Guidance for foreign country addresses 2) Short term: Fill out state code as ZZ. Claims Handbooks and Prior Loss History will not be send until complete address is submitted.

- **ERROR CODE: PI015010**
- IF THE ORIGINAL NEW BUSINESS DATE IS PRIOR TO 5/1/2006, THE TAXPAYOR IDENTIFICATION NUMBER IS OPTIONAL. IF THE ORIGINAL NEW BUSINESS DATE IS ON OR AFTER 5/1/2006 AND THE 'COVERAGE REQUIRED FOR DISASTER ASSISTANCE' IS REPORTED WITH 1, 2, 3, 4, OR 5, THE TAXPAYOR IDENTIFICATION NUMBER MUST BE REPORTED AND CANNOT BE ZEROS. IF THE ORIGINAL NEW BUSINESS DATE IS ON OR AFTER 5/1/2006 AND THE 'COVERAGE REQUIRED FOR DISASTER ASSISTANCE' IS REPORTED WITH ZERO, THE TAXPAYOR IDENTIFICATION NUMBER IS OPTIONAL.
- Resolution: Fix

- **Errors: PL162020 (also PL164010, PL165020)**
- FIRST LENDER CITY IS REQUIRED ON A 99A TRANSACTION.
- Resolution: On 99A transactions (Lender Transaction), the First Lender City/State/Address/Zip Code are all required fields. If they are not reported, the following errors should be raised (according to the Edits spec): PL162020, PL164010, PL165020 and etc. Some companies have reported '*' asterisks in order to fulfill the *required condition* for these fields; however, according to the overall functionality used for asterisks on TRRP transactions, the asterisk should indicate that the column being reported is to be nullified. As a result, NextGen raised the error – since by nullifying the field, this meant – in our interpretation of the text - that the field is not being reported. The Bureau did not raise these errors, even thou there is nothing stated on the Edits specs that says that this condition should be bypassed for these particular fields.

FTP Reports/Files

- Production Reports
  - Challenges
    - Incomplete Historical Error Data (reports/files)
    - QC Took Longer than Expected for File Layouts Verifications and Report Troubleshooting
    - Bug Fixing

- TRRP Error, FTP Files and Reports Change Management
  - Starting with April Submission: Working with WYO Companies During Transition
  - Weekly Conference Call with Vendors and WYO Co.
  - Address Issues One at a Time

We are working with each company to determine what is the best course of action for their errors and long-term solution.

Claims Management

- Developed ezClaims 1.0
    - ezClaims Re-inspections
        - Complex Java Application, Web-based
        - FTP File Upload (Claims File, Photos)
        - Workflow (Assign, Create, Review, Approve)
        - Truly Random Generation Based on Binomial Table
        - Pilot Program in fall 2007
    - ezClaims Adjuster Console/PDA
        - Web-based Java Application
        - PDA Upfront Edits; Auto PDA Form Creation
        - On Demand FCN Card Printing
        - Web-based Adjuster Toolkit
        - Create Accountability
    - ezClaims Adjuster Admin
        - Web-based FCN Application and Data Management
    - ezClaims Disaster Info
        - Web-based FICO Application
        - Auto FICO Bulletin Generation

The Claims JWG recommends 1) Web-based Adjuster Toolkit; and 2) Improve adjuster tracking and monitoring; and 3) single claims database to feed all claims needs.

Claims Management

- Successes
  - ezClaims Re-inspections - Pilot Program 2007
    - First Random Generation – This week
  - ezClaims Adjuster Console/PDA
    - Over 1,900 Adjusters with Accounts
    - 425+ PDAs since July 1, 2008
    - 16 Adjuster Webinars Training Classes
  - ezClaims Adjuster Admin
    - Inserted all Claims Presentation Attendees
  - ezClaims Disaster Info
    - New FICO Entered

ezClaims Adjuster Console is a one-stop shop for flood adjusters!

Underwriting

- Developed FREE 1.0
  - Complex Java Web-Based Application (about 10,000 rules)
  - File Upload (Supporting Domination, Photos, etc.)
  - Auditing and Tracking Functionality
  - Workflow and Accountability
  - Developed Over 40 Bureau Financial Reports
  - Access to All WYO Co and/or their Flood Vendors
  - QuickStart
  - TRRP Rating Backend Engine

- Successes
  - Over 8,000 FREE submissions since June 1, 2008
  - About 400 FREE users
  - Conducted over 15-FREE Webinar Classes

FREE workflow, tracking and monitoring of all underwriting submissions.

Reporting

- Right data to the right people at the right time within a secure environment

- Increase access and distribution of mitigation and NFIP data with web-based reports and lookups with current data (SQANet)

- Increase data integrity, timeliness and accuracy of the data

SQANet is being rolled out based on access control spreadsheets.

Government-Owned Infrastructure

- FEMA.gov FTP Site
  - Encrypted Data Transmissions
- TRRP Test Bed
  - Testing Daily TRRP
- Centralize NFIP Data Warehouse to Serve all NFIP Needs
- DHS FEMA and Industry Standards

Bureau Internal Change Management

- Weekly Calls (NFIP IT/Services)
- LiveMeeting Trainings/Conference Calls (NFIP IT/Services)
  - Claims, Financials and Underwriting
- Defined Roles, Responsibilities and Expectations (FEMA)
- Change Control Board (FEMA)
- Project Management Office (PMO)(FEMA)

Processes don't change as fast as technology!

Change Management with WYO Co/Vendors

Flood Insurance Business will be heavy-based on User-Friendly Internet Technologies!

- Self Service Reports
- Self Service User Accounts
  - Register, Reset Password and Maintain Accounts Online
  - Enforce DHS Guidelines
- Tighter Security (Enforce Standard Encryption)
- NFIP Bureau
  - NFIP Service Desktop Procedures have *changed*
  - *Separate Contracts – How will everything work together?*

Processes don't change as fast as technology!

Summary

- Successful IT Project
- Implementation Change Management
- Increase Communication
- Applications
  - Production Release 1
  - Production Release 2
    - Resolve Issues
    - Add Functionality

We are working with all stakeholders to ensure success!