·:EDG

NextGen Executive Decision Group (EDG)
Kickoff Meeting | March 23, 2006 | 9 am – 12:30 pm ET
<u>Summary Meeting Minutes</u>

FEMA Attendees
Ed Pasterick
Laurie Michie
Bonnie Shepard
Kevin Montgomery

Advisors
Tim Scoville, Bureau
Cynthia DiVincenti, Industry
Jack DeCicco, Industry
Jim Sadler, Industry
Patty Templeton-Jones, Industry
Corise Morrison, Industry
Jack Way, NextGen
Amy Fester, NextGen
Fabio Mendonca, NextGen (support NextGen)
Tom Herndon, Bureau (support Tim Scoville)

Ed Pasterick opened up the meeting by explaining the intent of the Executive Decision Group (EDG) and FEMA's expectations for how the group will operate. Essentially, he reiterated NextGen's need for FEMA's support. Ed Pasterick encouraged everyone to bring up all concerns and issues in this forum. Now is the time to raise concerns so that they can be addressed before any of the planned changes occur.

Ed Pasterick handed over the meeting to Jack Way who presented the slides distributed via the EDG information page (http://nfipnextgen.com/EDG/EDG.html). All EDG members and advisors successfully accessed the site and downloaded the slides for the meeting.

Jack Way provided further background and foundation for the EDG's mission and the specific purpose of the Kickoff meeting. The presentation focused on providing EDG members and advisors detailed information regarding NextGen's status and remaining phases. Additional introductory slides covered ground rules, mission, goals, and the EDG schedule.

During the initial discussions in relation to the committee's membership, some advisors expressed concern that there were not vendors included in the advisory board. Jack Way and Amy Fester informed the group that during visits to vendors who had invited the FEMA NextGen team to provide a presentation, the team had received positive feedback. NFIP Vendors are generally in favor and understand NextGen's plans and activities. EDG Advisors were reminded that they are encouraged to invite others who may want to attend EDG meetings that could provide insight or details that the group may need to consider as it makes decisions. The schedule in the informational packet and subsequent mailings will inform Advisors which meetings will be most important for vendors or technical personnel to attend. The group

reiterated the need for future meeting agenda's and read-ahead packets to be available at least 10-days prior. The yearlong schedule (dates and topics) will be posted before the next meeting, which will help EDG members plan for needed support.

EDG encourages members to invite appropriate FEMA, WYO company, or vendor persons to support scheduled EDG topics.

With regards to the EDG meetings schedule, the group agreed that meetings should be tied to NFIP events as much as possible. Meetings will take place at this year's NFC in Philadelphia and at the remaining IBHS quarterly meetings held in Crystal City, Virginia. The EDG meetings scheduled with IBHS will take place on Tuesday afternoons following the general session.

Following EDG introductory slides, Jack Way transitioned to an in-depth presentation of the NextGen project. The group acknowledged that technology is a force for change. Ed Pasterick confirmed that NextGen technology will change some existing processes although the core business process will not change, the inputs and outputs will be the same. Essentially the means to complete various NFIP activities will be changed and the technology is what will continue to incrementally change over time.

Jack Way provided the group with a detailed review of the NextGen Architectural diagram on slide 13. At this point he reminded the Group that the intent of the architecture is to provide consistent validations, "What happens online happens in the TRRP." We listed NextGen's Core Application Components, Support Application Components and Infrastructure Components. He highlighted some of the importance for WYO companies to be aware of support and infrastructure components. For example, all TRRP files will require encryption. FEMA will provide the necessary certificate support for encryption, but companies and vendors should be aware this process will be in place. Some companies already use encryption for submitting TRRP data, so that should not be a big challenge and not something the EDG needs to focus upon. Ed Pasterick directed the Group to focus primarily on the Core Applications; these represent the greatest changes for the program, especially the Daily TRRP. Jack DiCicco concurred that the primary benefit will be real-time data exchanges with the Bureau, and he confirmed that all companies will have to migrate to the Statistical Daily TRRP. Monthly financial reporting will continue with relatively the same cycle, however, the Group will decide on how and when the financial snapshots will be implemented.

Jack Way returned to the presentation pointing out that Web-based applications are great because the increase accessibility, but they also increase the importance of access control and security measures. Overall the optional a la carte services should add value to the WYO companies' processes. These Core Applications need to increase data accuracy and facilitate processes or they are not functioning properly. SQANet represents the longest running NextGen pilot program providing parallel reporting to BureauNet and Data Exchange. Ed Pasterick identified some of the points the Group will have to review when it comes to reporting including:
- Sharing of data (data elements)
- Who gets what?
- Oversight (on the hill)
- Do the reports work as intended

The Group went on to discuss how reports are broken out along business lines and how will parameter-driven reports be developed. Fabio Mendonca indicated that the underlying data marts will further facilitate reporting to support better performance. Amy Fester was tasked with providing the group with a percentage of SQANet Reports coverage of BureauNet reports. Essentially, SQANet provides all of the same capabilities that BureauNet provides such as policy lookups, it's main differences now are in the dashboards that facilitate locating desired reports and increased access to FEMA Regional Personnel, NFIP State Coordinators, and State Hazard Mitigation Officers (SHMOs).

Jack DeCicco raised the issue with providing state personnel access to NFIP data. Jack Way provided the Group an overview of the Privacy Act acknowledgement process that requires any SQANet user to agree to Privacy Act language before accessing any report. Additionally, SQANet provides the means for users to print out FEMA standard Privacy Act guidance to attach to any document that may contain sensitive data.

The Group moved on to discuss Location Validation components that are currently accessible at NFIPNextGen.com without a user name or password. Location Validation utilizes the same postal data to validate mailing addresses and should reduce NFIP errors by cleansing address data, automatically adding geo-codes and verifying a structure's existence. Additionally, Location Validation is currently available for batch processing, and with the new infrastructure it will be available as a Web service. One of the critical functions for Location Validation will be to work in concert with the NextGen Data Warehouse to establish a property site repository that will essentially track all NFIP structures. Location Validation will work with the Data Warehouse to ensure data is linked to individual structures and their locations. Additionally, historical data will be cleansed over the long term as more data comes in. The Group was reminded that data cleansing is an iterative and long-term process that will provide long-term returns, improving program data and processes.

Try out Location Validation – go to http://nfipnextgen.com/NGLocation/address.do

Jack Way provided detail on the FREE (Flood Rating Engine Environment) and one of the first questions raised regarded the renewal process. The intent of the batch renewal process is for the companies to have the opportunity identify and correct errors before the renewal is sent to the policyholder. FREE's required baseline rates begin from May 2004 and currently, the FREE has manages over 2,000 rules through the October 2005 changes. FREE provides the ability to respond more quickly to rate changes, and depending on the extent of the changes, FREE will not require any additional lead time for development than is already provided under today's change processes. For FREE Renewals Quotes to be sent out to WYO companies 120-days before the expiration date, then FEMA underwriters need to submit rule changes in a timely manner for development.

The presentation went on to discuss EZClaims, NG Forms and Flood Financial Management (F2M). The Group will need to decide aspects related to standardizing status terms as they pertain to claims and other processes. Additionally, the Group will need to provide guidance on the timeframe for a financial snapshot as it will be submitted to the Bureau via F2M. These topics will be discussed in further depth in future meetings.

The initial impression was that the NextGen systems required additional manual entry by WYO company personnel. The Group discussed the fact that the amount of manual entry performed was up to the companies. When NextGen Web Services become available later in 2006 and in 2007, companies will have the ability to utilize the FREE as if they were entering data directly into their own systems. NFIP NextGen Web Services will provide the tools WYO companies and vendors need to more accurately meet FEMA NFIP rules. Before then companies have the opportunity to selectively enter data online to receive validations in real time, or they can participate in batch processes that will provide validation of large amounts of data within a 24-hour cycle. Overall, companies will not have to enter any more data than they already perform in the status quo.

Manual data entry is just one way to submit data into the NextGen system. It is the first development phase for our pilot programs. The goal is to utilize web-services and batch transitions for all TRRP cycle transactions. WYO companies will not have to enter or re key data into the system one policy at a time.

The last detailed discussion focused on the planned Daily TRRP. NextGen team members informed the group of how errors, rejects and archiving could be handled in the new TRRP. Some data that is currently accepted and stored on the mainframe is no longer acceptable given NextGen's requirements to improve data quality and maintain NFIP data integrity. For example, companies may currently provide dates related to TRRP records that might read 'yz/56/a977.' The record is loaded into the mainframe and an error is assigned to the responsible WYO Company. The NextGen team recommends that FEMA no longer accept data provided in this manner or data that violates other long established TRRP guidelines, such as submitting alpha characters (a-z) when numeric values are expected. FEMA relies on NFIP data to be legible for accurate reporting and analysis of the program. Data integrity relates to its reliability and knowing who and where the data originated. One of the important Group decisions will be on how data will be accepted and rejected for daily TRRP cycles.

The meeting concluded with a tentative schedule for the next meeting and some clarifications. The Group was asked to minimize jargon and acronyms to ensure clarity among all members. The Group was also assured that packets would be distributed well in advance of meetings.

Next Steps
Next Meeting – at the NFC

Action Items
1. SQANet report count – NextGen
2. Resend out industry user accounts for SQANet – NextGen
3. Post minutes – NextGen
4. Post out read-ahead packet – NextGen
5. Post EDG Schedule for the year – NextGen/Ed Pasterick