

NFIP NextGen Project

EDG Meeting Number 4 – NextGen Flood Financial Management

October 17, 2006 from 1 PM to 4 PM | Crystal City, VA (IBHS Meeting Room)

Conference Call - 1.800.320.4330 (863992#)



NextGen

Flood Financial Management (F2M) is a NextGen A La Carte application for WYO companies, the NFIP Servicing Agent, and vendors to submit their monthly financial data and track processing status. F2M will also provide relevant statistical reports to all stakeholders. NFIP Bureau and FEMA will be able to report, monitor and track statistical and financial data.



FEMA

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Welcome & Introduction

- **EDG Mission**
 - Make informed decisions and direct optimal course for NextGen's final development and production phases
 - Maintain focus on technologically relevant procedures and operations, tabling items related to legislative and some programmatic areas
- **Meeting Purpose**
 - Introduce the topic and first set of decision points
 - Discuss decision options
 - Explore technical impacts, options and timing
 - Determine decision paths for resolution



EDG Financial Management Meeting

Agenda

- Introduction, Welcome & Meeting Purpose
- NextGen Financial Management Topics
 - As-Is WYO Company Financial Management Reporting Process Review
 - As-Is Bureau Financial Management Process Review
 - NextGen Flood Financial Management (F2M) Process
 - NextGen F2M Core Application
- Discuss Specific Business and Technological Changes
- NextGen Impact on WYO Company and Their Vendors Discussion
- Next Steps
- Next Meeting Date
- Adjourn



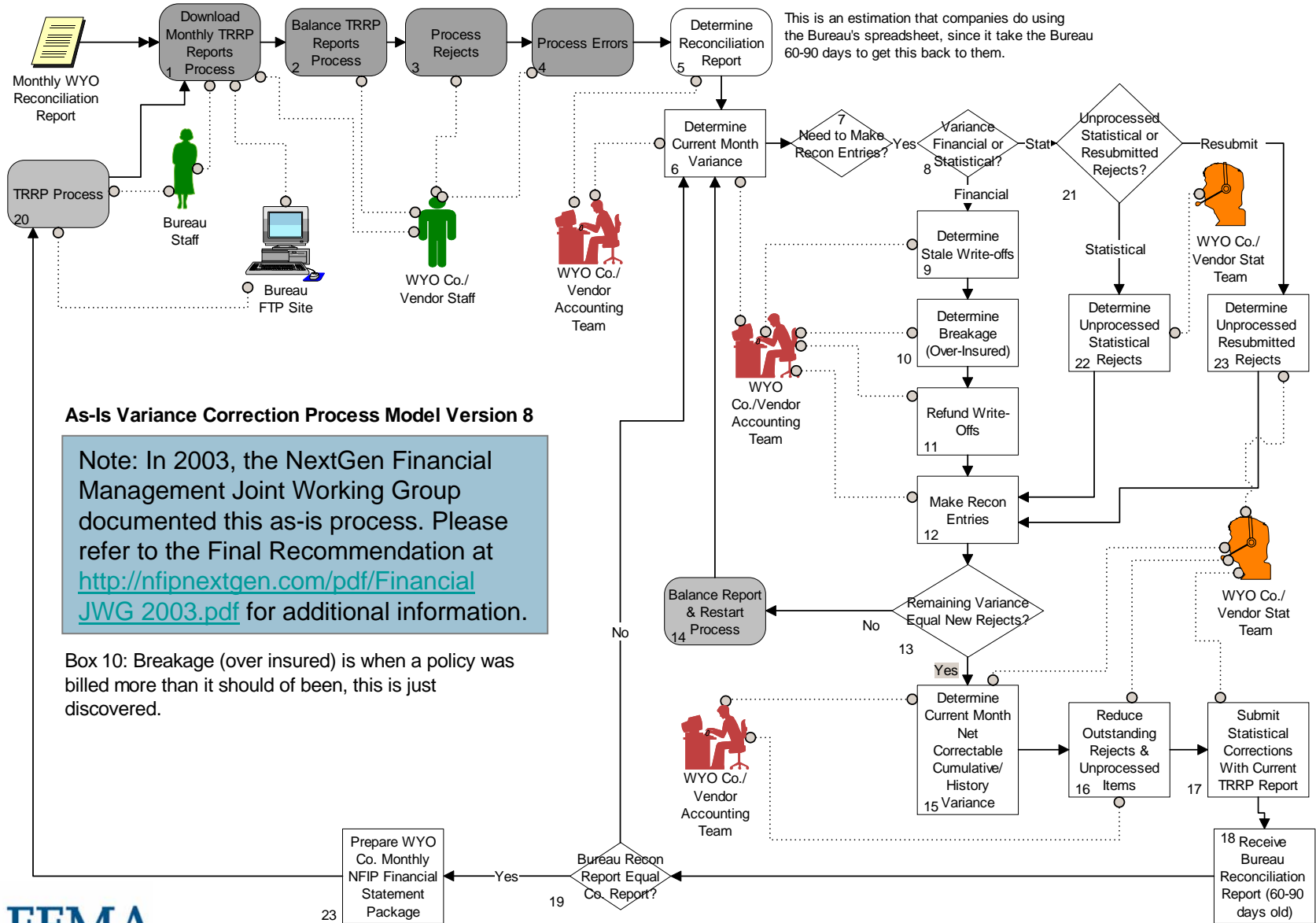
NextGen Development Target Areas

- The NextGen team identified the following line of business process and target areas to modernize the WYO company monthly financial reporting submission and NFIP Bureau's Financial workflow and systems.
- WYO company monthly financial reporting submission (*Defined by the NextGen Financial Management Joint Working Group*) (see following slides)
 - As-Is WYO Co. Financial Reporting & Variance Correction Process
 - To-Be WYO Co. Financial Reporting & Variance Correction Process
- NFIP Bureau's Financial workflow and systems As-Is Bureau Financial Management Process (see following slides)
 - As-Is Bureau Financial Process and Target Areas
 - To-Be Bureau Financial Systems

Note: For additional background information, please refer to the 2003 NextGen Financial Management Joint Working Group Final Recommendation Document (http://nfipnextgen.com/pdf/Financial_JWG_2003.pdf.)



As-Is WYO Co. Financial Reporting & Variance Correction Process



This is an estimation that companies do using the Bureau's spreadsheet, since it take the Bureau 60-90 days to get this back to them.

As-Is Variance Correction Process Model Version 8

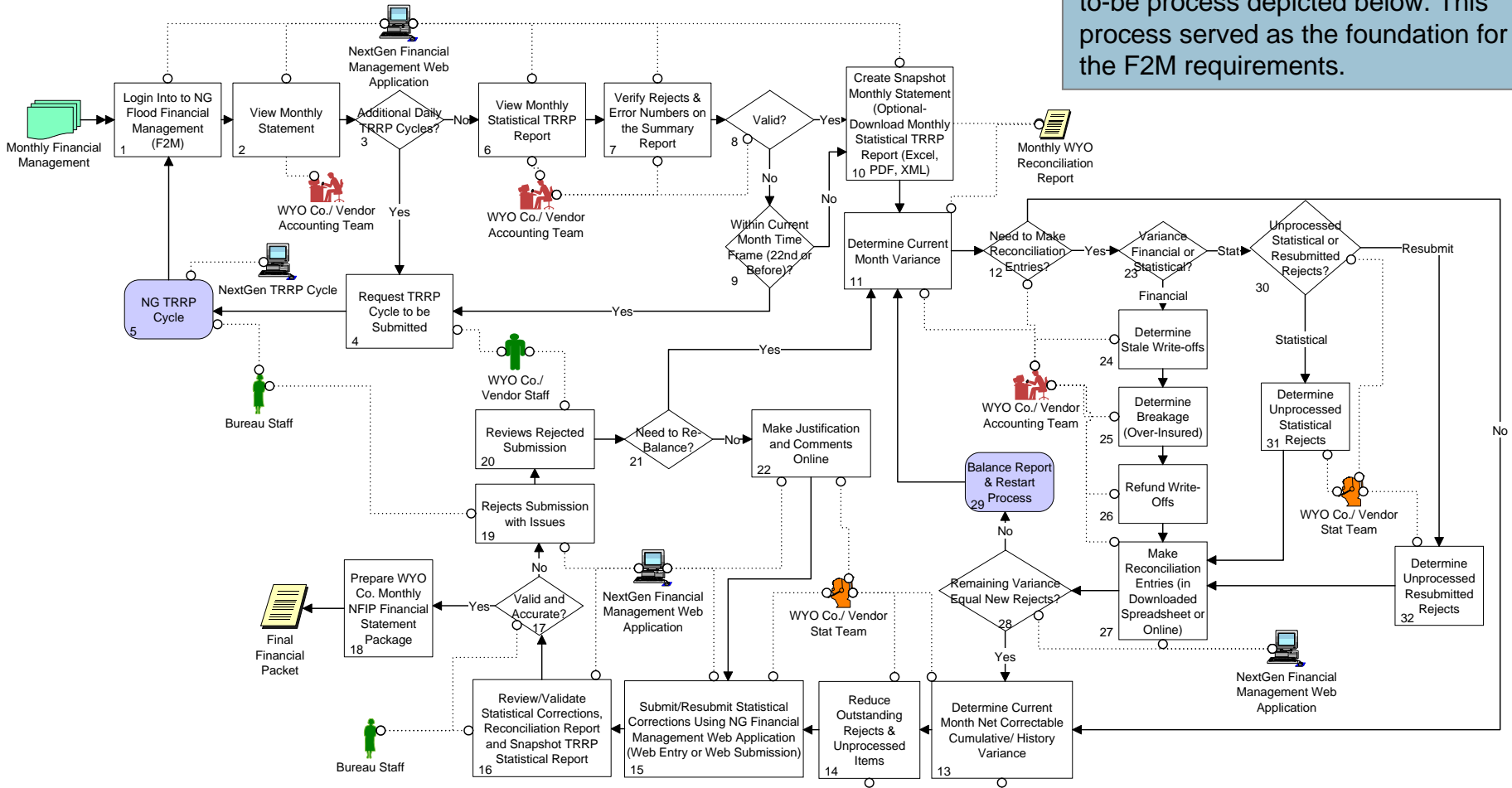
Note: In 2003, the NextGen Financial Management Joint Working Group documented this as-is process. Please refer to the Final Recommendation at http://nfipnextgen.com/pdf/Financial_JWG_2003.pdf for additional information.

Box 10: Breakage (over insured) is when a policy was billed more than it should of been, this is just discovered.



To-Be WYO Co. Financial Reporting & Variance Correction Process

Note: In 2003, the NextGen Joint Working Groups recommended the to-be process depicted below. This process served as the foundation for the F2M requirements.

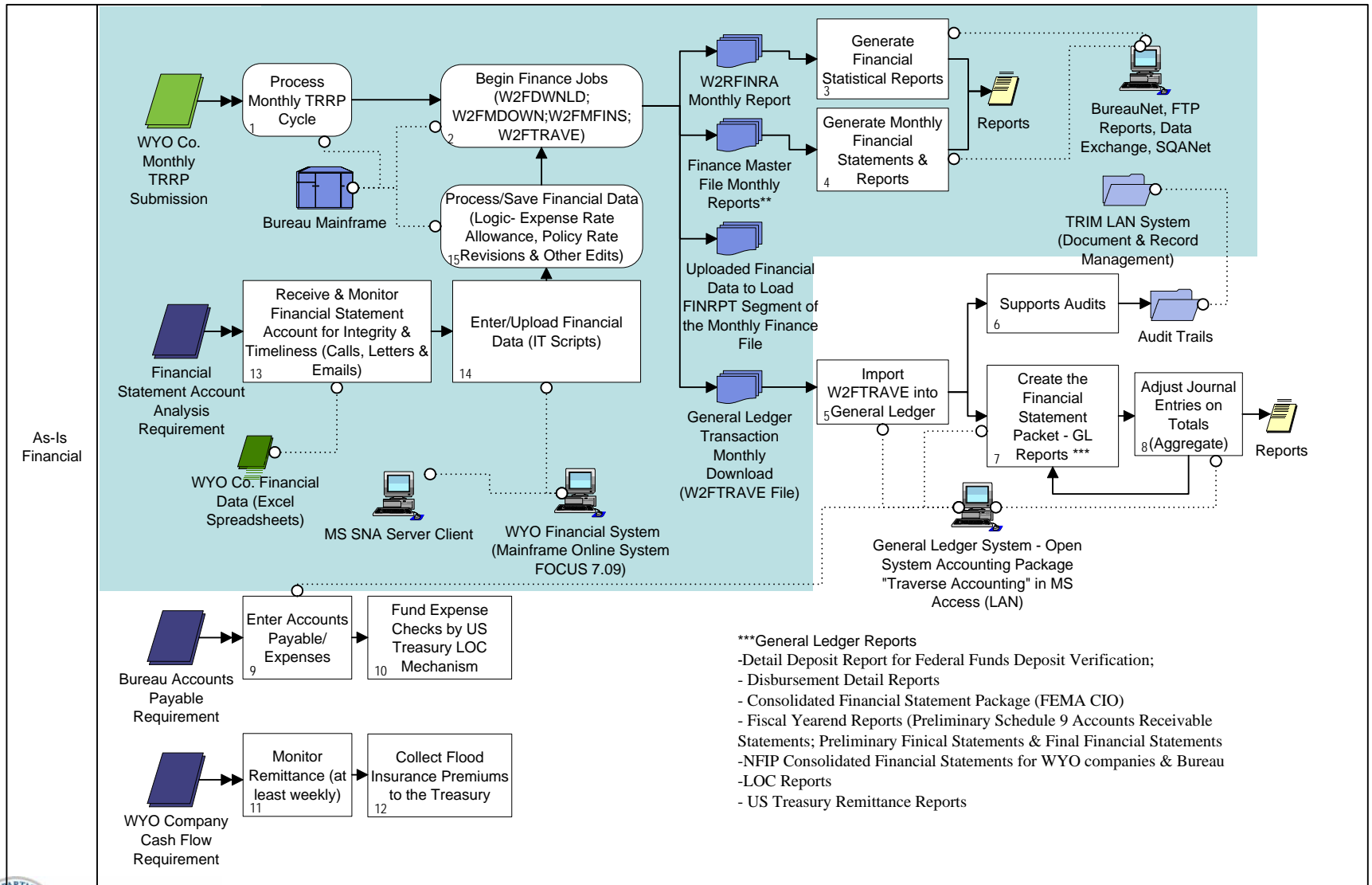


To-Be Financial Management Process (including Variance Correction)

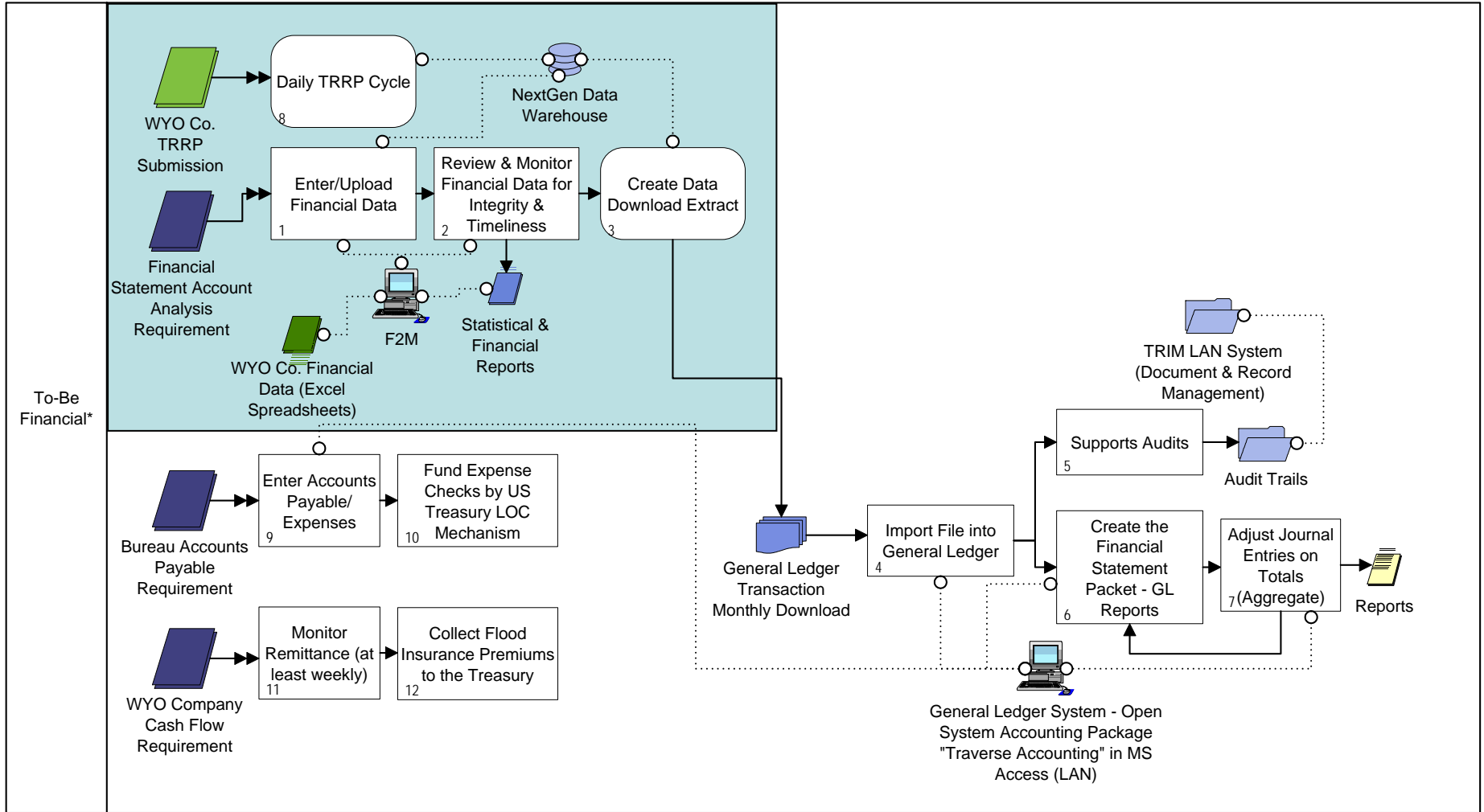
Note: Breakage (over insured) is when a policy was billed more than it should of been, this is just discovered.



As-Is Bureau Financial Process & Target Areas (in blue)



To-Be Bureau Financial Systems (Target Area & changes in blue)



NextGen Development/Integration Efforts

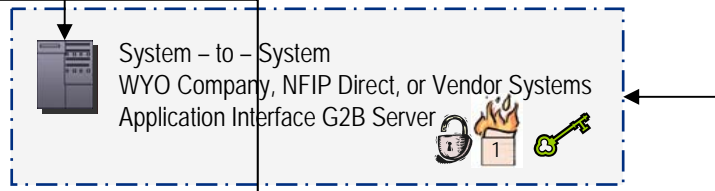
- Major NextGen Development Components Include
 - Emerging NextGen Data Warehouse 
 - New Data Elements
 - Reengineer Mainframe Logic
 - Data Warehouse Data Transfer
 - New NextGen Daily TRRP Cycle 
 - Reengineer Front-End Balancing Process
 - Redefine WYO Company Monthly Reconciliation Snapshot Time Period
 - Redefine Responsibility
 - Provide New Upfront Validations
 - Provide Statistical Financial Data Daily
 - New NextGen F2M (Flood Financial Management) Application 
 - Identity F2M Users
 - Redefine Submission Workflow and Process
 - Provide New Reports (e.g., Timeliness reports, etc.)
 - SQANet (Report Engine) to power F2M 
 - Increase Security for Financial Reports
 - Generate New Reports





NFIP Bureau NextGen Production Architecture/Environment

Stakeholders (States, FEMA Regions, FEMA HQ, SDF, Pilot Communities, Vendors, WYO Companies and the NFIP Bureau)



Production "A La Carte" Server (SUN Server)

- Web Portal (FAQs, QuickStarts, etc.)
- FREE
- EZClaims
- F2M
- AW501
- Location Validation
- Forms
- Admin Console
- New Daily TRRP Cycle Edits
- Staging Databases



Business Intelligence Server (SUN FIRE V440)

- SQANet
- Databases (Applications)
- Oracle Applications
- Oracle Forms
- Oracle Discoverer
- Oracle Reports
- Oracle 10g

Investigation Support System

- CMF Updates
- 1316 Declaration System
- Claims Adjuster System (CAS)
- Community Rating System Updates
- Condominium Inspection Program (CIP) System
- FICO File System
- Monroe County Inspection System
- Re-Inspection System

Investigation Support System

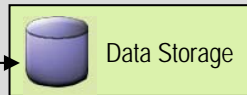
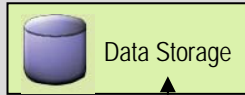
- Inquiry & Status (1316, SRL,CBRA, PRP, Condo Inspection, SRL Grant Refusal Status, Grandfathering Status)

G2B System Application/Server

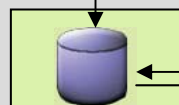
- Load
- Transmit Data
- Reject Reports
- Web Services (up front validations)

Pilot Program and Development A La Carte & Pilot Program and Development Business Intelligence Servers (SUN Servers)

- Web Portal (FAQs, QuickStarts, etc.) | SQANet
- FREE | EZClaims | F2M | AW501
- Location Validation | Forms | Admin Console
- New Daily TRRP Cycle Edit
- Staging Databases



SQANet Reports & Lookups



Bureau Knowledge Backend Infrastructure (Four 3310 SUN Storage)

DHS FEMA Interfaces



MOD/MIP, CIS, CRS

Key

= Server



= Access Control (Login/ Password, Tracking & SSO)

= Database



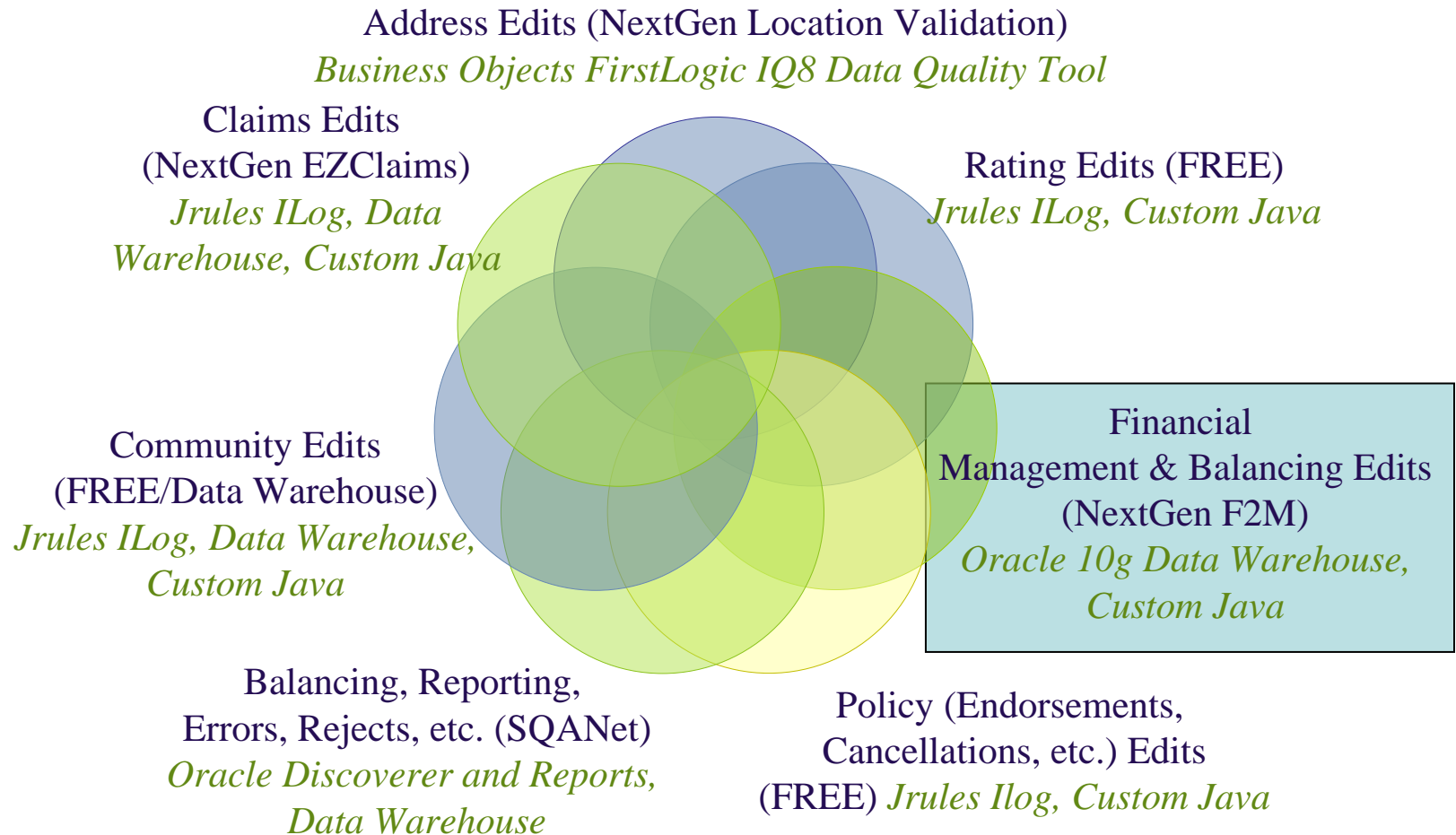
= Encryption Tools

= Firewall



= Reports

Development Components - Expand on the Existing TRRP Edits with Enhanced Business-Driven Functionality



NextGen Application – F2M



- Vision - NextGen F2M is a secure, web-based application that will allow WYO companies or their vendors to submit their monthly financial records via the Internet. F2M will auto populate monthly statistical data (based on a “determine” monthly snapshot) from daily TRRP cycles. F2M will allow each WYO company or their vendor to enter, reconcile and report their monthly financials. Bureau financial staff will be able to securely review and communicate with WYO company or vendor financial personnel through the automated F2M workflow.
- Purpose - Provide authorized NFIP financial stakeholders with the means to submit and track monthly WYO company financial submissions via the Internet
- Alignment with NextGen Modernization Goals
 - Improve communications between FEMA, Bureau and companies
 - Provide the right data to the right person at the right time
 - Improve Bureau and FEMA monitoring of WYO company financial data, while maintaining integrity and timeliness of submissions

Goal: Minimize impact to WYO companies and/or their vendors



F2M Requirements

- Web-based financial management dashboard to streamline WYO Company monthly financial reporting workflow to the Bureau
- Provide TRRP statistics and prior month financial data from the data warehouse to support WYO company financial reporting
- Support on-the-fly WYO company, FEMA and Bureau monthly financial reporting packets
- Secure WYO company monthly “financials” submission methods by encrypting WYO company financial data and tracking communications between WYO companies and the NFIP Bureau
- Support upfront reconciliation validations and calculations based on statistical and financial data
- Integrate monthly WYO company financial submissions with the new daily TRRP cycle

F2M Benefits & Impacts

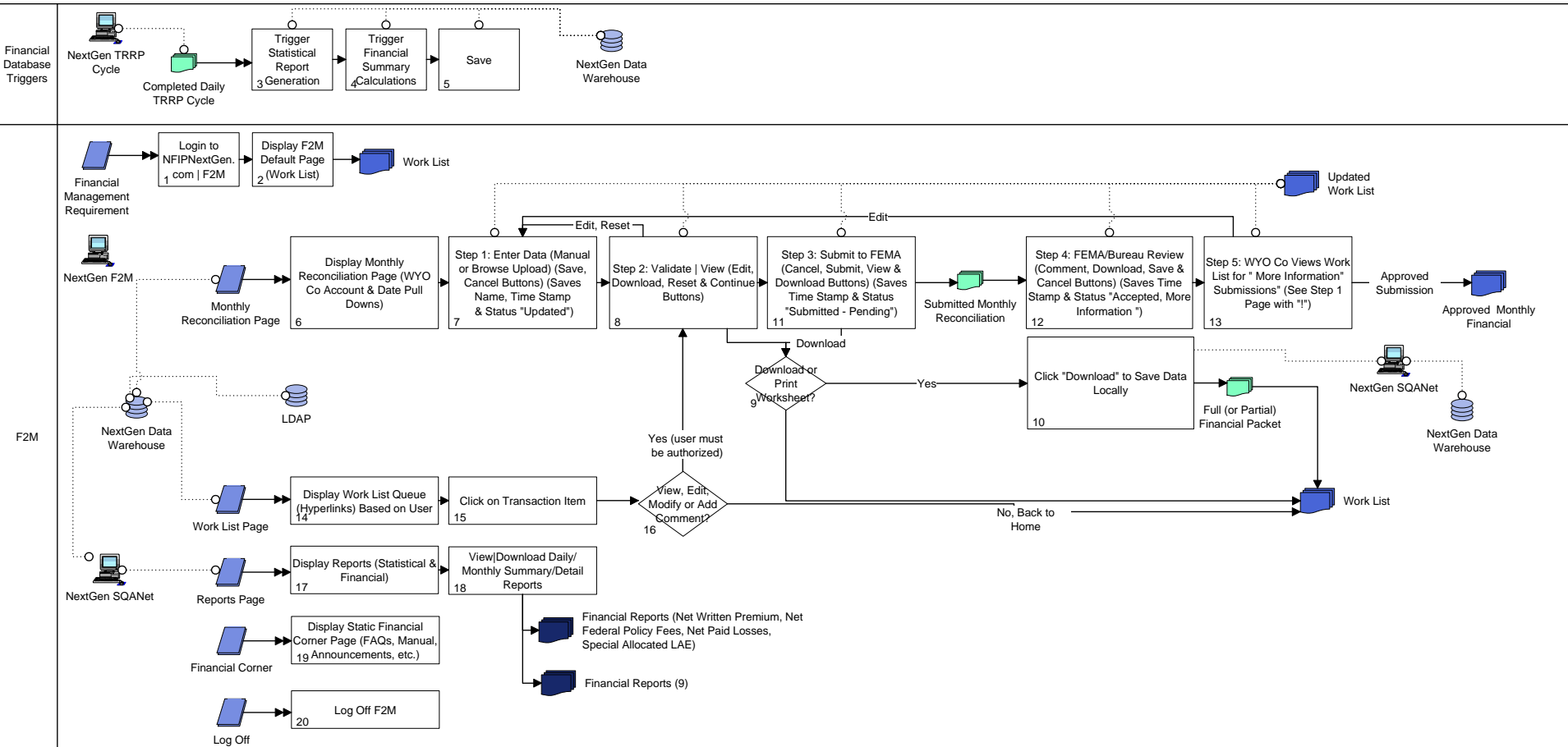
- Benefits
 - Streamlined monthly WYO company financial reporting submission process
 - Improved monthly financial reporting capabilities for WYO Companies, Vendors, FEMA and Bureau
 - Enhanced Bureau approval, oversight and tracking processes
 - Increased data and process integrity
 - Upfront validations and calculations to reduce unnecessary communication
 - Enforced Data Standardization for clearer communication
- Impacts
 - Upon FEMA approval financial approval will be via F2M data entry or NextGen standard spreadsheet upload
 - Change in the statistical snapshot (timeframe for reconciliation) due to daily TRRP cycle
 - Possible change to TRRP layout to mark snapshot
 - Program-wide Standardization will include all WYO Companies and vendors

WYO Companies will be required to submit monthly financials through F2M.



FEMA

F2M Web-Based Functionality



F2M Secure, Web-based Dashboard

Components

- Work List
- WYO Company Monthly Reconciliation/Financial Reporting
- Downloadable Reports (financial and statistical)
- QuickStart
- Financial Corner
- Logoff



Work List (Screenshot on the next 2 slides)

- Displays WYO Company Monthly Financial Reporting Activities Including the Submission Status (e.g., Saved, Pending Review, Approved & Processed)
- Provides Oversight and Tracking Functionality for the F2M Workflow
 - FEMA/Bureau Personnel
 - Status notifies personnel to review, approve, or perform other processes
 - Retains a running record of activities, timeliness of submissions and comments in central location (NextGen Data Warehouse)
 - WYO Company Personnel
 - Allows companies to track the status of their submissions
 - Company personnel will be able to view comments to re-reconcile, re-submit, etc.
 - Company personnel will be able to add comments to submissions for Bureau consideration
- Search Functions
- Quick Links to View F2M Activities
- F2M activities are time and user stamped for accountability

Note: All WYO company submitted financial data will be saved in the NextGen Data Warehouse, with all of the other NFIP insurance data. This centralization allows for increased reporting and data output options.



F2M Work List – Screenshot

Note: A Bureau Financial user will see all data. A WYO Company user will only their data. A vendor user will only see data for their WYO company.



Work List | Monthly Reconciliation | Reports | QuickStart

Back to NIPNextGen.com | Financial Corner | Log Off

Welcome ngeds!

Sep 22, 2006

New F2M Entry

4 financial records found, displaying all financial records.

F2M No.	NAIC	Company Name	Vendor Name	Month	Year	Status	Last Update	Submitter	Note
784	19232	ALLSTATE INSURANCE COMPANY		Jan	2006	Pending Review	09-22-2006	ngeds	ngeds Sep 22, 2006; ngeds Sep 22, 2006; 1
782	22241	DEPENDABLE INSURANCE CO.		Jan	2006	Not Submitted - Saved	09-21-2006	ngeds	ngeds Sep 21, 2006; ngeds Sep 21, 2006; 1
778	12661	STATE CAPITAL INS. CO.		Jan	2006	Not Submitted - Saved	09-21-2006	ngeds	ngeds Sep 21, 2006; 1
777	11185	FOREMOST INSURANCE		Jan	2006	Not Submitted - Saved	09-21-2006	ngeds	ngeds Sep 21, 2006; 1


4 financial records found, displaying all financial records.

Note: NFIPNextGen.com scheduled system upgrades, patch management, and backups occur on Sundays from 10:00 a.m. to 2:30 p.m. The system may or may not be available during this timeframe. Please plan accordingly.



FEMA

F2M Work List (Search Bar – Filters Data)



Work List | Monthly Reconciliation | Reports | QuickStart

Welcome ngeds!

Back to NIPNextGen.com | Financial Corner | Log Off

Sep 22, 2006

New F2M Entry

- Select -

-Select-

- Select -

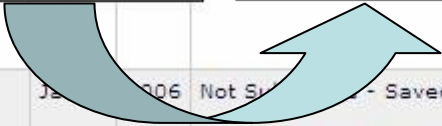
F2M No.	NAIC	Company Name	Status	Last Update	Submitter	Note
784	19232	ALLSTATE INSURANCE COMP	Pending Review	09-22-2006	ngeds	[ngeds] Sep 22, 2006: 1
782	22241	DEPENDABLE INSURANCE CO	Not Submitted - Saved	09-21-2006	ngeds	[ngeds] Sep 21, 2006: 1
778	12661	STATE CAPITAL INS. CO.	Not Submitted - Saved	09-21-2006	ngeds	[ngeds] Sep 21, 2006: 1
777	11185	FOREMOST INSURANCE	Not Submitted - Saved	09-21-2006	ngeds	[ngeds] Sep 21, 2006: 1

4 financial records found, displaying all financial records.

Note: NFIPNextGen.com scheduled system upgrades, patch management, and backups occur on Sundays from 10:00 a.m. to 2:30 p.m. The system may or may not be available during this timeframe. Please plan accordingly.

- Select -
- AETNA LIFE AND CASUALTY CO.
- ALLSTATE INSURANCE COMPANY.
- AUTO OWNERS INSURANCE CO.
- DEPENDABLE INSURANCE CO.
- ELECTRONIC DATA SYSTEM
- FOREMOST INSURANCE
- HIGHLANDS INSURANCE COMPANY
- MOTORS INSURANCE CORPORATION
- NATIONWIDE MUTUAL FIRE INS. CO
- OMAHA INDEMNITY COMPANY
- STANDARD GUARANTY INSURANCE CO
- STATE CAPITAL INS. CO.
- USAA GENERAL INDEMNITY COMPANY

Note: A Bureau Financial user will see all WYO companies in their search bar pull-down menu. A WYO company user will only see their company. A vendor user will see all of their companies.



Monthly Financial Reporting (Screenshot on the next 4 slides)

- Data Reporting
 - Data Transfer Functionality (Options: Manual or Upload Standardized Spreadsheet)
 - Manual - Online web page submission (Java Web Pages)
 - Upload - Excel file upload (FTP, Browse, etc. – Database supported)
 - Secure Internet Submission
 - Upfront Logic and Calculations
 - Reporting in Sync with New Daily TRRP Cycle Data
 - Consistent and Accurate Timeframe Snapshots
 - Comment Section
 - WYO Companies will be able to “see” their data as it resides in the NFIP Data Warehouse
 - Save or Submit to FEMA/Bureau Options
- Status/Tracking Functionality
 - Each upload, save, etc. will have a status and timestamp to support accurate tracking



F2M Monthly Reconciliation – Entry Page



Work List | Monthly Reconciliation | Reports | QuickStart

Back to NIPNextGen.com | Financial Corner | Log Off

WYO Company Monthly Financial Transactions for Month Year

Please enter monthly financial data

*Period Cutoff Date:	<input type="text" value="01"/> / <input type="text" value="18"/> / <input type="text" value="2006"/> MM/DD/YYYY (Example 2/28/2005) ?
* WYO Company:	<input type="text" value="- Select -"/> ▾
115. Net Paid Losses (\$):	<input type="text"/> .00 (Current Month) ?
150. Miscellaneous Expense (\$):	<input type="text"/> .00 (Current Month) ?
Interest Income (\$):	<input type="text"/> .00 ?
170. Net Federal Policy Fees (\$):	<input type="text"/> .00 (Current Month) ?
300. Cash (\$):	<input type="text"/> .00 (Current Month) ?
305. Cash - Not Transferred to Restricted Account (\$):	<input type="text"/> .00 (Current Month) ?
310. Cash - Not Transferred from Restricted Account (\$):	<input type="text"/> .00 (Current Month) ?
312. Claims Payable (\$):	<input type="text"/> .00 (Current Month) ?
315. Payable To(Receivable From) NFIP (\$):	<input type="text"/> .00 (Current Month) ?
320. Unearned Premium Reserves (\$):	<input type="text"/> .00 (Current Month) ?
325. Loss Reserves (Case) (\$):	<input type="text"/> .00 (Current Month) ?
330. Loss Reserves (IBNR) (\$):	<input type="text"/> .00 (Current Month) ?
335. LAE Reserves - Case (Allocated) (\$):	<input type="text"/> .00 (Current Month) ?
336. LAE Reserves - IBNR (Allocated) (\$):	<input type="text"/> .00 (Current Month) ?



FEMA

F2M Monthly Reconciliation – Entry Page Cont.

340. LAE Reserves (Unallocated) (\$):	<input type="text"/>	.00 (Current Month) ?
345. Premium Suspense (Under 60-Days Old) (\$):	<input type="text"/>	.00 (Current Month) ?
346. Premium Suspense (60-Days and Older) (\$):	<input type="text"/>	.00 (Current Month) ?
400. Net Written Premiums (\$):	<input type="text"/>	.00 (Current Month) ?
415. Cancellation Premium Refund Adjustment Base (\$):	<input type="text"/>	.00 ?
426. Expense Allowance Adjustment For Bonus Commission Amount (\$):	<input type="text"/>	.00 (Current Month) ?
427. Rating Organization Expense (\$):	<input type="text"/>	.00 (Current Month) ?
428. State Sales Tax On Insurance Services (\$):	<input type="text"/>	.00 *applies to Texas only ?
429. Prior Term Refund Expense allowance due to NFIP(\$):	<input type="text"/>	.00 ?
625. Net Salvage Received (\$):	<input type="text"/>	.00 ?
640. Net Subrogation Received (\$):	<input type="text"/>	.00 ?
652. Recovery of Losses Paid (\$):	<input type="text"/>	.00 ?
655. Special Allocated Loss Adjustment Expense (\$):	<input type="text"/>	.00 ?
700. Total Interest Received (\$):	<input type="text"/>	.00 (Current Month) ?
705. Restricted Account Charges (\$):	<input type="text"/>	.00 (Current Month) ?
Preparer's Name :	<input type="text"/>	?
Phone Number :	<input type="text"/>	?

F2M Monthly Reconciliation – Entry Page Cont.

Notes :	
Fee Schedule ALAE (V - A,B,C,D,F) : Expand Close	
<input type="button" value="Save & Continue"/>	<input type="button" value="Cancel"/>
<p>Note: NFIPNextGen.com scheduled system upgrades, patch management, and backups occur on Sundays from 10:00 a.m. to 2:30 p.m. The system may or may not be available during this timeframe. Please plan accordingly.</p>	
<p>Work List Monthly Reconciliation F2M QuickStart Financial Corner Report an Issue or Bug Feedback Back to NFIPNextGen.com Help Logout </p>	
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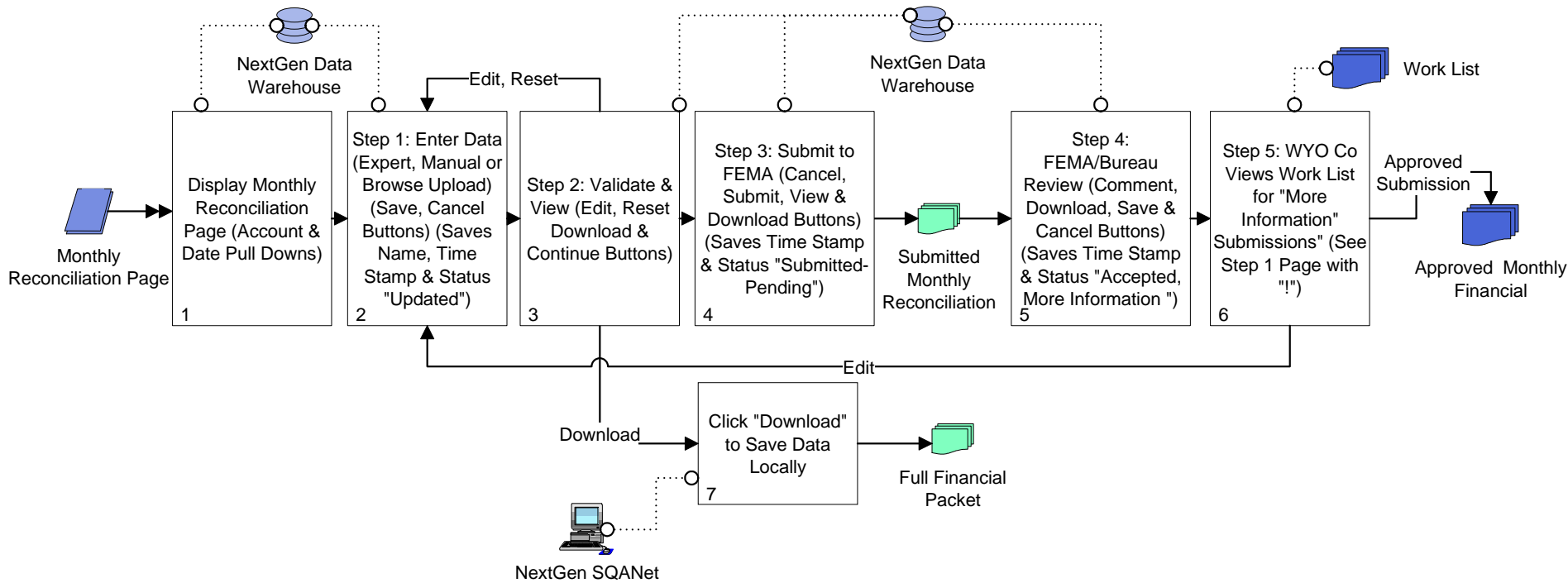
F2M Output Page

(Go to http://nfipnextgen.com/EDG/PDF/F2M_Mockup.pdf to view the a full set of the screenshots)

WYO Company Monthly Financial Transactions for Month Year				
WYO Company Name:				
WYO Company Id:				
Period Ending :		MONTH :	YEAR :	
EXHIBIT I INCOME STATEMENT				
REVENUE	CURRENT MONTH	FISCAL YEAR-TO-DATE		
100. WRITTEN PREMIUMS \$				
105. CHANGE IN UNEARNED PREMIUM \$				
110. EARNED PREMIUM \$				
EXPENSES				
115. NET PAID LOSSES \$				
120. ALLOCATED LAE(LINE 500) \$				
125. OTHER LOSS AND LAE ITEMS (LINE 600) \$				
130. CHANGE IN LOSS & LAE RESERVES(LINE 325 THRU 340 COL.C) \$				
135. NET LOSS AND LAE INCURRED \$				
140. EXPENSE ALLOWANCE (LINE 430) \$				
145. MISCELLANEOUS EXPENSE \$				
155. TOTAL EXPENSES \$				
160. OPERATING INCOME(LOSS) \$				
165. INTEREST INCOME (LINE 710) \$				
170. NET FEDERAL POLICY FEES \$				
175. NET INCOME (LOSS) \$				
EXHIBIT II RECONCILIATION OF PAYABLE/RECEIVABLE BALANCE				
	CURRENT MONTH	FISCAL YEAR-TO-DATE		
200. BEGINNING PAYABLE/REC. BALANCE (LINE 315,COL. B)				
205. NET INCOME(LOSS) (LINE 175)				
210. LOC FUNDS RECEIVED (LINE 800)				
215. DISBURSEMENT TO NFIP (LINE 805)				
220. ENDING PAYABLE/RECEIVABLE BALANCE (LINE 315,COL. A)				
EXHIBIT III INTEREST INCOME				
	A	B	C	D
	CURRENT MONTH	PRIOR MONTH	INCREASE (DECREASE) (COLS. A - B)	BEGINNING OF FISCAL YEAR
300. CASH				



F2M - Monthly Financial Reporting



F2M Reports

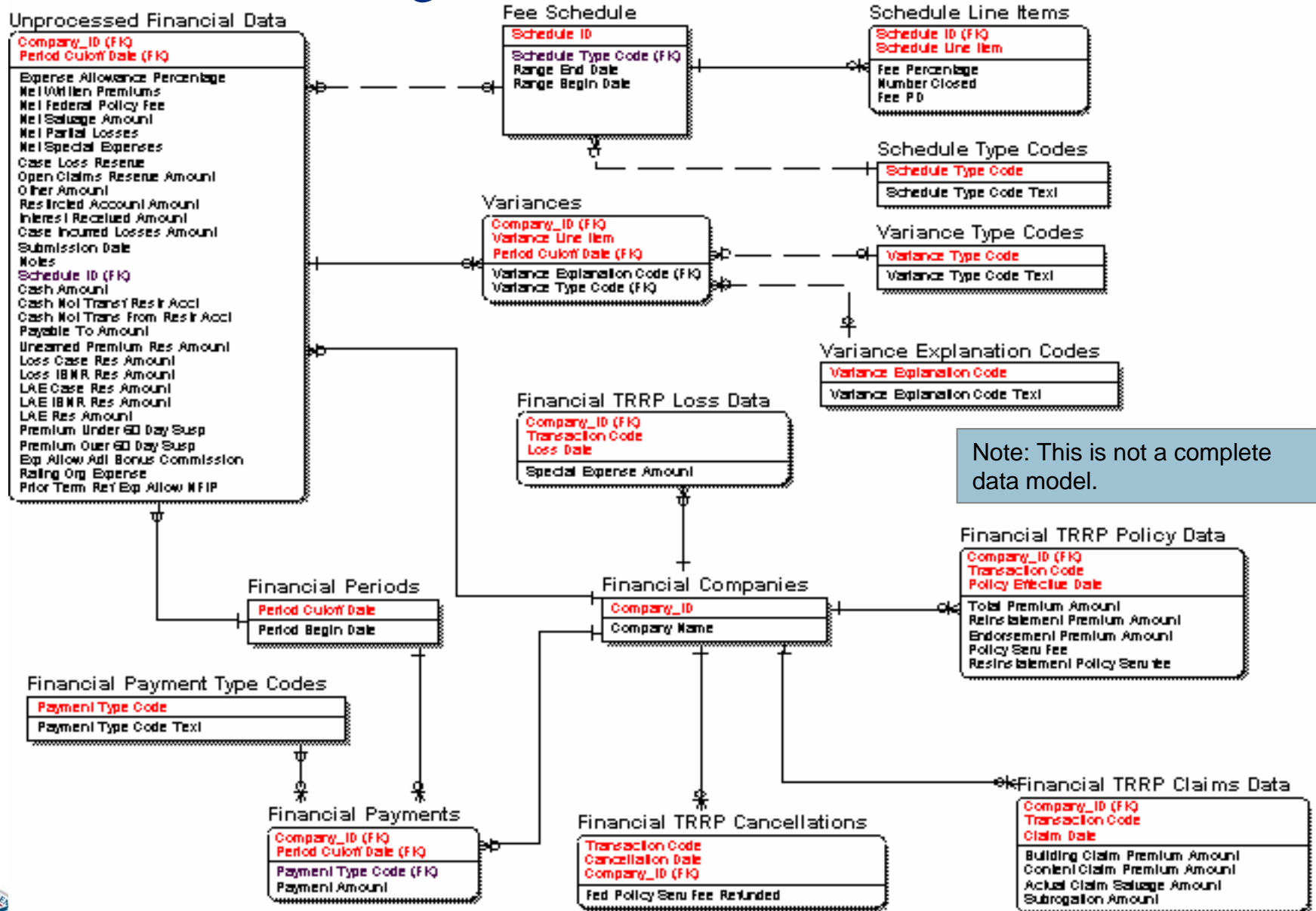
- Downloadable Reports (financial and statistical)
 - Additional Parameter-Driven Reports
 - Monthly WYO Company Exhibits (Current and Historical)
 - Users: Bureau Financial Users, WYO companies and their vendors
 - Monthly Financial Packet (Statistical and Financial) reports that are current or historical based on selected parameters (Supported by the SQANet Reporting Engine)
 - Users: Bureau Financial Users
 - Download Format: Adobe PDF, Microsoft Excel/Spreadsheet



Financial Corner

- One-Stop Shopping for WYO Company Financial Information Needs
- F2M QuickStart, FAQs, Examples, Manual Links, etc.

NG Financials – Logical Data Model



Note: This is not a complete data model.

F2M Prototype

- ✓ Review and Validate Dashboard Requirements (completed)
 - Reports (December – June/July 2006 on SQANet)
 - F2M Requirements v1 – January/February 2006
 - Bureau Integration Requirements for Mainframe, General Ledger and other Systems (Inputs and Outputs) – May-September 2006*
- F2M Release 1 (Release Dates Depend on FEMA Procurement and Signoff)
 - Dashboard; Security; Data Models; Java BOM; GUI Pages for Data Entry; Work List; and Status
- F2M Release 2
 - Reports
- F2M Release 3
 - Standard Spreadsheet or File Upload
 - Integration Activities



- **Financial Management Processing Decisions**
 - A. Daily Statistical and Monthly Financial Cutoff Date Decision**
 - B. Daily TRRP Front-end Balancing Decision**
 - C. Input Standardization Decision**
 - D. Submission Timeframe Decision**
 - E. Accountability and Stakeholder Access Control Decision**
 - F. Current Internal Bureau Reporting Decision**



A. Daily Statistical and Monthly Financial Cutoff Date Decision

- **Description:** In the current Bureau TRRP cycle, the WYO company TRRP submissions for a specific month serve as the timeframe for the financial reporting period. The implementation of the Daily TRRP has the opportunity to provide greater flexibility for WYO companies regarding the definition of the monthly reporting period timeframe. Several options exist to define the timeframe on either a program-wide basis or on an individual WYO company basis.
- **Additional Discussion Points:** The Daily TRRP provides companies with the ability to submit updated/corrected transactions for the prior financial reporting period. Regardless of the daily statistical and monthly financial cutoff date option selected, it will be necessary to decide upon a final submission date for prior financial reporting period submissions.



Option 1 – “Standard Timeframe”

- Option 1: “Standard Timeframe” - FEMA determines a standard start and end date for each monthly financial period. This determines the monthly statistical data timeframe against which all WYO companies must reconcile their monthly financials (e.g., January financial period is January 1 – 31).
- Option 1A: Based on WYO company transaction “date”
 - Example: For example purposes, the standard timeframe for the January financial period is defined as January 1 – 31. A policy is processed by the WYO company on January 27, 2006 and is submitted/TRRP processed on February 1, 2006. The policy premium would be included in the January Financial period, because the WYO company transaction date is within the January financial timeframe.
 - This option will require an increase in database logic/edits to ensure that late submissions are accounted for in the appropriate month (suspended).
- Option 1B: Based on Bureau system “date”
 - Example: For example purposes, the standard timeframe for the January financial period is defined as January 1 – 31. A policy is processed by the WYO company on January 27, 2006 and is submitted/TRRP processed on February 1, 2006. The policy premium would be included in the February financial period, because the Bureau system date is within the standard February timeframe.
- Benefits
 - Standard date for all companies
- Cons
 - Forces all WYO companies and vendors to reconcile using the same timeframe
 - Increased TRRP logic development and maintenance



Option 2 – “Snapshot”

- Option 2: “Snapshot” - Each WYO Company can create their own “snapshot” timeframe to reconcile their monthly financials.
- Using F2M, WYO company users can choose the end date for each month to determine the monthly statistical data that their company must reconcile against. The system would automatically determine the start date based on the prior month’s end date plus one day.
 - Example: For example purposes, WYO Company ABC Insurance has selected January 22 as their end date. Their prior month end date was December 25. This would make December 26 – January 22 the timeframe for the January financial period for ABC Insurance. An ABC Insurance policy dated January 23, 2006 would be included in the February Financial period.
- There are two “dates” that might be used, either the WYO company transaction date or the Bureau system date. The “date” decision would effect the entire program.
- Benefits
 - Provides companies with a flexible timeframe
- Cons
 - Increased TRRP Logic in development and maintenance
 - F2M users need to understand the impacts for their company when they select an end date



Option 3 – “Status Quo”

- Option 3: “Status Quo” - Each WYO company will determine the financial month by indicating the reporting period for each submitted daily TRRP transaction file.
- When a WYO company submits a TRRP file for processing, they will include a header on the TRRP file or submit a separate file that defines the financial month for those TRRP records.
 - Example: A WYO company may submit a TRRP file that is dated on January 27, 2007 that includes a header indicating that it is for the February 2007 financial period. All records included in that individual TRRP file will be part of the February statistical timeframe.
- Additional Discussion Points: When a company decides to start reporting (TRRP) statistical for the next financial month, can a company continue to process the prior month (TRRP) statistical data? For example, if a company indicates that its January 27 transactions are for February 2007. The company might be required to maintain February 2007 as the reporting month for January 28 transactions or they might be allowed to indicate January 2007.
- Note: A header for the TRRP file will not require a change in the TRRP file layout.
- Benefits
 - Allows companies a flexible timeframe
 - Eliminates confusion based on system or transaction date
 - System maintenance is easier for WYO companies and the Bureau
- Cons
 - WYO companies must know the financial period for TRRP data before they submit their daily transaction



A. Daily Statistical and Monthly Financial Cutoff Date Decision & Solutions

Solution	Benefits	Impacts
1. Option 1 – “Standard Timeframe”	<ul style="list-style-type: none"> -Integration with the Daily TRRP -Standardization 	<ul style="list-style-type: none"> -WYO Companies will need to follow established TRRP Requirements -Requires all WYO companies and vendors to reconcile using the same timeframe -Increases TRRP logic development and maintenance
2. Option 2 – “Snapshot”	<ul style="list-style-type: none"> - Integration with the Daily TRRP - Provides companies with a flexible timeframe 	<ul style="list-style-type: none"> -WYO Companies will need to follow established TRRP Requirements -Increased TRRP logic development and maintenance -F2M users need to understand the impacts for their company when they select an end date
3. Option 3 - Status Quo	<ul style="list-style-type: none"> -Integration with the Daily TRRP -Allows companies a flexible timeframe -Eliminates confusion based on system or transaction date -System maintenance is easier for WYO companies and the Bureau 	<ul style="list-style-type: none"> -WYO Companies will need to follow established TRRP Requirements - WYO companies must know the financial period for TRRP data before they submit their daily transaction

Daily TRRP Front-end Balancing Decision

- Under current monthly TRRP submissions, WYO companies submit a separate file to report the total premiums and record counts. Record counts and premium totals are used in the Bureau TRRP front-end balancing process to ensure that data transferred is “balanced” properly before running the TRRP cycle. The daily TRRP process requires an automated record counts and premium dollars balancing.
- Within the daily TRRP cycle, records counts will be read and matched with each TRRP file on the fly. If they do not match, the file is suspended and the WYO company or vendor is notified.



Option 1 – “Header/Trailer”

- Option 1: “Header/Trailer” - On the TRRP file, WYO companies will include the total premium amount in the header and total record count in the trailer.
- Note: This requires a small change to the TRRP submission file, but not to the record layout.
 - Benefits
 - A trailer will allow the database system to confirm that a TRRP file has been completely uploaded; record counts will be validated by the system. The file is suspended if its trailer and/or records counts do not match, and the WYO company or vendor notified.
 - The header is also needed if EDG selects Option 3 - Status Quo for the **Daily Statistical and Monthly Financial Cutoff Date Decision**



Option 2: “Extra File Submission”

- Option 2: “Extra File Submission” - With the TRRP file submission, WYO companies will include a separate file indicating the total premium amount and total record count.
- Note: This requires a new small file to be submitted with the TRRP submission file.



A. Daily Statistical and Monthly Financial Cutoff Date Decision & Solutions

B

Solution	Benefits	Impacts
<p>1. Option 1 – “Header/Trailer”</p>	<p>-Integration with the Daily TRRP</p> <p>-A trailer will allow the database system to confirm that a TRRP file has been completely uploaded; record counts will be validated by the system. The file is suspended if its trailer and/or records counts do not match.</p> <p>-The header is also needed if EDG selects Option 3 - Status Quo for the Daily Statistical and Monthly Financial Cutoff Date Decision</p>	<p>-WYO Companies will need to follow established TRRP Requirements</p> <p>-Slight change in the TRRP submission file</p>
<p>2. Option 2: “Extra File Submission”</p>	<p>-Integration with the Daily TRRP</p>	<p>-WYO Companies will need to follow established TRRP Requirements</p> <p>-Requires a new small file to be submitted with the TRRP submission file.</p>

C. Input Standardization Decision

- Under the current financial submission process, WYO companies submit an Excel spreadsheet file that contains monthly financial exhibits and monthly reconciliations. We recognize that many WYO companies automatically generate these files from their systems. In order to facilitate and streamline the monthly financial submission process, there are three options for the standardization of data input; any combination of the three options may be selected.
- Option 1: “Status Quo” – The F2M application will provide WYO companies with the ability to upload an Excel spreadsheet with their monthly financial information. The spreadsheet format must be standardized to facilitate the upload process.
 - Benefits: Companies that are comfortable with the current spreadsheet submission process will only need to change the way they deliver the information (via web-based upload rather than e-mail).
- Option 2: “Online Data Entry” – The F2M application will provide WYO companies with the ability to enter their monthly financial information into a web-based form.
 - Benefits: Companies that do not have automated processes may utilize this option as an alternative to submission of an Excel spreadsheet.
- Option 3: “Flat File Upload” – The F2M application can be configured to accept a flat file upload, in addition to an Excel spreadsheet. This would require a standardized file layout, however it may be easier for WYO companies to automate the creation of a flat file than an Excel spreadsheet.
 - Benefits: Companies that wish to start/continue automating the creation of their monthly financial submissions may find this method streamlines their process.



D. Submission Timeframe Decision

- **Submission Timeframe Decision for Recommendation**
 - 21st or 22nd day of the following month



E. Accountability and Stakeholder Access

Control Decision

E

- NextGen is limiting F2M users to specific WYO companies, vendors, Bureau and FEMA users due to security and privacy reasons. The “F2M Bronze User Group” will allow users to enter and submit monthly data. They will also have access to F2M reports (powered by SQANet).
- Authorized F2M users have the option to 1) manually enter data, 2) upload a file (using a “browse” button), or 3) Server Transfer. Security and encryption options are below.
- **Manual Data Entry** - Currently NextGen servers utilize a SSL Certificate that securely encrypts data that is manually entered into F2M and other NextGen applications. The data is secure. This process requires users to manually enter data on a monthly basis.
- **Upload a File (via “Browse” button)** - Data will be secured by using a Public Key Infrastructure (PKI) Token that is locally stored (e.g., Server, USB, thumb or flash drive). The token encrypts a file during the upload and transfer processes. Users will be provided a clear and easy procedures to upload data.
- **Server Transfer (via File Transfer Protocol (FTP))** – Financial data files will be secured by using a PKI Token that is server based. This will encrypt a file during the upload and transfer process.

Note: Each WYO company or their vendor needs to determine which way they would like to securely submit data to the NFIP Bureau. Accountability will differ with each option. We would like to include this discussion in the EDG Meeting.



F. Current Internal Bureau Reporting Decision

1. Financial Statements Formatting Requirements

- Follows Generally Accepted Accounting Principles (GAAP)
- Includes Management Notes

Recommendation: Status Quo

2. Primary Bureau monthly financial reports Delivered to FEMA by the 5th Calendar Day cover All WYO Companies and the SDF

- Balance Sheet
- Income Statement
- Statement of Changes in Financial Position
- Statement of Cash Flows

Recommendation: This process should remain as-is until F2M is operational for 6-Months (June 2008)

3. Bureau 12th Day Monthly Reporting Responsibilities to FEMA

- WYO Consolidated Treasury Remittance Report
- NFIP Direct Treasury Remittance Report
- (e.g., June data reported by August 12th)

Recommendation: This process should remain as-is until F2M is operational for 6-Months (June 2008)



F. Current Internal Bureau Reporting Decision

4. Bureau Deposits Details Report due by the 3rd workday of the month following the month of deposit.

Recommendation: This process should remain as-is until F2M is operational for 6-Months (June 2008)

5. WYO Financial Submissions Timeliness Report By the 12th calendar day of the second month.

Recommendation: This report will be automatically generated by F2M to reflect actual submission dates and times (starting with pilot program)

6. Tape Discrepancies Report is due by the 12th calendar day of the second month dealing with statistical data received from the WYO Companies.

Recommendation: This Report will be retired and discretely reports will be transitioned to SQANet Reports

7. Account Receivables Details Report is due by the 12th calendar day of the second month, The Report includes not only what is owed, but also what has been collected during a given month.

Recommendation: This process should remain as-is until F2M is operational for 6 Months (June 2008)



F. Current Internal Bureau Reporting Decision

8. WYO Companies and Direct Consolidated Financial/Statistical Variance Report is due by the 21st calendar day of the second month. Includes any current and historical variances for the Direct Side and WYO Companies Net Written Premiums, Net Paid Losses and Federal Policy Fees.

Recommendation: This process should remain as-is until F2M is operational for 6-Months (June 2008)

9. Prior Term Refunds Consolidated and Detailed Reports due by the 12th calendar day of the following month, report showing all refunds issued and all due expense allowances.

Recommendation: This process should remain as-is until F2M is operational for 6 Months (June 2008)

10. Annual Statements
 - Includes All Footnotes and Disclosures

Recommendation: Maintain Status Quo



Upcoming Topics

- EZClaims