

NATIONAL FLOOD INSURANCE PROGRAM



**1999
STAKEHOLDER'S
REPORT**

FEDERAL INSURANCE ADMINISTRATION

NFIP Financial Highlights

As of September 30 Each Year
(Dollar Amounts in Thousands)

	Fiscal Year 1999	Fiscal Year 1998	Fiscal Year 1997	Fiscal Year 1996
TOTAL REVENUE (Earned Premium and Federal Policy Fee)	\$1,415,834	\$1,278,950	\$1,090,653	\$972,927
TOTAL EXPENSES (Underwriting, Loss, Administrative, and Other Expenses)	\$1,284,031	\$1,279,549	\$1,207,862	\$1,509,345
NET INCOME (LOSS)	\$131,803	(\$599)	(\$117,209)	(\$536,418)

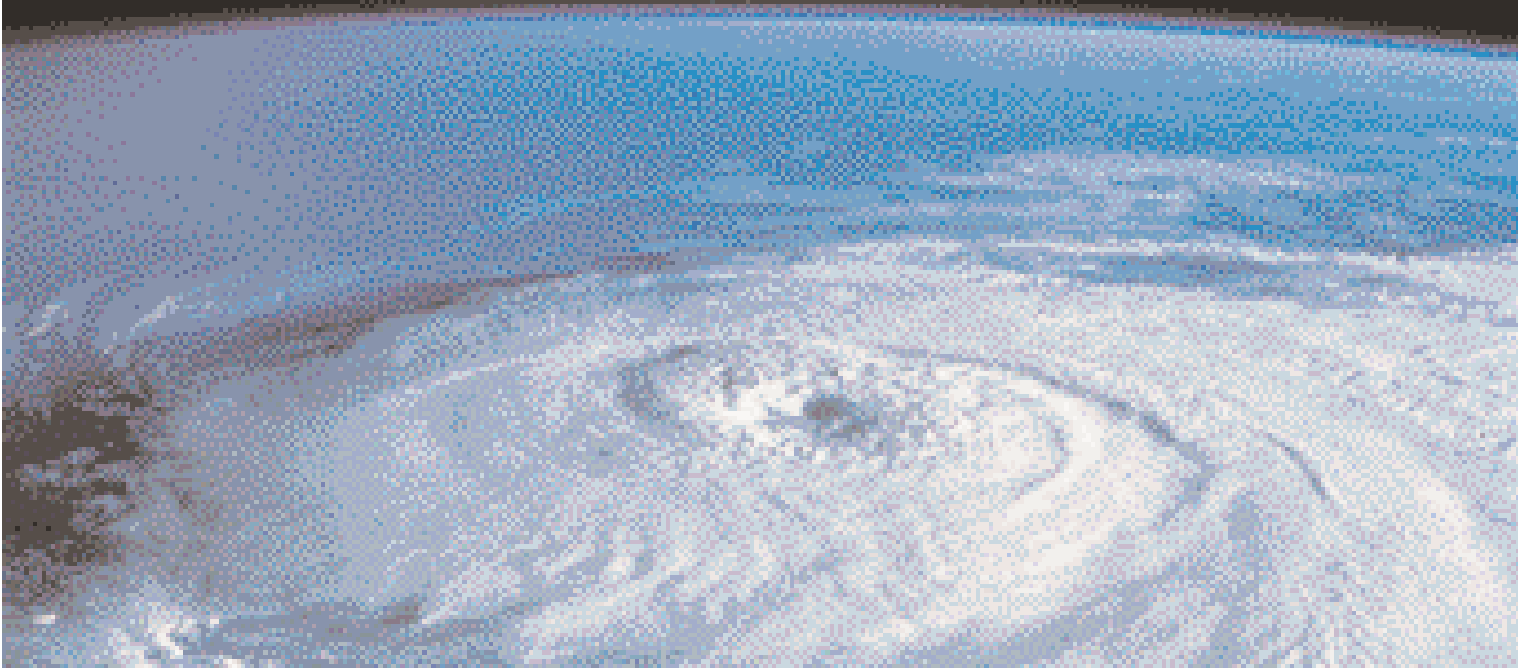
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The 1999 fiscal year started October 1, 1998, with all five Gulf Coast states and Puerto Rico reeling from flooding caused by Tropical Storm Frances and Hurricane Georges. Texas was particularly hard hit, with floods occurring somewhere in the state on all but 4 days in October and all but 9 days in November. More than 28,000 applications were submitted for Federal disaster assistance, resulting in almost \$80 million in payments, an average of \$2,754 each. However, some 4,400 Texas flood victims received almost \$146 million in insurance claim payments, an average of \$33,182 each, and were able to rebuild their homes and their lives quickly. These flood victims had National Flood Insurance.

Less than a year later, flood insurance helped thousands more flood victims begin the process of recovery after Hurricane Floyd caused devastating flooding from Florida to Maine. More than \$6 billion was allocated for Federal disaster assistance in the 13 states where Presidential Disaster Declarations were made. But long before Hurricane Floyd made landfall, flood insurance was already in place for 2.4 million property owners in those 13 states. After the storm, almost \$398 million was paid in insurance claims to more than 18,000 National Flood Insurance Program policyholders.

The National Flood Insurance Program (NFIP) was created by Congress in 1968 in response to the mounting losses and escalating costs of natural disasters to the American taxpayer. The Program is designed to help reduce flood losses through building standards and other flood mitigation efforts, and to help pay for flood losses through insurance rather than Federal disaster assistance. Through the NFIP, Federally backed flood insurance is made available in communities that adopt and enforce floodplain management ordinances to reduce future flood losses. By the end of the fiscal year (September 30, 1999), there were 19,023 communities across the United States and its territories of Guam, Puerto Rico, and the Virgin Islands which had joined the NFIP. By the end of the fiscal year, 4,187,729 flood insurance policies were in effect for homeowners, renters, and business owners.



MESSAGES TO STAKEHOLDERS





James L. Witt

Director - Federal Emergency Management Agency

Dear NFIP Stakeholder,

I am pleased to have the opportunity to recognize the important work you do in helping reduce damage and financial hardships caused by floods. We at FEMA are very proud of the National Flood Insurance Program (NFIP) and the successful partnerships that have made the Program so effective.

Over the past few years, we have refocused our efforts at FEMA to make mitigation and prevention the center of emergency management in the United States. Programs like FEMA's NFIP and initiatives such as *Project Impact: Building A Disaster Resistant Community* help reduce the economic and social costs of disasters by encouraging more communities to undertake prevention measures.

FEMA and its partners have saved lives, enhanced communities, and prevented needless pain. We came this far together by being responsible to our customers, to the taxpayers, and to one another. As we move toward the future, we must recommit to preventing disasters and mitigating damage. The numerous mitigation success stories we have heard prove that steps can be taken to prevent the devastating effects of future disasters.

Helping people help themselves before disaster strikes is our responsibility. Encouraging people to buy flood insurance is one of the best ways to make sure flood victims are able to recover. Additionally, people can lessen the impact of floods, and even save their homes or businesses from devastating losses. Consider the following mitigation measures:

- Move valuables and appliances out of the basement of your home or business, if it is prone to flooding.
- Clean and maintain storm drains and gutters, and remove debris from property to allow free flow of potential flood water.
- Store important documents and irreplaceable personal objects (such as photographs) where they will not get damaged.
- Elevate or relocate furnaces, hot water heaters, and electrical panels.
- Buy and install sump pumps that have back-up power.

These are just a few of the steps people can take to reduce flood damage. Explaining some of these simple steps to your customers could significantly reduce the amount of flood damage they experience. It is critical that we continue to provide information about what people can do to help minimize losses from future disasters.

Never underestimate the power you have to change the way people think about disasters and how much you contribute to ensuring the safety, protection, and future of your customers and communities. You are our most important allies, and I thank you for your continued support.

Sincerely,

James L. Witt
 Director
 Federal Emergency Management Agency



Jo Ann Howard

Administrator - Federal Insurance Administration

Dear NFIP Stakeholder,

During my 2 years as the Federal Insurance Administrator, I have seen what a difference the National Flood Insurance Program (NFIP) makes in the lives of flood victims. I have seen how much flood damage can be prevented when buildings are constructed in compliance with NFIP floodplain management regulations. Unfortunately, I have also seen how devastating floods can be to families, businesses, and communities. All of these experiences have shown me that, while we have done a good job implementing the NFIP, there is room for improvement. And that's what this year has been about: improving the NFIP for the benefit of our customers—the citizens of our country.

Over this past year, we have been taking major steps to improve the NFIP. We have reviewed and prioritized close to 800 suggestions from our stakeholders—people like you—that came in as a result of the NFIP Call for Issues. This effort has helped us see the Program through the eyes of others who implement the NFIP every day. We plan on addressing and implementing many of the changes and improvements suggested this year and beyond.

In addition to this Call for Issues, we have been working hard to simplify the flood policy, increase awareness and sales through our new Cover America II campaign, and improve the accuracy of rating flood insurance premiums with a new Elevation Certificate and stricter requirements for Preferred Risk Policies. We also have worked to reduce the number of buildings repetitively flooded and improve the Community Rating System through which we have strengthened the tie between community flood mitigation efforts and flood insurance.

By the end of Fiscal Year 1999, we had more than 4.1 million flood insurance policies in force in the 19,023 participating communities. These communities have had a major impact in reducing flood damage by about \$1 billion a year. Buildings constructed in compliance with NFIP requirements are 80 percent less likely to be damaged by a flood than those constructed before the community adopted and enforced these requirements. Flood insurance and mitigation work together to protect homes, belongings, businesses, and whole communities from devastating floods.

In 1997, FEMA launched *Project Impact: Building A Disaster Resistant Community*, an initiative that promotes efforts to reduce disaster damage at the community and individual levels. Together, the NFIP and *Project Impact* are changing the way people prepare for and recover from flood disasters. These two programs are helping to ensure that more people know their risks and how to protect themselves, their families, their homes, and their businesses. And, they are encouraged to take action. With your continued support, we can make sure that even more people are protected so when disasters hit—as we know that they will—individuals and communities will be able to recover fully and quickly.

I firmly believe that the NFIP is a government program that works—and works effectively. And I believe it works so well because of the support and open communication between the Federal employees and NFIP stakeholders. On behalf of the Federal Insurance Administration, I thank you for your continued dedication to helping people prepare for and recover from the ravages of floods. May I say also that your assistance to me personally in a variety of ways has made the job of Administrator one I enjoy each day. Thank you.

Sincerely,

Jo Ann Howard
Administrator
Federal Insurance Administration



Michael J. Armstrong

Associate Director - Mitigation Directorate

Dear NFIP Stakeholder,

Fiscal Year 1999 has been a year of great progress for mitigation and the National Flood Insurance Program (NFIP). As the number of policies in force continues to grow, we have taken bold steps to address long-range planning to reduce the cost of flooding in future years.

The number of *Project Impact* communities now has reached 185 and we have more than 1,000 business partners. We have seen how the fundamental goal of building a disaster-resistant community can be accomplished through grass roots participation. These *Project Impact* communities have embraced the tasks of assessing their risk, identifying their vulnerabilities, and taking steps to prevent damage before disaster strikes. For communities in flood-prone areas, these steps include floodplain management and land use planning. An additional benefit of strong floodplain management is reduced premiums under the Community Rating System (CRS).

We now have identified the properties throughout the country that are most at risk for repeat flooding and have developed a strategy for reducing this exposure through targeted buyouts, relocation, and elevation. In support of this strategy, Congressman Doug Bereuter, Congressman Earl Blumenauer, and Congressman Ken Bentsen introduced legislation that strives to reduce the burden of repetitive flood losses. We are hopeful that, through mitigation measures, we will continue to make progress in removing the financial drain on the NFIP caused by repeat claims for these properties and are applying Flood Mitigation Assistance (FMA) resources toward this goal.

We also have developed a Map Modernization Plan to update and digitize our flood maps. When NFIP maps are in digital format, we will be able to distribute them on the Internet and realize significant administrative cost savings. Once they are digitized, we also will be able to update the maps in a more cost-effective way. While at present we do not have sufficient resources to implement our strategy completely, we are working to identify revenue sources to address this critical need.

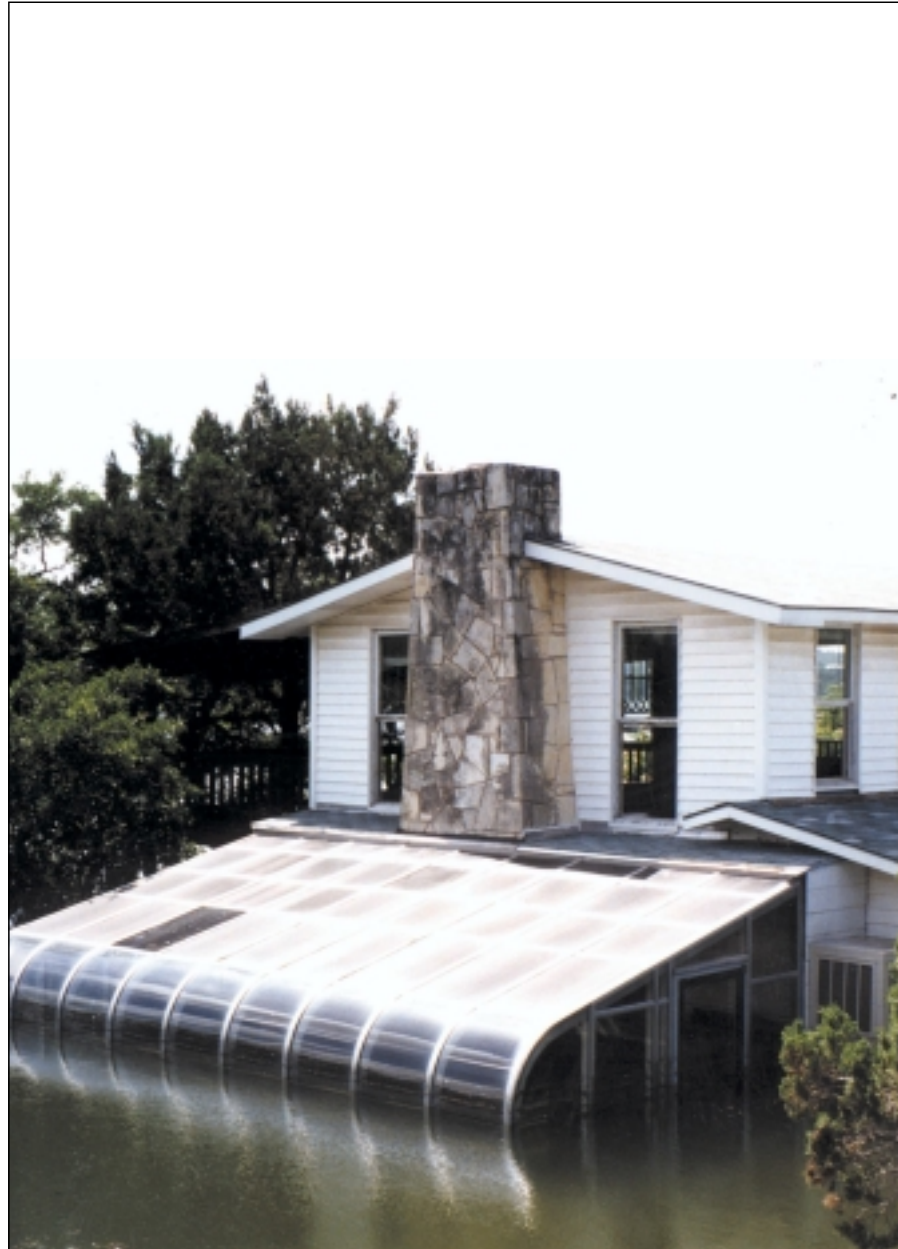
To alleviate the pressure on funding, we developed the Cooperating Technical Community (CTC) Program. Under this program, FEMA establishes formal agreements with communities, regional agencies, and States to do some, or all, of the mapping for a particular area. The CTC Program has received strong nationwide interest. In Fiscal Year 1999, 30 agreements were signed with 14 states, 6 regional agencies, and 10 communities. Although its funding for CTC activities is limited, FEMA also provides technical assistance. Locally funded activities may be initiated at any time, and some communities have developed and revised maps with their own resources exclusively. We hope that, over the long term, more and more communities will join the CTC Program and assume the responsibility for having up-to-date maps for their areas.

Finally, with a strengthened emphasis on program compliance, on promotion of the use of the new International Building Code and International Residential Code, and on environmental concerns, we look forward to working with communities to realize our mutual goal of reducing the effects of floods in the years ahead.

Sincerely,

Michael J. Armstrong
Associate Director
Mitigation Directorate

STAKEHOLDER SUPPORT



Partnerships

Over the years, several committees have been formed to contribute ideas for improving the flood insurance product and to make recommendations about lender and Write Your Own (WYO) operational issues. The vision and energy of these six committees will continue to guide the National Flood Insurance Program (NFIP) into the new millennium.

WYO Standards Committee

MEMBERS: Ed Connor - FIA, Philip Guymont - Liberty Mutual Insurance Company, Edwin Husemann - Bankers Financial Corporation, Gary Johnson - FEMA, Howard Leikin - FIA, William Martin - The Hartford Insurance Company, Mickey Nugent - Southern Farm Bureau Casualty Insurance Company, Ed Pasterick - FIA, Charles Plaxico - FIA, John Robinson - State Farm Property and Casualty Insurance Company, Deborah Vande-Vrede - USAA

The WYO Standards Committee was formed in 1984 to monitor and evaluate WYO company and program performance, and make recommendations regarding WYO operations to the Administrator of the Federal Insurance Administration (FIA). The Standards Committee is made up of 11 members: six are appointed from the WYO companies; one is a representative of the Federal Emergency Management Agency's (FEMA's) Office of Financial Management; and four are from FIA. Our committee meets three times a year.

The WYO Standards Committee has operated as a bridge between the WYO companies and the NFIP. The intent of the committee has been to establish reasonable control standards acceptable to FIA that will have minimal financial impact on the companies. We review WYO company performance to ensure that companies are adhering to the standards required by the WYO Financial Control Plan and the Financial Assistance/Subsidy Arrangement. These two documents spell out the rules and responsibilities for companies that participate in the WYO Program. Over the years, the WYO Standards Committee has become more active in assisting WYO companies in complying with these standards.



John Robinson, Chair of the WYO Standards Committee and Vice President of Underwriting for State Farm Insurance Companies

Institute for Business and Home Safety Flood Committee

MEMBERS: Robert Butler - Selective Insurance Company of America, Dale Conrad - Royal & SunAlliance (formerly Unisun), Claudette Cope - Bankers Insurance Group, Bruce Edwards - Wausau Insurance Companies, Gustavo Fernandez - Union American Insurance Company, James Giracca - Liberty Mutual Insurance Group, Rhonda Kleine - Omaha Property and Casualty Insurance Company, Kevin Kupec - Hartford Financial Services Group, Corise Morrison - USAA, Larry Moser - Allstate Insurance Company, Larry Palmer - Redland Insurance Company, Tom Powell - State Farm Fire and Casualty Company, Robert Ross, Jr. - Florida Association of Insurance Agents, Wallace Smith - National Grange Mutual Insurance Company

Since the beginning of the WYO Program in 1983, the official communication vehicle between FIA and the WYO companies has been the Flood Committee established through what is now known as the Institute for Business and Home Safety (IBHS). Of the 85 or so companies that actively participate in the WYO Program, 33 are members of IBHS. Thirteen of these companies and one professional association were represented on the IBHS Flood Committee during the 1999 fiscal year. We meet three times each year to supply FIA with feedback on technical flood insurance issues.

During Fiscal Year 1999, the Flood Committee submitted comments and issues to FIA in response to the Administrator's NFIP Call for Issues. We also provided comments about the Monroe County, Florida, inspection process as well as the repetitive loss strategy (how it might work as well as the implications of this strategy to WYO companies and to the Program in general). We discussed changing the administrative grandfathering process, which currently allows some property owners to pay subsidized premiums, and we presented feedback about a concept called Quick Claim Reporting—getting information to the FEMA regions about claims even before the claims are settled and formally reported by WYO companies—that would facilitate regional and community mitigation partnerships such as substantial damage declarations, buyouts, and other local flood mitigation activities. We also participated both in the NFIP Policy Rewrite Work Group that has been redesigning the NFIP policies and in a subcommittee made up of members of several NFIP committees that met to resolve the WYO company expense allowance bonus for Fiscal Year 2000. Together, we developed a bonus formula that better measures a WYO company's marketing performance by including components relating to new application production and policy retention.

For more than 15 years, the IBHS Flood Committee has been an effective sounding board for FIA, providing feedback that has been critical to the success of the WYO Program.



Tom Powell, Chair of the IBHS Flood Committee and Director of Underwriting for State Farm Fire and Casualty Company

WYO Marketing Committee

MEMBERS: James Allen - Delta Lloyds Insurance Company, Reinaldo Amador - Union American Insurance Company, Jeffrey Barrett - New York Central Mutual Fire Insurance, Bruce Bender - American Bankers Insurance Group, John Bessermin - Great Pacific Insurance Company, Robert Butler - Selective Insurance Company of America, James Cook - Omaha Property and Casualty Company, Claudette Cope - Bankers Insurance Company, Cynthia DiVincenti - Travelers Property Casualty, William Fink - Delta General Agency Corporation, Wayne Fletcher - Seibels Bruce Group, Inc., Lois Maxwell - Hartford Underwriters Insurance Company, Larry Moser - Allstate Insurance Company, Michael Moye - Banc of America Insurance Services, Inc., Roy Overstreet - American Colonial Insurance Company, Larry Palmer - Redland Insurance Company, Robert Ross, Jr. - Florida Association of Insurance Agents, Charles Sadler - Mobile USA Insurance Company, Inc., Jeff Stanton - IGF Insurance Company, Maureen Woosnam - Corporate Insurance Services, Inc.

The WYO Marketing Committee was formed in 1989 at the request of FIA to provide the government and the WYO carriers with opportunities to exchange ideas and to offer direction to the NFIP that ultimately will result in flood insurance policy growth. The member WYO companies represent a very good cross section in policy-base size, from companies with some of the largest flood policy bases to those with medium and smaller policy counts. In addition to the member companies, meeting participants include representatives from FIA, the Flood Insurance Producers National Committee (FIPNC), the IBHS Flood Committee, and various NFIP contractors.

During Fiscal Year 1999, committee members shared stories of successful (and not so successful) marketing experiences from which FIA and other carriers could learn. We were active in providing direction and feedback to the Cover America I public awareness campaign and participated in the development of the new NFIP brand for the Cover America II campaign.

We strongly advised FIA to address retention through the Cover America II campaign. In the past, we viewed Program growth in terms of adding new policies. But now, as a result of the significant drop in renewals when the El Niño weather phenomenon transformed into La Niña in late 1998, the committee also is focusing on exploring ways to improve policy retention.

We provided input to FIA in a number of other areas, as well. With the elimination of the 3-year policy, we've been exploring ways to make it easier to bill renewals, whether by automatically billing credit cards 60 days in advance, or through Electronic Funds Transfer from the insured's checking account. We participated in the subcommittee that was formed to help FIA work through the WYO Expense Allowance and Growth Bonus issues. We've promoted the importance of FEMA's *Project Impact* and now have one member carrier that has signed on as a *Project Impact* Partner.

The WYO Marketing Committee continues to focus on what can be done to make it easier for the agents to write and sell flood insurance. During Fiscal Year 1999, our committee finalized the WYO agent training manual—a generic manual that took the best of what companies had done and put it all together. We also began exploring the use of the Internet and e-business to streamline and speed up the process from sales to policy issuance.

Representing more than 50 percent of today's flood insurance policyholders, the members of the WYO Marketing Committee have a clear understanding of what agents and consumers need. Consequently, this committee continues to play a valuable role in the ongoing development and enhancement of the NFIP.



Bruce Bender, Chair of the WYO Marketing Committee and Senior Vice President, National Flood Program of American Bankers/American Reliable Insurance Companies

Flood Insurance Producers National Committee

MEMBERS: Lydia Astorga - Professional Insurance Agents, Rita Hollada - Professional Insurance Agents, Woody Marks - Coalition of Exclusive Agents Association, Corise Morrison - USAA, Robert Ross, Jr. - Florida Association of Insurance Agents, Vicki Stenhouse - Independent Insurance Agents of America

The Flood Insurance Producers National Committee (FIPNC) was created in 1982 when Jeffrey Bragg, the Federal Insurance Administrator at that time, suggested the establishment of a committee made up of flood insurance producers, agents, and brokers to supply input to the NFIP.

FIPNC currently is made up of at least one member from each of three producer trade organizations: Independent Insurance Agents of America (IIAA), Professional Insurance Agents (PIA), and the Coalition of Exclusive Agents Association (CEAA). To engender a cross section of opinion and expertise, participants from the Association of State Floodplain Managers, the National Lenders Insurance Council, and the IBHS Flood Committee are actively involved in all meetings. FIA, the NFIP Bureau and Statistical Agent, and the NFIP Servicing Agent also are well represented at our meetings.

FIPNC's primary charge (and challenge) is education—that is, getting the word out about the importance of flood insurance and the impact that floods have as nature's number one catastrophe. In spite of the sincere efforts of our committee and FIA's excellent Cover America public relations and advertising program, it is surprising and frustrating to discover how little some of the agents and brokers know about flood insurance, how few agents and brokers are recommending flood insurance when, in fact, they should, and how many actually tell clients that they don't need flood insurance because their property is not in a flood zone. Many agents and brokers fail to tell their clients that homeowner's policies do not cover flooding. And, in more cases than we'd like to admit, there is still a lack of knowledge about and interest in flood insurance. These are circumstances FIPNC wants to eliminate.

In the broadest sense, FIPNC is a sounding board for improvements in the NFIP. Our discussions have included subjects such as producer commissions, the three flood policies, mapping, Letters of Map Amendment (LOMAs) and Letters of Map Revision (LOMRs), retention of flood policies, the Increased Cost of Compliance coverage, repetitive losses, the new Elevation Certificate, 3-year policies, and the use of flood insurance rating software on the Internet.

In Fiscal Year 1999, FIPNC participated in the work group that has been revising the three flood insurance policies, and we also took part in the meeting called by FIA's Administrator to evaluate the NFIP. We attended the Grand Forks Flood Summit follow-up meeting that was held prior to the 1999 National Flood Conference.

FIPNC represents those agents who respond directly to the needs of the property owner—the producers who are on the local scene and must confront the ravages of catastrophic flood damage.

The advice and counsel from this committee has, in the past 18 years, gone a long way in helping to sustain a public/private partnership that has been eminently successful and is an example for similar enterprises that might follow.



**Robert Ross, Jr., Chair of FIPNC
and Educational Advisor for the
Florida Association of Insurance Agents**

National Lenders Insurance Council

BOARD MEMBERS: Mark DeLoach - Chase Insurance Service Group, Rosalie Douglass - Real Data Delivered, Pat Ehrler - Timberline Insurance Services, Linda Hood - Norwest, Michael Moye - Banc of America Insurance Services, Inc., Terry Shepperd - Mobly Colonial Savings & Loan, Dana Smith - AgriBank FCB

The National Lenders Insurance Council (NLIC) was formed in 1994 to bring together regulators, investors, lenders, servicers, insurers, and other industry members to foster an environment in which economic hardship for property owners across the nation can be eliminated. Our mission is to reduce insurable losses to assets for property owners through government and industry partnerships, education, and dialogue.

The NLIC is a not-for-profit corporation. Its seven-member board of directors, elected from our membership annually, meets at least monthly by teleconference. We hold an annual membership meeting concurrent with the National Flood Conference.

During the last fiscal year, the NLIC continued to make available our publication *The Flood Guide for Lenders and Servicers*, a manual about flood insurance and regulatory compliance. Our quarterly newsletter keeps our members apprised of changes to the NFIP and tracks opportunities for comment that FIA puts in the *Federal Register*. During the last year, we not only published articles about our response to the Administrator's Call for Issues and about *Project Impact* in our newsletter, but we also printed a summary of a meeting in March with representatives from 26 entities, including insurance companies, FIA, the NFIP, Fannie Mae, Freddie Mac, the American Bankers Association, and several other financial lenders and trade associations about how lending and servicing institutions could work together with FIA and other stakeholders to improve the NFIP.

Besides being represented on the Congressionally appointed Technical Mapping Advisory Council, the NLIC has a board member who is a trustee of the Association of State Floodplain Managers Foundation and another member on the board of directors of the Institute for Business and Home Safety's Multi-Hazards Mitigation Council. We seek to use these connections to heighten awareness of disasters and the potential devastation to our financial structure in this country. We have developed an informal alliance with Lenders Insurance Training Services, which has developed a course of study for lenders in all property and casualty insurance, including flood. During Fiscal Year 1999, the NLIC laid the groundwork for making this course available in a seminar fashion across the country.

It is human nature to treat low-probability events as though they have zero probability. We need to look at the process for generating flood insurance policies and recognize that mandatory purchase is the way in which we are going to generate the most policies. Even though regulated financial institutions are doing a much, much better job at complying with regulations than ever before, there is much work remaining.



Michael Moye, President of NLIC and President of Banc of America Insurance Services, Inc.

Community Rating System Task Force

MEMBERS: Donald Beaton, Jr. - FIA, Richard Decker - Consultant to FIA Administrator, Cynthia DiVincenti -Travelers Property Casualty, Bret Gates - Mitigation Directorate, Tom Hayes - NFIP Bureau and Statistical Agent, George Hosek - Michigan DEQ, Marcella Jansen - National Oceanic and Atmospheric Administration, Alan Johnson - Mitigation Directorate, Frank Koutnik - Florida Division of Emergency Management, Howard Leikin - FIA, Kevin Merli - FEMA Region I, Tom Powell - State Farm Fire and Casualty Company, Tim Ramsaur - Pierce County PW & Utilities, Michael Robinson - Mitigation Directorate, Robert Smith - Louisville Metropolitan Sewer District

The Community Rating System (CRS) Task Force is a successful inter-agency, multidisciplinary committee made up of representatives from FIA, the Mitigation Directorate, FEMA's regional offices, the Association of State Floodplain Managers, local governments, the National Oceanic and Atmospheric Administration, State emergency management agencies, the National Association of Storm and Flood Management Agencies, WYO insurance companies, and the NFIP Bureau and Statistical Agent, with assistance from the Insurance Services Office and floodplain management experts in private practice. We meet three times a year in different FEMA regions to get participation from a variety of local, State, and regional officials who continuously help us fine-tune the program.

The CRS was developed in the late 1980s as a way of recognizing and encouraging community floodplain management activities that exceed NFIP minimum standards.

We went into 1990, the first year of the program, with 300 communities. We now have 900 communities. And, while they are only 5 percent of the 19,000 NFIP communities, more than two-thirds of all flood policies are written in these 900 CRS communities. Here is another stunning statistic: the mitigation efforts of CRS communities collectively save their residents in excess of \$50 million in premiums each year. Residents of Sanibel Island, Florida, alone save more than \$1 million per year because of the superior mitigation efforts of that community.

We refine the CRS every year on the basis of operating experience. An extensive, in-depth review that began in 1994 culminated in a number of significant changes that became effective in January 1999. These can be summarized as: encouraging communities to be innovative; rethinking the

value of different activities such as substantially increasing the relative value of a community's efforts to acquire, relocate, or retrofit flood-prone property; and further simplifying CRS procedures. We also are zeroing in on what we can do to help reduce the costs engendered by repetitive loss properties and have introduced additional community credit for adopting and enforcing model building code regulations.

During Fiscal Year 1999, 32 communities joined the CRS and 25 communities submitted modifications to their existing program in an effort to improve their rating class. In addition, a substantial number of communities that reached a higher rating class because of the January 1999 reevaluation of the relative point value of certain activities will be receiving larger premium discounts than in the past. We strongly support *Project Impact* and encourage local officials to use an all-hazards approach to planning. The benefits of the CRS approach to flood mitigation planning were the sole topic of the premier issue of *The National Hazards Informer*, published in July 1999 by the prestigious National Hazards Research Center in Boulder, Colorado.

Actions taken by CRS communities benefit everybody, even those who do not have flood insurance. Sometimes people lose sight of that fact.



**Richard Decker, Chair of the Community Rating System Task Force,
Consultant to the Federal Insurance Administrator, and Former
President of the Automobile Insurance Plans Service Office**



Awards

The NFIP relies on the dedication and inventiveness of its partners—insurance agents and companies, lenders, State and local public officials, FEMA mitigation and flood insurance experts, and others—to provide financial protection against flood losses and reduce future flood damage to millions of Americans. Each year, FIA recognizes the outstanding achievements of its stakeholders at the National Flood Conference. Below are the award winners honored at the 1999 National Flood Conference held in Denver, Colorado, for their accomplishments during the previous fiscal year, October 1, 1997, through September 30, 1998.

Agency of the Year Awards

The Agency of the Year Award is given to three insurance agencies that have displayed innovative marketing strategies, increased their flood portfolios, and actively promoted flood awareness. All nominations are reviewed by a selection committee made up of one member each from the Flood Insurance Producers National Committee, the WYO Marketing Committee, and the Institute for Business and Home Safety Flood Committee.



Agency of the Year Award winners (left to right): Brenda Fleming-Wilkes of Ron Rothert Insurance Services, Harry Kelleher, III, of Harry Kelleher and Company, Inc., and Lavonna Garner of Insurance Associates of the Southwest

Three insurance agencies were recognized at the 1999 National Flood Conference for their extraordinary efforts in promoting and servicing flood insurance during Fiscal Year 1998:

- **Harry Kelleher and Company, Inc.**
- **Insurance Associates of the Southwest**
- **Ron Rothert Insurance Services**

Administrator's Club Awards

Within each of five size categories, the WYO company that achieves the highest percentage of growth for the previous Arrangement Year qualifies for the Administrator's Club. The company that experiences the highest percentage of growth, and has more than 2,500 new policies for the prior Arrangement year, is awarded the Administrator's Club Trophy. Award winners honored at the 1999 National Flood Conference were:

- **USAA**
- **The Hartford Fire Insurance Company**
- **Hartford Underwriters**
- **National Lloyds**
- **IGF Insurance Company**

The winner of the Administrator's Club Trophy was:

- **Hartford Underwriters**



Administrator's Quill Award

The Administrator's Quill Award, new in 1999, recognizes the WYO company that achieved the highest growth in the number of new policies among WYO companies. The first Administrator's Quill Award was given to Bankers Insurance Company, with 41,511 new policies for the year that ended September 30, 1998.

Public Awareness Materials Contest

Each year, National Flood Conference participants have the opportunity to vote for their favorites among the public awareness materials that NFIP partners have developed in the previous year to promote flood insurance. Almost 75 items were entered in the 1999 Public Awareness Materials Contest. The winners within each category were:

- **Bankers Insurance Group (brochures, posters, and web site)**
- **USAA (envelopes and mailing inserts)**
- **Union American Insurance Company (kits and Spanish language materials)**
- **The Seibels Bruce Group, Inc. (print and video ads)**
- **Omaha Property and Casualty Insurance Company (specialty items and newsletters)**
- **National Con-Serv, Inc. (training materials)**

Donald L. Collins Partnership Award



Donald L. Collins Partnership Award winner, Richard Decker (left), with Jo Ann Howard and Frank Reilly

The National Flood Conference Committee presents an award every year to an individual whose extraordinary hard work has created strong connections among the NFIP and its partners. The Partnership Award is named for Donald L. Collins, a dedicated FIA executive who spent more than 20 years building close working relationships with the NFIP's private sector partners before he passed away in 1995.

The Donald L. Collins Award was given at the 1999 National Flood Conference to Richard Decker, Chair of the Community Rating System (CRS) Task Force. Decker has had 47 years of experience in the property and casualty industry, having worked as an underwriter, claims adjuster, chief accountant, and CEO of two major actuarial, statistical, data processing, and insurance industry service organizations. As the first and only Chair of the

CRS Task Force, Decker has guided its agendas and has encouraged the expansion of State and community representation on the task force.

Roy T. Short Memorial Award

Every year the National Lenders Insurance Council (NLIC) presents the Roy T. Short Memorial Award to honor innovative and inspiring lenders who surpass their normal role in reducing flood losses. This award commemorates the work of Roy T. Short, former Vice President of Bank United and of the National Lenders Insurance



Roy T. Short Memorial Award winner, Marc Moore (left), and Michael Moye

Council. One of the originators and charter members of NLIC, Short believed strongly in the group's vision and mission. During its early years, when funding and interest from within the lending industry were scarce and recognition from outside the industry was stronger than from within, Short was a constant source of encouragement and inspiration to his colleagues at NLIC. Roy Short passed away in August 1997.

Marc Moore, Vice President of Compliance at Fidelity National Flood, Inc., was the recipient of the 1999 Roy T. Short Memorial Award. Moore oversees the operation of Compliance, Client Services, and Life of Loan Services at Fidelity. He is a member of the Association of State Floodplain Managers, and is a member of the Board as well as Secretary of the National Flood Determination Association. Moore has been instrumental in developing the NLIC's Compliance Workshop for the last 2 years.