

WATERMARK

FEDERAL EMERGENCY MANAGEMENT AGENCY

Program UPDATES

The Federal Insurance and Mitigation Administration (formerly the Federal Insurance Administration and the Mitigation Directorate) has made several changes to the National Flood Insurance Program (NFIP) that are reflected in October 2001 revisions to the *Flood Insurance Manual*.

"Certified Mail"

There is a 30-day waiting period before new flood insurance applications and endorsements to increase coverage take effect. The quickest way to begin the waiting period is to send the application or endorsement to the NFIP insurer (with the premium payment) by certified mail.

As of October 1, 2001, the term "certified mail" in the *Flood Insurance Manual* has been expanded to include not only the United States Postal Service, but also acceptable third-party delivery services. Federal Express (FedEx), United Parcel Service (UPS), and other courier services that provide documentation of the actual mailing date as well as the delivery date to the insurer are considered by the NFIP to be acceptable third-party delivery services.

One caution when sending applications and endorsements through third-party delivery services is that street addresses must be used. These carriers cannot deliver to U.S. Postal Service post office boxes. (Reference: *Flood Insurance Manual*; October 1, 2001, revisions package; pages GR 7 & 11.)

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Estimating Substantial Damage

Al W. Goodman, Jr., MEMA

Tropical Storm Allison's slow, wet journey along the Gulf Coast and East Coast last year resulted in significant flood losses. The worst damage occurred in Texas. According to an article in *The Sun Herald*, Allison left 22 people dead and nearly \$5 billion in flood losses in the Houston area alone. Flooding affected 48,000 homes, destroying 4,500 and closing 9 hospitals. This first named storm of the 2001 hurricane season brought the issue of estimating damage value to the attention of many citizens and government officials. Communities that participate in the NFIP must enforce their local flood damage prevention ordinances. Observing substantial damage requirements is a fundamental aspect of enforcement.



Storm surge can cause substantial damage to unprotected buildings.

All NFIP insurance policies issued since June 1, 1997, include Increased Cost of Compliance (ICC) coverage. This coverage pays up to \$20,000 to help bring a flood-damaged building in a Special Flood Hazard Area

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Message from the Deputy Administrator for Insurance

WATERMARK



Dear *Watermark* Reader,

As mentioned in the last issue of *Watermark*, there have been some changes at the Federal Emergency Management Agency (FEMA), where the Federal Insurance Administration (FIA) and the Mitigation Directorate have joined forces to become the Federal Insurance and Mitigation Administration (FIMA). The goals of these two components of FEMA have always been

the same: to prepare for and respond to flooding as effectively as possible—before, during, and after the flood hits. For much of the last decade, FIA and the Mitigation Directorate were separate entities that worked as a team. Now, we are together in name as well as mission.

At FIMA, the mission of the National Flood Insurance Program (NFIP) is to educate American property owners about the risks of floods, to provide flood insurance, to accelerate recovery from floods, to mitigate future flood losses, and to reduce the personal and national costs of flood disasters.

I hope that under its new name and organizational structure, FIMA will be able to encourage greater community participation in the NFIP as it continues to promote the purchase of flood insurance and ensure that community and state governments implement sound floodplain management programs. By building on the enthusiasm for flood disaster mitigation already shown by the American public, we expect to achieve, and even surpass, our goals.



Howard Leikin
Deputy Administrator for Insurance
Federal Insurance and Mitigation Administration

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

www.fema.gov/nfip/wm.htm

Protecting PRPs

One of the NFIP's most popular insurance products is the Preferred Risk Policy (PRP), coverage that is available only in the flood zones designated as lower-risk B, C, and X Zones on Flood Insurance Rate Maps (FIRMs). By the end of May 2001, the average annual premium for a PRP was \$236 compared to an average \$450 for a Standard Flood Insurance Policy (SFIP) in the higher-risk A or V Zones.

However, if PRP coverage is sold incorrectly to a proper owner whose building actually is located in an A or V Z claims payments might be delayed or overpaid, exposing the insurance agent to errors and omissions litigation. In fact, when it is discovered that a PRP has been written incorrectly, the policy must be rewritten as a conventional SFIP. If the additional premium is not received, coverage will be reduced. Map "grandfathering" rules do not apply to the PRP. Always check the *Flood Insurance Manual* when making a PRP determination.

To help ensure that PRP eligibility is correctly rated for new business applications, insurance agents must as of October 1, 2001, include documentation about a building's location outside the floodplain. New PRP applications must be accompanied by one of the following forms of zone documentation.

1. A copy of the most recent FIRM marked to show the exact location of the building and flood zone;

2. A letter containing the same information signed by the local community official;
3. An Elevation Certificate containing the same information signed by a surveyor, engineer, or architect; or
4. A flood zone determination certification that guarantees the accuracy of the information.

Although a property eligible for the PRP renews automatically without submission of a new application, if the property fails to meet the lower-risk eligibility requirements during the policy term, it will be ineligible for renewal as a PRP and must be rewritten as an SFIP. A notice of ineligibility will be sent 90-120 days prior to the renewal date. This re-rating can be appealed by providing any of the documentation listed above to verify that the property is in a B, C, or X Zone. (Reference: *Flood Insurance Manual*; October 1, 2001, revisions package; page PRP 1.)

Canceling or Nullifying Policies

Premium refunds are permitted, if applicable, for the current year and prior year for a number of valid policy cancellation and nullification reasons. Clarification was made for several of these reasons in the October 1, 2001, *Flood Insurance Manual* changes.

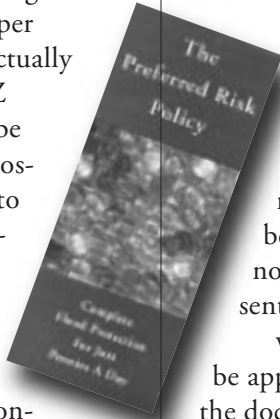
Reason Code 4

When duplicate NFIP policies are issued, only one may remain in effect. Usually the insured can

choose which policy to keep and which to cancel. However, this doesn't apply if the duplicate policies were deliberately created. In this case, the policy with the later effective date must be canceled. Any losses that occur before the cancellation will be adjusted according to the terms of the first policy. For example, when coverage has been force-placed by a lender using a conventionally written NFIP policy, that policy is considered equivalent to the Mortgage Portfolio Protection Program Policy. In this circumstance, the WYO company is authorized to cancel the conventionally written force-placed policy. A copy of the force-placement letter from the mortgagee must be submitted with the Cancellation/Nullification Request Form.

Reason Code 16

Clarification also was made in another instance in which a duplicate policy may be canceled. It is possible for a duplicate flood insurance policy to be obtained from sources other than the NFIP. If the duplicate policy became effective on May 1, 1999, or thereafter, a statement from the mortgagee, if any, accepting the non-NFIP policy as a replacement for the NFIP policy will be required before the cancellation can be processed. In this case, a pro rata refund will be calculated and this portion of the premium will be refunded minus the Expense Constant, Federal Policy Fee, and Probation Surcharge (if no claim has been paid or is pending on the policy).



Reason Code 19

The NFIP's cancellation and nullification rules also were clarified in the case of lenders who no longer require flood insurance because a structure has been removed from a Special Flood Hazard Area (SFHA) of the floodplain through a FEMA Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR). Although approximately 25 percent of flood claims come from areas outside of SFHAs, some lenders choose not to require flood insurance on a building after it is determined—through receipt of a LOMA or LOMR—that the property is exempted from the SFHA (see the Fall 2000/Winter 2001 *Watermark* for a description of the LOMA/LOMR processes). In this case, the NFIP policy in effect on the property may be canceled as soon as the lender confirms in writing that the insurance originally had been required by the lender but is no longer required. Beginning on October 1, 2001, a copy of the LOMA or LOMR must accompany this request.

(Reference: *Flood Insurance Manual*; October 1, 2001, revisions package; pages CN 2 & 4.)

Community Rating System Tables Updated

Twice each year, the status of communities that participate in the NFIP's Community Rating System (CRS) is updated in the *Flood Insurance Manual's* CRS tables. The classification of a community reflects the extent to which its floodplain management activities exceed the NFIP's minimum requirements. Each CRS class offers a corresponding premium discount for community property owners

who purchase NFIP flood insurance.

There were 95 changes in CRS community status on October 1, 2001. Of these changes, 12 marked new communities entering the CRS. Most new communities entered the CRS as Class 9 (5-percent premium discount) or Class 8 (10-percent premium discount), although Citrus County, Florida, entered as Class 7 (15-percent discount) and Portland, Oregon, entered as Class 6 (20-percent discount).

The majority of the class changes noted in the October 1 CRS updates were for communities that moved from Class 9 to Class 8 (32 communities) and from Class 8 to Class 7 (24 communities). Three

communities moved from Class 7 to Class 6, and 4 communities moved from Class 6 to Class 5 (earning a 25-percent premium discount). Particularly noteworthy are the 8 communities that earned so many CRS points for their floodplain management activities that



they jumped two classifications. The following table lists these communities. (Reference: *Flood Insurance Manual*; October 1, 2001, revisions package; pages CRS 1-26.)

See the article "How Do You Spell 'Policyholder Relief'? CRS!" on page 8 for additional highlights about the CRS program.

These CRS Communities Jumped Two Classes

STATE	COMMUNITY	PRIOR CLASS	PRIOR DISCOUNT	NEW CLASS	NEW DISCOUNT
California	Placer Co.	8	10%	6	20%
Maryland	Prince George's Co.	7	15%	5	25%
Minnesota	Austin	7	15%	5	25%
Missouri	Arnold	7	15%	5	25%
Missouri	Independence	9	5%	7	15%
New Jersey	Brigantine	9	5%	7	15%
North Carolina	Oak Island	9	5%	7	15%
Washington	King Co.	6	20%	4	30%

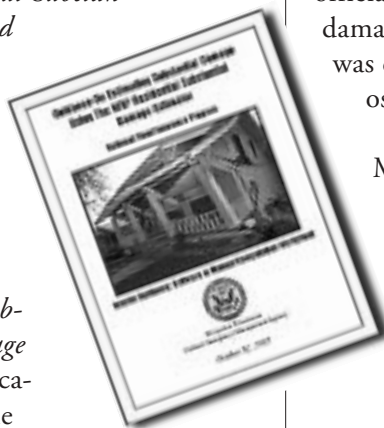
(SFHA) into compliance with the local floodplain ordinance. Adjusters may initiate ICC claims on the basis of either substantial flood damage or repetitive flood loss. The responsibility of inspecting damaged buildings, estimating repair costs, and making substantial damage determinations falls to the local Floodplain Administrator.

"Substantial Damage" Defined

An insured building is considered substantially damaged if the cost of restoring it to its condition before the flood would equal or exceed 50 percent of its pre-flood market value. The definition of "substantial damage" includes "repetitive loss." A repetitive loss building is one that has sustained flood damage on two or more occasions during a 10-year period for which the cost of repairs after each flood, on average, equals or exceeds 25 percent of the building's pre-flood market value.

FEMA Resources

FEMA provides helpful information for those involved in ICC claims in its pamphlet *Answers to Questions About Substantially Damaged Buildings* (FEMA publication 213) and in its technical reference *Guidance on Estimating Substantial Damage* (FEMA publication 311). The Guidance kit, popularly referred to as the "Residential Substantial Damage Estimator (RSDE)" or the "Estima-



tor Program," includes a printed manual and a set of computer disks. The RSDE was introduced in Mississippi during the recovery from Hurricane Georges in October 1998.

Approximately 70 copies of *Guidance on Estimating Substantial Damage* have been distributed throughout the state of Mississippi. Workshops have been conducted with many groups, including the Association of Floodplain Managers of Mississippi (AFMM) and the Building Officials Association of Mississippi (BOAM). An ICC presentation and practice exercise were developed for these workshops, with input from NFIP and FEMA Region IV staff. The exercise features three scenarios based on actual flood-damage statistics from two Mississippi cities and one North Carolina city.

Mitigation "Strike Team" at Work

The AFMM has established a group of member volunteers, primarily Certified Floodplain Managers, who serve as mitigation "Strike Teams" to assist community officials with post-flood substantial damage estimating efforts. A team was deployed to the city of Kosciusko when flash floods swept through it in April 2001. More than 100 homes were damaged; of these, 25 were located in the SFHA and thus were eligible to submit ICC claims. Kosciusko had received 10 inches of rain in less than 3 hours, exceeding the 100-year rainfall records of 5 inches in 3 hours and 9.4 inches in 24 hours. The majority of the affected homes received only a few inches of water, but

three homes were inundated by up to 3 feet of water.

Assigning ICC Payments to the Community

If a community plans to pursue a FEMA-approved mitigation project, such as a project under the Hazard Mitigation Grant Program (HMGP), the policyholder can assign their ICC coverage payments to their community. Under a new procedure, steps that must be taken by the policyholders and by the community officials to implement this assignment of the eligible portion of the Coverage D (ICC) claim are outlined on the NFIP web site at:

www.fema.gov/nfip/iccdmw.htm

This web page also contains a link to a sample Assignment of Coverage D form, in a pdf format, which may be downloaded and printed.

Strike Team members and local officials decided that the best way to establish a reference point for determining whether or not to activate substantial damage procedures would be to conduct a preliminary survey of flood damage and identify the building most heavily damaged by the flash flood. After closely inspecting that building first, they would use the results as a benchmark to answer the local official's question, "Do we have any substantially damaged structures?" After using FEMA's RSDE Estimator Program software, the team determined that the answer was "No." The cost of repairs to the benchmark building was found to be "only" 38 percent of its pre-flood market value. Thus, city officials were able to determine that Kosciusko had no substantially damaged buildings.

The RSDE program is a valuable tool for Floodplain Administrators, but to be used effectively, a com-

munity must establish how it is to be used and what factors will be considered to support substantial damage percentage costs. Then, in order to survive the scrutiny of property owners' inquiries and appeals, the community can follow these procedures in evaluating every structure. ■

*Al W. Goodman, Jr., CFM, joined the Mississippi Emergency Management Agency (MEMA) in October 1997 and has served as the state's NFIP Coordinator since November 1997. He is a member of the Association of State Floodplain Managers (ASFPM) where he serves on the Professional Development, Flood Mitigation and Public Education/Outreach Committees and is a charter member of the Association of Floodplain Managers of Mississippi (AFMM). He also is one of the first forty people in the United States to be awarded the title of Certified Floodplain Manager (CFM) through the ASFPM certification test. This article is based on one that appeared in the October 2001 *News & Views*, a newsletter of the ASFPM.*

NFIP Training in 2002 for Claims Adjusters

Claims adjusters who wish to be certified by the NFIP must attend one of the NFIP Claims Presentations offered between January and June each year. The dates and locations of these presentations in 2002 are listed below:

2/4	Hato Rey, PR	3/20	Denver, CO
2/11	Miami, FL	4/12	Lanham, MD
2/13	Tampa, FL	4/19	Randolph, MA
2/15	Pensacola, FL	4/22	Charleston, WV
2/19	Birmingham, AL	4/24	Cincinnati, OH
2/21	Oklahoma City, OK	4/26	South Barrington, IL
2/25-26	Arlington, TX	5/1	Ronkonkoma, NY
3/1	San Antonio, TX	5/3	Runnemedede, NJ
3/6	Humble, TX	5/6	Richmond, VA
3/11	San Diego, CA	5/8	Wilmington, NC
3/13	Vallejo, CA	5/10	Cayce, SC
3/15	Salem, OR	5/23	New Orleans, LA
3/18	DuPont, WA		

For more information, visit our web site at:

www.fema.gov/nfip/claimsadj.htm

If you have additional questions, call the NFIP Claims Presentation Coordinator at 301-731-5300 (ext. 746) or TDD at 301-918-1409.

Marketing to the "Little Guys"

Ronni Rodrigue-Walker, IB&M

Do you often feel that all your Write Your Own (WYO) companies target their marketing to the "big guys"? The large insurance agencies already have learned that flood insurance can be quite profitable and have trained people in-house to take care of this market. The "little guys" are the insurance agencies that need to be convinced of the viability of selling flood insurance. However, the little guys also probably don't have anyone on staff who is a flood specialist.

For several years, my company has been marketing specifically to the little guys! Our in-house flood specialist becomes their off-site employee. We believe that every agency can and should sell flood insurance and we are trying our best to show them how and why.

Since June 2000, I have been conducting continuing education seminars with the assistance of our WYO carrier—American Bankers Insurance Company of Florida. Both large and small agencies from all over Louisiana and Mississippi have taken advantage of the free Continuing Education credit my seminars offer. Many of those who have attended have found my approach to flood insurance refreshing and inviting! Our volume of flood sales has more than doubled as the agents sign up for our program. Agents love the "flood bucket" door prizes that I give away at each class. Inside the large plastic bucket are a golf umbrella and coffee mug (both donated by American Bankers), white rubber rain boots (in New Orleans we politely refer to these

as "Cajun Reeboks"), a plastic raincoat, hot chocolate mix, a packet of microwave popcorn, and a video of "Singing in the Rain." I've purchased so many copies of this video that they are impossible to find in my area. I've asked my contacts around the country to buy copies and send them to me!

My 20 years of experience in a small independent agency (our father-and-daughter office was featured in *Watermark's* Spring/Summer 1993 edition) was the catalyst for my passion for flood insurance. I quickly learned that flood insurance paid higher commissions and stayed on the books longer than other lines of coverage. Many customers for auto and homeowners insurance shop around for lower quotes at every renewal. There isn't a lot of price shopping for flood

insurance because the government sets flood rates.

Since I began working for IB&M in 2000 and brokering



A "Flood Bucket" door prize.

flood insurance for the smaller agencies, I have found unique ways to use the NFIP's underwriting resources (resources that I didn't know existed when I was an agent) for marketing purposes. There are listings of flood policies and claims by community on the Internet at:

www.fema.gov/nfip/stats2.htm

Try using these lists to locate communities where few policies

are written but many claims paid. Also, your WYO carrier can get you a copy of the "Community Master File" for your state that lists the zones located in each commu-

nity. Find the communities that have only B, C, or X zones and market the Preferred Risk Policy in these areas. Or, if you have to write a policy in an area of the state that you are not familiar with, you can use

this list to see what zones are in that area. These lists also are great visual aids when a prospective customer says, "It doesn't flood here." We give seminar attendees and our agents copies of these lists to take back to their offices, even if they don't register for our program!

At our seminars I believe in leaving the agents something by which to remember me, the company I work for, and our flood

program—how about a unique way to determine a building's date of construction? Ask your friendly plumbers and contractors if this will work in your area: check the toilet tank lid for the date stamp placed there when it was manufactured. Chances are the toilet was installed in the building within a couple of months of its construction!

Why does my company encourage or even allow me to have so much fun with our flood program? Because my work with the NFIP has provided great advertising for our office and for all of our other programs! 🌧️

Ronni Rodrigue-Walker is the in-house flood specialist at Insurance Brokers & Managers in New Orleans, Louisiana. She has 24 years of independent agency experience and has been actively involved with flood insurance on the local, state, and national levels since 1983. She was a winner of the NFIP's 2000 Agency of the Year Award.

Mudflow

One of the NFIP *Flood Insurance Manual's* more descriptive terms, a mudflow can be a mess to clean up after and a tricky critter to define. It might require a hydrologist to decide whether the wet brown stuff that has intruded into your client's building is the result of a mudflow, a landslide, or a "saturated soil mass moving by liquidity down a slope," which are some of the ways that the *Manual* quaintly describes the possibilities. Quoting the official language of the Standard Flood Insurance Policy, the NFIP *Flood Insurance Manual* says that a mudflow is:

"A river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water. Other earth movements, such as landslide, slope failure, or a saturated soil mass moving by liquidity down a slope, are not mudflows."

How Do You Spell 'Policyholder Relief'? CRS!

Bill Trakimas, ISO

The Community Rating System (CRS) was launched in 1990 to provide incentives for mitigating flood risks across the country. The first CRS classifications took effect October 1, 1991. In October 2001, the CRS celebrated its tenth year of providing discounts on flood insurance policies in participating communities that exceed the minimum floodplain requirements of the NFIP. During its first year of operation, the CRS offered a 5-percent premium discount for all communities enrolling in this program. Ten years later, the CRS has seen its first community earn a Class 3

designation (meriting a 35-percent premium discount) in Tulsa, Oklahoma. Today, in Tulsa and other participating communities, the CRS saves NFIP policyholders more than \$70 million annually on their flood insurance premiums.

As of October 1, 2001, 938 communities were participating in the CRS. The table at right shows the breakdown of communities in the top three classifications presently attained.

CLASS	DISCOUNT	COMMUNITY	STATE
Class 3	35%	Tulsa	Oklahoma
Class 4	30%	Fort Collins King County	Colorado Washington
Class 5	25%	Milpitas Juno Beach North Miami Sanibel Prince George's County Austin Arnold Wrightsville Beach Grand Forks Kemah Pierce County Thurston County	California Florida Florida Florida Maryland Minnesota Missouri North Carolina North Dakota Texas Washington Washington

ECs on File in CRS Communities

Did you know that CRS communities retain copies of Elevation Certificates? NFIP stakeholders and consumers may contact their community's CRS coordinator for information about how to gain access to these EC files.

Visit the CRS web site for more information about the role ECs play in floodplain management, or go directly to www.fema.gov/nfip/partcom.htm to access contact information for each community participating in the CRS. This information also is available by calling the NFIP at 800-427-4661.

New for 2002

The Community Rating System has a new coordinator's manual, scheduled for release in the first quarter of 2002. It is the first revision since 1999. Although not as extensively revised as the 1999 edition, the 2002 *CRS Coordinator's Manual* contains changes that significantly affect participating communities. Major changes are listed by CRS activity on the next page.

The CRS Task Force made final recommendations on these and other proposed changes to FEMA at their October 2001 meeting in Seattle, Washington.

Bill Trakimas is the Flood Technical Coordinator for Insurance Services Office, Inc. and coordinates all technical aspects of the Community Rating System for ISO. Prior to coming to work for ISO in 1989, Trakimas was the NFIP State Coordinator for Indiana.

Wave Height Adjustment

Surfers and water skiers all over the world would be delighted if there was some way to adjust the height of waves. The NFIP has managed this feat by creating a measurement used on Flood Insurance Rate Maps (FIRMs) that were published prior to 1981. The NFIP *Flood Insurance Manual* explains that the wave height adjustment is:

"A measurement that is added to the base flood elevation for V Zones shown on the Flood Insurance Rate Map published prior to 1981. For coastal communities, the base flood elevation shown on Flood Insurance Rate Maps published prior to 1981 are still-water elevations, which include only the effects of tide and storm surge, and not the height of wind-generated waves."

CRS Coordinator's Manual Changes

Activity Number	Activity Title	Change/Credit
310	Elevation Certificates	Added credit for putting Elevation Certificates on a community's web site. Credit: Maximum credit of 36 points
330	Outreach Projects	Increased credit for addressing multiple hazards in Outreach Projects Strategy (OPS) element. Credit: Credit increased from 100 to 125 points.
350	Flood Protection Library (now called Flood Protection Information)	Added a new sub-element (WEB) to credit web sites. Credit: Maximum credit of 36 points
410	Additional Flood Data	Added a new element called Cooperating Technical Partners (CTP). Credit: Maximum credit of 143 points
420	Open Space Preservation	Revised activity to incorporate credit for a new element called Land Development Criteria (LDC) and to move Low Density Zoning (LZ) from Activity 430. Credit: Maximum credit of 100 points for LDC
430	Higher Regulatory Standards	Increased maximum credits for new elements but lost 600 points by moving LZ to Activity 420. Credit: Maximum increased by 825 points.
		Divided the Building Code and Staffing (BCS) element into two elements: BC and STF. Credit: N/A
		Created a new element called Staffing (STF). Credit: Maximum credit of 50 points
		Increased points for the State-Mandated Regulatory Standards (SMS) element. Credit: Increased from 25 to 45 points.
		Added Insurance Agent Training (IAT) element. Credit: Maximum credit of 20 points
		Added a new element for Manufactured Home Parks (MHP). Credit: Maximum credit of 50 points
		Added a new element for Coastal AE Zones (CAZ). Credit: Maximum credit of 650 points
510	Floodplain Management Planning	Increased credit for addressing multiple hazards in the planning process. Credit: Increased from 235 to 304 points
520	Acquisition and Relocation	Changed formula to recognize credit for repetitive loss buildings located outside the SFHA. Credit: N/A
530	Retrofitting (now called Flood Protection)	Activity revised to reflect structural flood control projects. Abbreviation changed from RB to PB. Credit: N/A
610	Flood Warning Program	Added an element called the Storm-Ready Community (SRC). Credit: Maximum credit of 25 points
630	Dam Safety	Deleted the sub-element Dam Failure Regulations (DFR). Credit: N/A
		Increased the sub-element Dam Failure Planning (DFP). Credit: Increased from 25 to 100 points.

Lender Changes Translate To Some Nonrenewals

Rosalie Douglass, NLIC

In the fast-paced world of loan sales, a customer could have up to three loan servicers in a year. While this situation is enough to rile the least complaining of customers, it also can result in nonrenewal of flood insurance policies. Let's look at what happens before and after a loan sale, transfer of servicing, or merger involving a business change.

The Regulator Requirements

Once notified of a sale or transfer date, a servicer may be required to inform every insurance carrier or agent of record on every loan in the transferring portfolio. Fannie Mae guideline 205.07 states that the servicer must: "notify the hazard, flood, and earthquake insurance carriers to request a policy endorsement to substitute the transferee's name in the mortgage clause and to change the premium billing address to that of the transferee servicer (unless the mortgagor pays the premium directly)."

Freddie Mac guideline 56.14 requires the servicer to: "advise all applicable property insurers including, if applicable, FEMA, of the transfer and of the name and address of the Transferee to modify the Mortgage clause required by Section 58.6."

In a transfer of thousands of loans, requirements like those are considerable tasks. Often, servicers choose to send a generic letter to each carrier, attaching a list of the loans involved in the change. Many transfer instructions demand that a copy of that letter be placed in the file of every loan being transferred.

If every *t* is crossed, and each *i* is dotted correctly, insurance carriers will receive the information neces-

sary to create a mortgagee change on their policies in a timely fashion. Then, the carrier should be able to send the bills to the proper servicing company, which may be paying premiums from escrow accounts. If the servicing company's computers can retain information on the loans they sold or transferred, their servicing and insurance staff will be able to easily redirect premium bills, cancellations, and other insurance mail to the correct address.

The Servicer Reality

In practice, what we find is that some policies are being canceled, or are simply lapsing, because bills are not reaching the correct servicer. In some cases, insurers are holding the mortgagee notices until the next renewal date of the policy in order to cut down on what they see as unnecessary paperwork. Because of uncertainties about where insurance mail should be sent, they often prefer to postpone the mortgagee changes until after "the dust settles" on a servicing transfer. Many carriers have designed their systems so that policy information is grouped by the agent of record, not by the mortgagee. That makes handling bulk mortgagee changes difficult, if not impossible. As a result, some carriers are still requiring the agent to complete an individual "change request" for each insured (borrower).

Under the National Flood Insurance Reform Act of 1994, the requirement to notify FEMA of a change in the servicer falls on the transferee. The new servicer must supply the borrower's full name, flood insurance policy number, and property address (including

city/state); name of bank or servicer reporting the change, and name and telephone number of contact person; plus name and address of new servicer, and name and telephone number of contact person at new servicer. All of this information must be supplied on a special change request form required for each policy. Servicers can't expect Write Your Own (WYO) companies to complete these forms for them, either, although some have tried.

Many WYO carriers have outsourced the processing of various kinds of mail to other companies. These vendors can and do process bulk mortgagee changes for carriers by the thousands. However, they frequently run into problems with the information supplied by the servicer in these bulk lists. One mortgage company sent a list of 3,000 borrowers being transferred and attempted to include the insurance policy numbers for the benefit of the carrier. The problem for the processing team was that all the policy numbers on the list were only 9 digits; the carrier had a 10-digit policy number.

Because of system limitations in some mortgage shops, servicers are hard pressed to purge loan information that is not absolutely necessary to their routine operations very soon after a transfer. As a result, a large volume of insurance mail that is considered "unidentifiable" by loan number or property address tends to stack up at the servicing shop or the mailroom of an insurance tracker. Inside that mail could be the bills that need to be paid by the new servicer.

The Simple Solution

The message that lenders and servicers would like insurance carriers to remember is that they need to handle all mortgagee change notices in a timely manner. In turn, if ser-

vicers take the care to provide complete, up-to-date, and accurate information about their borrowers and the policies, carriers can perform that task with maximum efficiency. 🌐

Rosalie Douglass is a mortgage consultant for Real Data Delivered in Carrollton, Texas. She also serves as newsletter editor for the National Lenders' Insurance Council. She can be reached at twoesses@msn.com.

New Coalition Supports Flood Map Modernization

Anne Flowers, FIMA

Almost 20 national, State, and local organizations have formed a coalition to support funding of FEMA's Flood Map Modernization efforts. Participating organizations represent state and local officials, Realtors, home builders and surveyors. Also represented are professionals with a stake in floodplain management, development review, disaster mitigation, emergency

response, land-use planning, and environmental protection.

These organizations share FEMA's belief that accurate and useable floodplain maps

are the foundation of good local planning and natural disaster mitigation. However, many of the nation's flood maps are as much as 30 years old, and a third are more than 15 years old. Many of these maps do not reflect today's development and, as a result, do not show changes in flood hazards. Reliance on these outdated flood maps in making decisions about new development can harm commercial and residential property owners and the taxpayers who ultimately pay for flood damages.

An aggressive program to update, modernize and maintain the inventory of flood maps is essential. FEMA's Flood Map Modernization project has laid the groundwork for this effort. However, without adequate funding, progress has been slow. FEMA appreciates the work of the Coalition and looks forward to continu-

ing to update the nation's flood map inventory. 🌐



Anne Flowers has worked in the NFIP's floodplain mapping program for 25 years. She is currently working with FIMA's Hazards Mapping Division.

Coalition Members

(As of November 9, 2001)

American Congress of Surveying and Mapping
American Planning Association
American Public Works Association
American Society of Civil Engineers
Association of State Dam Officials
Association of State Floodplain Managers
Association of State Wetland Managers
Coastal States Organization
National Association of Counties
National Association of Development Organizations
National Association of Flood and Stormwater Management Agencies
National Association of Home Builders
National Association of Realtors
National Emergency Management Association
National Flood Determination Association
National League of Cities
National Lenders Insurance Council

FIRM Data vs. FIS Data in Forced Placement of Coverage

It is essential that flood zone determination companies and lenders use zone data from the community's current Flood Insurance Rate Map (FIRM)—not data from the community's preliminary Flood Insurance Study (FIS)—as the basis for requiring flood insurance under the National Flood Insurance Reform Act of 1994.

Insurance agents and WYO companies, of course, still can apply the "Map Grandfather" rules when determining the insurance rate to calculate the policy premium. Check the Rating section of the *Flood Insurance Manual* for complete information about "Map Grandfather" rules.

FEMA Director Underscores Importance of Mitigation

Mitigation must be a cornerstone of emergency management. It is the best way for us to save lives, property, and taxpayer dollars.

It's not glamorous. It's not always easy. It's not always newsy—unless I happen to say something about flood protection when standing on the White House lawn. It doesn't come with fancy jackets and baseball caps, either.

It requires a buy-in at every level. Everyone must play a role, from the residents of a community to the leaders they elect and the businesses they run.

This responsibility comes in three ways:

1. Identifying the hazard and assessing the risk;
2. Planning; and
3. Making real brick and mortar changes in our communities.

Here is where we at FEMA really need your help. Become our partner in helping us find ways to give local officials the tools they need to encourage smart development and adopt appropriate building codes. FEMA needs to put the latest technology and the best tools in the hands of state and local emergency managers.

We need to provide tools and the training to use them to update

floodplain maps, create new multi-hazard maps, and develop accurate loss estimation models so that state and local officials can make better decisions.

Of course, this requires resources. So, as a first step, I am going to reinstate funding of \$50,000 per state for pre-disaster mitigation for Fiscal Year 2002.

The second key item to mitigation is planning, to keep people out of harm's way. And here, public support is critical so that people can make good decisions for their own safety and elect leaders who make good decisions that protect their communities.

FEMA will have a clear role here. I will insist that all FEMA programs, like the NFIP and others, work together to bring the latest technology and the best tools to local and state officials.

Once again, this requires resources. So, as part of the Disaster Mitigation Act of 2000, states can use up to 7 percent of their HMGP [Hazard Mitigation Grant Program] funds for planning. Those state and local governments that develop an enhanced mitigation plan can qualify for up to 20 percent of HMGP funding. I will be asking these officials to develop plans that emphasize local efforts because mitigation

truly begins with the local community and its residents.

The third aspect of mitigation, as I see it, is very concrete: brick and mortar projects that serve a real and tangible purpose saving lives and property.

We're cataloging ways of doing this work. And, not surprisingly, we find them in your communities. Mitigation works. All you have to do is look at the communities that are taking measures to keep people out of harm's way right now.

In North Dakota and Minnesota, communities along both sides of the Red River took their flood threat seriously and acted to minimize the impacts of last year's flooding. Levees, both permanent and temporary, held. In areas where FEMA and the state and local governments had conducted buyouts, the water rose, but no people or homes were affected.

Mitigation is our best hope to protect our citizens and to maintain our economic vitality. And I won't quit until disaster resistance is a core value in our communities across the country.

Excerpted from the September 10, 2001, speech by FEMA Director Joe Allbaugh to a meeting of the National Emergency Management Association.

Coinsurance

No, coinsurance does not refer to the insuring of coins. Coinsurance refers to a building coverage penalty on losses, and it is applicable for those condo owners whose association has purchased a Residential Condominium Building Association Policy. According to the NFIP *Flood Insurance Manual*, coinsurance is:

"A penalty imposed on the loss payment unless the amount of insurance carried on the damaged building is at least 80 percent of its replacement cost or the maximum amount of insurance available for that building under the NFIP, whichever is less. Coinsurance applies only to building coverage under the Residential Condominium Building Association Policy."

Elevation Certificate Training Offered Online for Surveyors

Certifying building elevations on the FEMA Elevation Certificate (EC) recently became a lot easier, thanks to a new web-based training module developed for land surveyors, engineers, and architects.

The *Surveyor's Guide to the Elevation Certificate* is a new tutorial available through the NFIP web site. Training workshops in how to use the EC have been offered across the country for land surveyors, engineers, architects (who certify the elevation of buildings), community officials, and insurance agents. Now, those who want this training have to travel only as far as their computer to explore the details of the EC.

After accessing the NFIP web site, visitors can select from two tutorials about the EC—the module that has been implemented for surveyors, and another module designed for use by insurance agents. The surveyor's tutorial also was developed to assist the community officials who monitor compliance with the elevation requirements of their communities' floodplain ordinances.

It takes about half an hour to browse through the new tutorial for surveyors. At the home page of the *Surveyor's Guide to the Elevation Certificate*, visitors view a short introduction to the EC and then click on three section tabs to move around the site.



- Clicking on the "Elevation Certificate" tab allows visitors to view and download an electronic copy of the EC along with instructions in how to complete it.
- Clicking on the "Surveyor Video" tab opens a video that briefly describes the process a surveyor follows to establish a building's elevation points.
- Clicking on the "Bldg. Diagrams & Photos" tab displays a

series of eight sample building diagrams and representative photos. This section of the tutorial is designed to show surveyors, engineers, and architects where to take the necessary elevation measurements for each building diagram.

Navigation tools at the bottom of each page on the site not only provide information for how to move around within the tutorial and how to use each section most effectively, but also allow visitors to e-mail their questions or comments directly to EC specialists at FEMA.

For more information about the *Surveyor's Guide to the Elevation Certificate* training module, visit the web site at:

<http://nfip.kevric.com/ecsurveyor/>

Training in use of the Elevation Certificate also is available at NFIP regional workshops. For information about where and when these will be held, call the nearest NFIP Regional Office (see page 19 for contact information).

Join Us in New Orleans!

Mark your calendars for the 2002 National Flood Conference, slated for May 19-22 at the Hyatt Regency in New Orleans, Louisiana. We'll be offering more than 40 workshops on a wide variety of topics from mitigation outreach to how flood insurance rates are determined. Back by popular demand will be a mock hearing, a Hot Issues panel, and a series of town halls in which attendees can air the concerns that matter most to them. Local homebuilders,

surveyors, real estate agents, lenders, public officials, and insurance agents are invited to attend "Industry Day" on Tuesday, May 21, for a reduced fee.

If you have not attended a National Flood Conference and would like to be added to the mailing list of those receiving conference announcements in early 2002, contact Catherine King by fax (301-918-1471) or by mail (NFIP Bureau

& Statistical Agent, 7700 Hubble Dr., Lanham MD 20706). We are expecting this to be a "full capacity" event, so you may prefer to register early online. Information about how to do this will be available on the NFIP web site (www.fema.gov/nfip) in February.



Effective Outreach Begins Long Before Hurricane Season

Deborah Manzo, Palm Beach County, Florida

Palm Beach County, Florida, adopted a Local Mitigation Strategy (LMS) in October 1999. During the pre-adoption phase, our Outreach Committee recommended that we hold a Hurricane Expo at a local mall to inform the public about hurricane risks and preparation strategies. The event was very successful and, when the Outreach Committee disbanded after adoption of the LMS, the countywide Community Rating System (CRS) Subcommittee offered to continue the Hurricane Expo. However, the CRS Subcommittee added flood and wind awareness to the Expo's goals and, by doing so, allowed the participating communities to receive 100 points toward NFIP CRS Activity 330.

Planning An Expo

Each year, 37 municipalities plus Palm Beach County are encouraged to participate in our Hurricane Expo: Flood and Wind Awareness, and most of them do. The Expo Planning Committee meets each month or as needed. For the 2001 Expo, Palm Beach County hired a consultant to organize a children's art contest, oversee vendors, and coordinate the event. We partnered with a representative from a local mall and a weather forecaster from Channel 25, who both were members of the Expo Planning Committee. In addition, the local newspaper provided advertising at no cost.

We've found that planning a successful Expo involves numerous steps such as these:

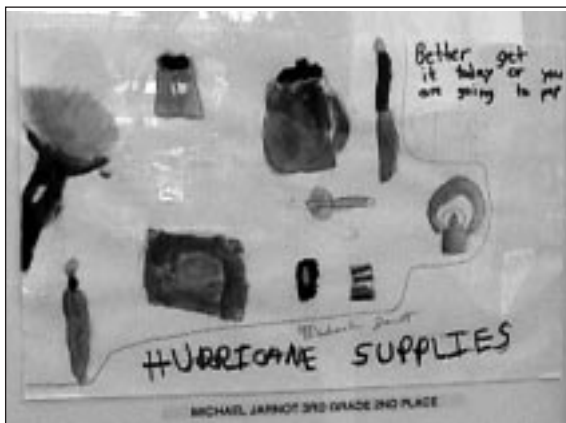
1. Set date and time of Expo.
2. Determine cost for vendors to participate. We charge \$100, which pays for the rental of tables and chairs at the mall. The remainder is used as a contribution to a charity identified by the mall.
3. Send vendors a letter requesting participation.
4. Require vendors to sign an insurance certificate indemnifying the sponsoring organizations and the mall.
5. Request each vendor to donate a product or service worth at least \$50 to be used for prize drawings.

6. Send County agencies and other special groups a letter requesting participation.



Palm Beach County CRS Committee (from the left) Dorothy Gravelin, Carl Perdue, Deborah Manzo, and Karen Temme.

7. Meet with elementary school officials to plan art contest.
8. Prepare work schedules for event staffing at Expo.
9. Prepare badges for Planning Committee members.
10. Prepare poster advertising Expo and deliver to mall and Planning Committee members.
11. Judge art contest and provide awards.
12. Set up computer system to provide free flood-risk determinations for Expo attendees.
13. Coordinate television coverage.
14. Prepare backdrop displaying local flood information.
15. For CRS Activity records, count hurricane awareness brochures handed out at Expo.
16. Have vendor-donated items available for prize drawings.
17. Afterwards, quantitatively and qualitatively evaluate the results of the Expo.



Prize-winning poster by Michael Jarnot.

Tips for a Successful Expo

The organizational efforts and participation of all members of the Planning Committee are essential. Hiring a consultant to coordinate the event is well worth the money. When working with the school system, allow one year's lead time to set up an art contest. Teachers normally must have events of this kind approved before the beginning of the school year.

Holding an annual flood awareness Expo provides an excellent opportunity to get the public's attention and educate them about flood risk and the wisdom of buying flood insurance. If you're inter-

ested in organizing a flood awareness Expo in your area and would like more information about ours, send me an e-mail at: dmanzo@juno-beach.fl.us

Deborah Manzo has been Town Clerk of the Town of Juno Beach, Palm Beach County, Florida, since 1991. She has been its CRS Coordinator since 1992 and has helped the Town to achieve its current CRS rating of Class 5. Manzo also is Chair of Palm Beach County's



Ann Rowe of Florida's Department of Community Affairs welcomes Expo visitor.

Local Mitigation Strategy Committee and Countywide CRS Subcommittee.

RESOURCES

Please note that web site addresses may have changed prior to publication of this edition of *Watermark*. We offer this information for reference but do not endorse any product or company.

Watermark seeks to serve its readers with as wide a variety of resources as possible. We remain dedicated to disseminating information about flood insurance. As our readership expands to include more engineers, surveyors, and community planners, we hope to increase the available resources to ensure that all of our stakeholders can provide themselves, their clients, and their community members with the tools needed to better protect against flood losses.

Publications

Do you work for a WYO Company Claims Office? Ever wondered what to do when the company gets sued over a flood policy? The *NFIP Guide for Write Your Own Counsel* is available to WYO company claims personnel. You can get a free copy by contacting FEMA's NFIP Legal Liaison: Susan Bernstein, FEMA, Room 441, 500 C Street SW, Washington DC 20472. Or contact her by e-mail at:

susan.bernstein@fema.gov

Websites

Flood Certification Online

www.advantagecredit.com

Advantage Credit of Pensacola, Florida, is offering flood certification online. This new web technology allows brokers to order and receive basic or life-of-loan flood certifications electronically. You need to become a member first. Simply enter the site to join and then click on online services in the left-hand column. Then follow the instructions.

Hurricane Predictions

www.users.sccoast.net/turbo/hurrpred.html

Before each hurricane season, Dr. William Gray of Colorado State University makes a big media splash with his hurricane season predictions. Just how accurate are Dr. Gray's predictions? You can take a look at the numbers back through 1994 and check out the linked sites.

Disaster Mitigation for Persons with Disabilities

www.annenberg.nwu.edu/pubs/disada/

For the 49 million Americans with disabilities, and millions of others around the world, surviving a disaster can be the beginning of a greater struggle. Whether an individual with a disability requires electricity to power a respirator, life sustaining medication, mobility assistance, or post-disaster recovery services, relief organizations and rescue personnel increasingly must be prepared to address the needs of that individual in the hours and days following a disaster.

SDF: Handling Repetitive Losses

H. Joseph Coughlin, Jr., FIMA

In 1999, the NFIP established a Special Direct Facility (SDF) to service the approximately 10,000 NFIP flood insurance policies issued by Write Your Own (WYO)

claims payments. Florida, Louisiana, New Jersey, New York, North Carolina, and Texas have the largest number of RLTG properties. While these are states

more often caused by riverine flooding and inland drainage problems. Less than 4 percent of the RLTG properties are "beachfront property" located in V-zones.

The Mitigation Approach

FIMA has been working with state and local governments to package offers of mitigation assistance for Target Group policyholders. These offers may include funding for elevation of buildings, removal of buildings from the floodplain, purchase and demolition of buildings, or, for commercial buildings only, floodproofing.

Early Reports from the Field

Early indications are that the Repetitive Loss Properties Strategy is beginning to produce the desired results, although it may take several years or more before the strategy can be regarded as a success. Last year's flooding in Texas and Louisiana from Tropical Storm Alli-



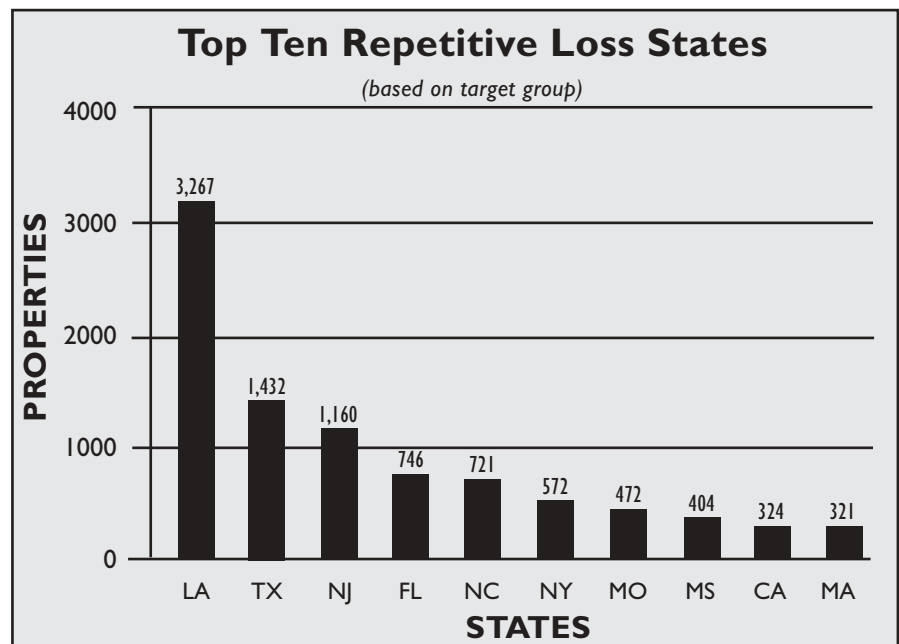
Repetitive losses represent more than one third of all NFIP losses.

companies and the NFIP Direct Servicing Agent for property with a higher than normal loss history. Collectively referred to as the Repetitive Loss Target Group, these NFIP-insured properties were identified by the NFIP as properties that have had either:

1. the highest frequency of flooding (i.e., four or more flood losses) or
2. the greatest severity of flooding (i.e., two or three flood losses with cumulative loss payments exceeding the value of the building).

Properties included in the Repetitive Loss Target Group (RLTG) are not the only repetitive loss properties insured by the NFIP; they are the costliest ones, representing about \$80 million per year in loss

with large coastal areas, most of those repetitive losses are not beachfront. The damage was



son provided the first significant opportunity to put the mitigation approach into action and make offers of assistance for properties damaged by the storm.

Although the extent of such mitigation efforts are limited in number and size by the availability of funds, Allison nonetheless offered the NFIP an opportunity to help numerous policyholders take miti-

gation steps to protect their homes and other property. Both FEMA and the NFIP strongly encourage the State and local governments in the areas affected to help their citizens escape the repetitive loss cycle.

Agents and others can contact the NFIP Direct Program, which is handling the SDF, through their toll-free telephone number, 800-638-6620. 🌐

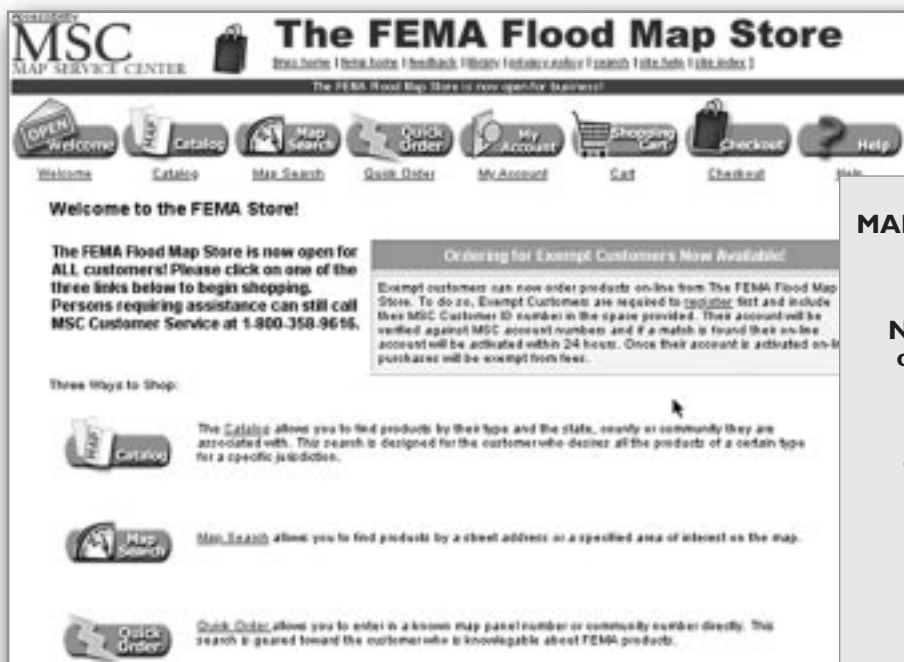
H. Joseph Coughlin, Jr., who presently serves as Assistant to the FIMA Administrator, is responsible for overseeing the NFIP's Repetitive Loss Program. Since 1970, Coughlin has held a variety of positions at FIMA including Executive Assistant to several Administrators. He has worked with all aspects of the NFIP, including the insurance, floodplain management, and risk identification aspects of the Program.

FEMA Flood Map Store Goes Online

Customers now can place orders for flood mapping products online at the new FEMA Flood Map Store:

<http://web1.msc.fema.gov>

Our secure site allows for quick and easy credit card ordering for all of our customers. If you are not sure what product you need, check out our online Catalog for brief descriptions of all of our products. When you need a flood map but don't know which one, try using our Map Search feature. For our experienced customers who know their community and panel numbers, Quick Order provides the fastest and easiest shopping experience. Of course, customers still can speak with a Service Representative at our toll-free number, 800-358-9616. 🌐



MAP STORE PRODUCTS INCLUDE:

FEMA-issued flood maps

NFIP Flood Insurance Manual and other program documentation

Flood Insurance Studies

Coastal Barrier Resources Act (CBRA) data

NFIP Community Status Book

Letters of Map Change CDs

Flood Map Status Information System (FMSIS) reports

Q3 digital flood data

Texas City Rewarded for Resisting Disaster

Lynn Carrier and Kim Pease, FEMA

Kemah, Texas, a tourist mecca on Galveston Bay, thrives on fair weather but is prepared to deal with nature's worst. The city has taken steps to protect lives and property from hurricanes, floods, and storm surges.

In fact, Kemah has adopted and enforced such stringent floodplain management measures that, in October 2000, it became the first Texas city to obtain a Class 5 rating from the NFIP's Community Rating System (CRS). The designation means Kemah residents in the high-risk floodplain—about half its population of 2,333—get a 25-percent discount on their flood insurance, the lowest rates in the state. Those outside the floodplain get a 10-percent discount. Under the CRS, cities earn discounts on flood insurance premiums in 5-percent increments from Class 9 (5 percent) to Class 1 (45 percent).

"Kemah is an example of a community that took responsibility for its future," said Duke Mazurek, State Coordinating Officer in the Division of Emergency Management, Texas Department of Public Safety. "Its leaders want their city to foster safety as well as prosperity."

"The Kemah floodplain ordinance exceeds NFIP requirements that are designed to reduce flood hazards for individuals and the community at large," said Federal Coordinating Officer Scott Wells of the Federal Emergency Management Agency (FEMA). "When the next big storm strikes—and it is only a matter of time before it does—communities that elevated homes or moved residents out of

harm's way will appreciate the value of sound floodplain management."

Kemah, which derived its name from a Native American word meaning "wind in the face," joined the NFIP in 1970 and, ever since, has looked for ways to resist storms and flooding. In 1983, the

city

adopted a renewal program that razed 34 structures, including 14 that had repeatedly flooded.

The city joined the CRS a decade ago, approved a floodplain ordinance in 1992, and updated it in May 1999. Why did the city ask its residents to accept measures exceeding FEMA's requirements?

"Initially, I think, the Council members were interested in lowering the flood insurance rates," said Barbara Roberts, Public Works Secretary for Kemah.

Meanwhile, storms periodically reminded the community of the need to floodproof property. In 1998, a hurricane hit the coast, causing \$36,000 in damage to Kemah's street ends and other public infrastructure. In 2001, Tropical Storm Allison caused minor damage to nine homes and four businesses. "We feel we were very fortunate," said Roberts. "Overall we weathered the storm well."

Kemah officials aren't relying on luck. They have begun enforcing the floodplain ordinance even more vigorously, said Roberts. "In the past several years we have become very strict," she said. "Anything in the floodplain has to be 18 inches above the elevation required by FEMA. Homeowners planning new

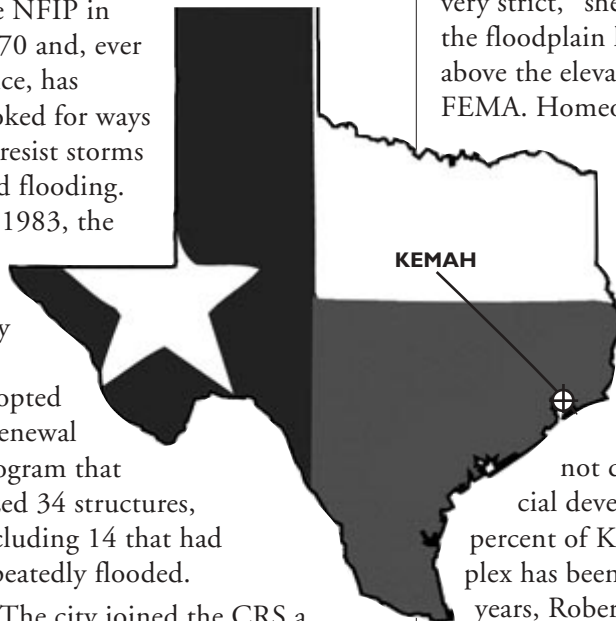
construction or substantial remodeling, and homes that have a history of flood damage—all must adhere to the requirements."

These floodplain requirements did not discourage commercial development. About 60 percent of Kemah's tourist complex has been built in the past 2 years, Roberts noted.

Some additional measures that Kemah city officials have implemented, which earned them the lowest flood insurance rates in Texas, include:

1. Acquiring and relocating flood-prone structures.
2. Implementing a method to ensure the city's drainage system is maintained.
3. Providing flood map information for citizens and other interested parties.
4. Making flood insurance information available at the library for public use.

Lynn Carrier and Kim Pease are FEMA Public Affairs staff stationed at the Disaster Field Office opened in Houston, Texas, in response to flooding caused by Tropical Storm Allison in June 2001.



NATIONAL FLOOD INSURANCE PROGRAM

IMPORTANT TELEPHONE NUMBERS

NFIP TELEPHONE NUMBERS

NUMBER	SERVICE
800-638-6620	DIRECT BUSINESS
800-720-1093	AGENT INFORMATION AND LEADS PROGRAM
800-427-4661	GENERAL INFORMATION
800-611-6125	LENDER INFORMATION
800-427-5593	TDD
800-358-9616	FEMA FLOOD MAPS, FLOOD INSURANCE MANUAL
800-480-2520 301-497-6378 FAX	NFIP FORMS AND PUBLIC AWARENESS MATERIALS
800-564-8236	CO-OP ADVERTISING PROGRAM
202-646-FEMA	FEMA FAX— PROGRAM INFORMATION

REGIONAL OFFICES TELEPHONE NUMBERS

REGION	FEMA	NFIP BUREAU AND STATISTICAL AGENT
REGION I CT, MA, ME, NH, RI, VT	617-223-9561	781-848-1908
REGION II NJ, NY CARIBBEAN OFFICE-PR,VI	212-680-3620 787-296-3500***	732-603-3875 281-829-6880**
REGION III DC, DE, MD, PA, VA, WV	215-931-5500	856-489-4003
REGION IV AL, GA, KY, MS, NC, SC, TN	770-220-5400	770-396-9117
FLORIDA		813-975-7451*
REGION V IL, IN, MI, MN, OH, WI	312-408-5500	630-577-1407
REGION VI AR, LA, NM, OK, TX	940-898-5127	281-829-6880
REGION VII IA, KS, MO, NE	816-283-7002	913-780-4238
REGION VIII CO, MT, ND, SD, UT, WY	303-235-4830	303-275-3475
REGION IX AZ, CA, GUAM, HI, NV	415-923-7177	916-780-7889
REGION X AK, ID, OR, WA	425-487-4678	425-488-5820

*NFIP B&SA contact number specifically for the Florida office.

**NFIP B&SA contact number for Puerto Rico and the Virgin Islands.

***FEMA contact number for Puerto Rico and the Virgin Islands.

Policies/Losses By State

This table was prepared using policy and claims data through September 30, 2001. The total claims paid for Fiscal Year 2001 of \$1.1 billion is primarily driven by Tropical Storm Allison. Through fiscal year-end (September 30, 2001), more than \$900 million had been paid on claims from that event. FIMA estimates that an additional \$100 million total will be paid on claims from that event, which will make Tropical Storm Allison our first \$1 billion storm.

State	Fiscal Year 2001 October 1, 2000-September 30, 2001			Fiscal Year 2000 October 1, 1999-September 30, 2000		
	Policies in Force ¹	Closed Losses ²	Total Payments Closed Losses ²	Policies in Force ³	Closed Losses ⁴	Total Payments Closed Losses ⁴
Alabama	37,329	59	493,537	36,879	172	2,512,445
Alaska	2,466	1	6,804	2,481	3	30,993
Arizona	27,401	35	326,487	27,385	11	71,568
Arkansas	13,686	28	232,316	13,539	26	399,350
California	328,882	215	2,661,783	358,413	183	1,341,557
Colorado	14,602	14	54,939	14,668	15	86,198
Connecticut	29,452	58	1,062,237	29,401	120	1,981,493
Delaware	16,751	2	39,792	16,313	23	474,615
District of Columbia	410	0	0	415	0	0
Florida	1,762,936	9,778	157,034,494	1,737,222	14,754	125,616,246
Georgia	64,014	43	1,006,280	63,009	105	1,125,152
Guam	182	0	0	200	1	1,776
Hawaii	41,061	60	1,832,751	41,098	6	60,443
Idaho	5,156	1	3,430	5,248	1	1,851
Illinois	45,177	411	4,740,408	44,643	186	1,734,320
Indiana	25,574	25	184,821	25,918	51	352,342
Iowa	10,140	313	4,328,889	10,028	20	275,907
Kansas	10,493	27	412,634	10,622	6	14,850
Kentucky	19,758	64	607,082	20,299	195	2,023,964
Louisiana	359,987	5,372	83,893,606	353,152	230	1,790,992
Maine	7,042	17	123,907	6,962	13	37,046
Maryland	50,387	13	108,071	49,980	28	210,916
Massachusetts	38,862	759	5,931,077	38,317	40	156,931
Michigan	25,458	90	985,401	25,799	98	682,727
Minnesota	10,158	589	6,537,911	7,981	190	2,307,776
Mississippi	41,588	571	8,456,119	41,717	76	574,603
Missouri	22,142	248	3,300,895	21,791	195	5,924,559
Montana	3,028	1	440	3,154	0	0
Nebraska	12,971	19	112,505	12,817	5	18,762

State	Fiscal Year 2001 October 1, 2000-September 30, 2001			Fiscal Year 2000 October 1, 1999-September 30, 2000		
	Policies in Force ¹	Closed Losses ²	Total Payments Closed Losses ²	Policies in Force ³	Closed Losses ⁴	Total Payments Closed Losses ⁴
Nevada	12,479	4	26,873	11,888	5	58,177
New Hampshire	4,845	27	192,772	4,612	9	110,609
New Jersey	177,637	104	1,186,039	174,744	374	4,799,959
New Mexico	11,669	6	48,247	11,646	6	11,912
New York	93,567	178	1,798,369	93,302	244	3,084,552
North Carolina	102,482	106	802,005	101,081	268	4,458,884
North Dakota	6,717	172	1,632,871	6,067	39	1,318,021
Ohio	33,773	123	2,389,616	34,521	233	2,035,814
Oklahoma	14,551	78	1,582,552	14,665	353	6,937,285
Oregon	25,943	3	19,803	26,496	224	4,739,437
Pennsylvania	61,547	411	13,930,208	62,664	441	6,648,414
Puerto Rico	48,165	110	1,556,567	52,781	194	1,525,137
Rhode Island	11,186	66	814,143	11,087	5	65,140
South Carolina	132,229	86	1,243,627	133,723	171	1,638,855
South Dakota	3,206	103	659,829	2,956	2	53,075
Tennessee	14,977	38	331,062	14,809	87	1,085,835
Texas	421,028	22,073	807,349,382	348,764	760	12,744,913
Utah	2,327	2	2,540	2,231	1	124
Vermont	2,903	30	488,054	2,700	14	128,357
Virgin Islands	2,360	12	178,445	2,356	173	8,001,251
Virginia	76,593	96	1,402,962	76,308	260	2,307,393
Washington	27,476	12	272,325	27,985	66	1,284,034
West Virginia	18,168	696	10,212,792	18,095	390	3,531,215
Wisconsin	12,928	176	2,200,280	12,823	80	500,081
Wyoming	1,903	0	0	1,919	1	570
Total	4,347,752	43,525	1,134,799,977	4,269,674	21,153	216,878,424

¹ Policies In Force as of September 30, 2001

² Closed Losses and Total Payments are for losses with a date of loss between October 1, 2000, and September 30, 2001, that were closed as of September 30, 2001.

³ Policies In Force as of September 30, 2000

⁴ Closed Losses and Total Payments are for losses with a date of loss between October 1, 1999, and September 30, 2000, that were closed as of September 30, 2001.

Note: The table of NFIP Policies and Losses by State was included in this Watermark in place of the Major Floods Table. During the next year we will be exploring more ways to present you with policy and loss data that may help you in your marketing and education efforts. We welcome your suggestions (see contact information on page 2).

JUST AROUND THE BEND

Many more workshops will have been added to our schedule since publication of this issue. Please contact the NFIP Bureau and Statistical Agent Regional Offices listed on page 19 for specific information about NFIP events for agents, lenders, and other stakeholders.

STATE/EVENT	CITY	DATE	STATE/EVENT	CITY	DATE
ALASKA NAIW Annual Conference	Anchorage	May 12-15	IDAHO Agent Workshop Lender Seminar Agent Workshop Lender Seminar	Boise Boise Coeur d'Alene Coeur d'Alene	April 23 April 24 April 25 April 26
ARIZONA Agent and Lender Seminar Agent and Lender Seminar NAIA Annual Conference ASFPM Annual Conference	Tucson Scottsdale Scottsdale Phoenix	April 23 April 25 May 22-25 June 23-28	ILLINOIS Agent Workshop Agent Workshop	Chicago Chicago	May 22 May 23
ARKANSAS Agent and Lender Seminar	Little Rock	February 6	INDIANA Agent Workshop Agent Workshop Agent Workshop	Indianapolis Fort Wayne Merrillville	April 16 April 17 April 18
BERMUDA AAI Annual Meeting	Hamilton	April 28-30	KANSAS Agent Workshop	Overland Park	April 17
CALIFORNIA Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar Solutions to Coastal Disasters Conference Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar PLRB & LIRB Annual Conference Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar	Sacramento Emeryville Orangevale San Diego Los Angeles Yuba City Orangevale Napa Anaheim San Jose Long Beach Sacramento	February 1 February 6 February 13 February 24-27 March 5 March 12 March 20 April 3 April 7-10 April 17 May 9 June 10	LOUISIANA RIMS Annual Conference National Flood Conference	New Orleans New Orleans	April 14-18 May 19-22
COLORADO Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar	Golden Golden Colorado Springs Colorado Springs Colorado Springs Pueblo Golden Golden Golden Golden Golden Golden	February 12 March 13 March 27 March 28 March 29 April 9 April 17 May 15 June 19 July 17 August 21 September 11	MARYLAND Agent Workshop Lender Seminar Agent Workshop Lender Seminar Agent Workshop Lender Seminar	Lanham Lanham Lanham Lanham Lanham	February 13 February 14 June 12 June 13 September 18 September 19
FLORIDA Agent Workshop Lender Seminar Agent Workshop Lender Seminar Agent Workshop Lender Seminar National Floodproofing Conference National Hurricane Conference Agent Workshop Lender Seminar ACORD Technology Conference Governor's Annual Hurricane Conference	Rockledge Rockledge Tallahassee Tallahassee Ft. Myers Ft. Myers Tampa Orlando Bradenton Bradenton Lake Buena Vista Tampa	February 7 February 8 February 12 February 13 March 5 March 6 March 25-29 April 1-5 April 16 April 17 May 19-23 May 20-24	MASSACHUSETTS Agent Workshop Agent Workshop Agent Workshop Agent Workshop Agent Workshop Agent Workshop Agent Workshop Lender Seminar Lender Seminar	Brockton Framingham Westport Northampton Newton Danvers Falmouth Northampton Marlboro	February 1 February 27 February 28 March 7 March 20 April 2 April 4 May 14 May 15
			MINNESOTA Agent Workshop Agent Workshop Agent Workshop	St. Cloud Rochester Edina	March 5 March 6 March 7
			MISSOURI Agent and Lender Seminar Agent and Lender Seminar	Springfield Jefferson City	March 5 May 15-16
			MONTANA Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar	Missoula Libby Kalispell	September 18 September 19 September 20

STATE/EVENT	CITY	DATE
NEVADA NAIC Spring Meeting	Reno	March 16-20
NEW JERSEY Lender Seminar Agent Workshop Lender Seminar Agent Workshop Agent Workshop Lender Seminar Agent Workshop	Iselin Iselin Iselin Iselin Iselin Iselin Iselin	March 27 March 28 June 26 June 27 September 25 September 26 December 18
NEW MEXICO Agent and Lender Seminar	Clovis	February 13
NEW YORK Agent and Lender Seminar Agent Workshop	Albany Syracuse	April 25 April 26
NORTH DAKOTA Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar	Devils Lake Grand Forks Fargo	June 28 June 29 June 30
OHIO Agent Workshop Agent Workshop Agent Workshop Agent Workshop Agent Workshop	Richfield Toledo Dayton Columbus Cincinnati	March 14 April 23 April 24 April 25 May 8
OKLAHOMA Lender Seminar	Welch	May 8
OREGON Agent Workshop Lender Seminar Agent Workshop Lender Seminar	Pendleton Pendleton Seaside Seaside	May 9 May 10 June 27 June 28
PENNSYLVANIA Agent and Lender Seminar NAIC Summer Meeting	Bala Cynwd Philadelphia	May 29 June 8-12
SOUTH DAKOTA Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar	Rapid City Rapid City Pierre Sioux Falls	August 6 August 7 August 8 August 9
TEXAS Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar Agent Workshop Agent and Lender Seminar SITE Annual Meeting	Amarillo Lufkin Garland Arlington Pasadena San Antonio	February 12 February 27 March 6 March 7 March 13 June 8-12
UTAH Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar	Salt Lake City Provo Ogden	February 19 February 20 February 21

STATE/EVENT	CITY	DATE
WASHINGTON Agent Workshop Lender Seminar Agent Workshop Lender Seminar Agent Workshop Lender Seminar Agent Workshop Lender Seminar Agent Workshop Lender Seminar	Bellevue Bellevue Vancouver Vancouver Seattle Seattle Aberdeen Aberdeen Yakima Yakima	February 7 February 8 February 21 February 22 March 7 March 8 April 11 April 12 May 7 May 8
WISCONSIN Agent Workshop Agent Workshop Agent Workshop Agent Workshop Agent Workshop Agent Workshop	Green Bay Fond du Lac Milwaukee Wausau LaCrosse Madison	March 19 March 20 March 21 April 2 April 3 April 4
WYOMING Agent and Lender Seminar Agent and Lender Seminar	Casper Cheyenne	July 26 July 27

The following acronyms are used in **JUST AROUND THE BEND**:

AAI Alliance of American Insurers

ACORD Association for Cooperative Operations Research and Development

ASFPM American Society of Floodplain Managers

LIRB Liability Insurance Research Bureau

NAIC National Association of Insurance Commissioners

NAIIA National Association of Independent Insurance Adjusters

NAIW National Association of Insurance Women

PLRB Property Loss Research Bureau

RIMS Risk and Insurance Management Society

SITE Society of Insurance Trainers and Educators