

WATERMARK

2005, Number 3

National Flood Insurance Program

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Implementing FIRA

David I. Maurstad, FEMA

FEMA is in the process of implementing the Title II requirements of the Flood Insurance Reform Act (FIRA) of 2004. Pursuant to the concerns of numerous companies and agents that provided constructive recommendations, FEMA conducted a comprehensive review. I greatly appreciate the input from the insurance industry and others. I am pleased to inform you of the following decisions.

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Hurricane Season 2005

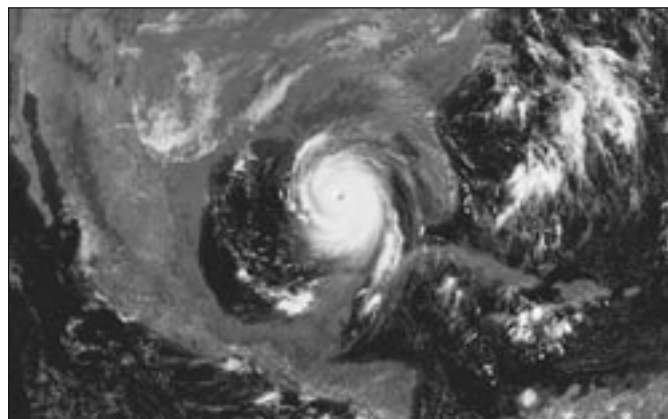
Susan Bernstein, FEMA

By the end of September 2005, the United States had already experienced one of the busiest hurricane seasons in memory. Tropical Storm Arlene emerged on June 8, a week after the official start of hurricane season.

Hurricane Dennis hit Mississippi, Alabama, and western Florida in mid-July, prompting major disaster declarations in all three states. By the end of September, 17 named storms had already formed, resulting in nine federal disaster declarations.

Katrina, which first made landfall in Florida as a Category 1 hurricane on August 25, crossed into the Gulf of Mexico and gathered strength before making landfall in Louisiana on August 29 as a Category 4 hurricane. Hurricane Katrina became one of the most devastating storms in American history, taking

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Satellite image of Hurricane Katrina the day before making landfall. (Photo by NOAA)



FEMA

Message from the Acting Director

Dear *Watermark* Reader,

Throughout 2005 we've been informing our stakeholders about various activities related to the Flood Insurance Reform Act (FIRA) of 2004. We'd like to use this issue of the *Watermark* to "bring it all together."

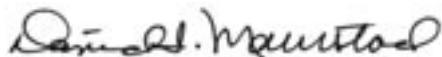
Title II of FIRA is designed to strengthen the NFIP by ensuring that the public and our partners are knowledgeable about the Program, its requirements, and its benefits. For example, the new NFIP Claims Handbook and Summary of Coverage, easy to understand and popular documents (see page 3), were ready when needed following Hurricane Katrina.

FEMA and the NFIP Bureau and Statistical Agent are offering NFIP training to agents, adjusters, lenders, public officials, and condominium association members, to mention only a few. Through our media campaign, FloodSmart, we are educating the public with commercials, radio public service announcements, flyers, brochures, and other materials. The FloodSmart campaign is working with Write Your Own (WYO) companies to inform insurers of the benefits of the flood insurance policies they offer and to clarify coverage issues. WYO companies are opening up new channels, like the World Wide Web, to share NFIP information with their policyholders.

We are working with local communities to offer NFIP training through the Community Rating System (CRS). For instance, the CRS is working directly with North Carolina officials so that insurance agents in the State receive yearly training about the NFIP and flood insurance. We are working with State Departments of Insurance and with the insurance industry as a whole to establish and publish minimum flood insurance training and education requirements for agents who sell NFIP policies.

We see it as "working with FIRA" and with all of our partners to make sure that people throughout the U.S. can get back on their feet after a flood; and that all of us—our partners, policyholders, and the general public—realize that this is everyone's job.

Sincerely,



David I. Maurstad

Acting Director

Mitigation Division

Emergency Preparedness and Response Directorate



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We welcome your comments and suggestions, as well as submissions for articles and departments. In addition, we encourage you to reproduce articles and departments contained in the *Watermark* and include them in your own newsletters or other communications. Send your questions, comments, suggestions, and submissions to:

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www.fema.gov/nfip/wm.shtm

Implementing FIRA

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Who Does What Under FIRA

It is the responsibility of FEMA and the producers of federally backed Standard Flood Insurance Policies (SFIPs) to ensure that policyholders understand their rights and responsibilities under the policy and understand what is covered by the policy.


WYO Company Responsibility

On and after October 1, 2005, when WYO companies or the NFIP Servicing Agent mail a new or renewal declarations page to policyholders, the following documents must also be enclosed:

- A summary of coverage as required by FIRA, Section 202 (a)(1), (2), (3), and (5)
- A notice that FEMA will send subsequent information.

FEMA Responsibility

FEMA, through the NFIP Bureau and Statistical Agent, will send to the policyholders:

- the property's loss history information, as required by FIRA, Section 202 (a)(4)
- the NFIP Claims Handbook, as required by FIRA, Section 204 (FIRA requires that, at the time of a claim, WYO companies will furnish the claims handbook to their policyholders.)
- the acknowledgement, as required by FIRA, Section 203. 

Now serving as Acting Director of FEMA's Mitigation Division, David Maurstad was once Mayor of Beatrice, Nebraska, and served as a Nebraska State Senator. He later held the office of Lieutenant Governor of Nebraska before coming to FEMA in 2001 as the Director of FEMA's Region VIII Office.

Hurricane Season 2005

continued from page 1

hundreds of lives across the Gulf Coast, and forcing the largest relocation ever recorded in the United States. Less than a month later, Rita made landfall as a Category 3 hurricane on the border between Texas and Louisiana, driving further evacuations in both states and causing more wind and flood damage along the Gulf Coast and farther inland.

How the NFIP handled the "Big One"

When Hurricane Katrina came ashore in Louisiana and Mississippi last August 29, it was, if not the worst, one of the strongest storms to hit the US. In the wake of Hurricane Katrina, the NFIP modified the way it settles claims to expedite the response to policyholders in storm-stricken areas.

"For many Hurricane Katrina victims, the effort to rebuild their lives begins with filing a flood insurance claim," said Acting Federal Insurance Administrator David Maurstad.

The NFIP worked closely with the insurance industry to speed the claims process and enable adjusters to help policyholders get settlements quickly. The NFIP used all available data on water depths, aerial imagery, and information from underwriting files to identify properties where it was readily apparent that the flood damage exceeded the amount of NFIP insurance purchased. Claim processing modifications enabled the NFIP to pay up to the policy limits through dialogue with the insured

and without waiting for a site visit to adjust the loss. This process was used in cases in which homes were washed off their foundations, affected for long periods by standing water, or when only pilings or a slab remained.

Adapting to the Public Need

The NFIP waived the usual requirement that the policyholder must submit a proof-of-loss and instead, when the policyholder agreed, relied on the report made by the claims adjuster.



Members of the FEMA Urban Search and Rescue Task Force search for survivors of Hurricane Katrina in New Orleans. (Photo by Joycelyn Augustino, FEMA)

The NFIP urged insurance companies to provide advance checks of around \$3,000 to policyholders who carried contents coverage. Adjusters were instructed to assist policyholders in developing a list of their appliances and other belongings damaged by flood waters. The customary reporting of serial and model numbers was waived.

Insurance experts were on hand in most FEMA Disaster Recovery Centers to assist flood victims with the claims process. Flood insurance claims adjusters were on the ground in Alabama, Florida, and Mississippi assisting victims within days of the storm, and were in even the most



After Hurricane Katrina, signs directed residents at the Disaster Recovery Center in Waveland, Mississippi. (Photo by Mark Wolfe, FEMA)

heavily affected areas of Louisiana within 2 weeks.

"Katrina is the largest flood disaster in our nation's history, and it requires us to take a new look at how we process flood insurance claims," said David Paulison, Acting Under Secretary of Homeland Security for Emergency Preparedness and Response and Acting FEMA Director. "Our mutual goal is to get families into the recovery process as quickly as possible."

The NFIP stayed in contact with the insurance commissioners of Louisiana, Mississippi, and Alabama throughout the claims process.

"The citizens of Louisiana need a fair and speedy process as they rebuild their lives," said Louisiana Insurance Commissioner J. Robert Wooley. "It is going to take everyone in private industry and in government working together to accomplish the difficult task before us."

"Since the NFIP began in the late 1960s, they have worked hard to expedite the assistance they offer to flood victims," said Mississippi Insurance Commissioner George Dale. "Like many others in the after-

math of Katrina, they are adapting to a situation none have encountered before. I applaud their efforts to efficiently serve the Mississippi victims of Katrina. We will be working with NFIP and other government agencies in an effort to find relief for those not covered by an insurance company or NFIP"

"Among the lessons our department learned from Hurricane Ivan [which came ashore in Alabama in mid-September 2004] was the need to work closely with the NFIP," said Alabama Insurance Commissioner Walter A. Bell. "I am appreciative of the aggressive approach the program is taking in regard to claims from Katrina. As it appears that the flood losses from Katrina will be quite large, it is important that consumers have the process streamlined. We will continue to work closely with the NFIP to best serve Alabamians affected by flood."

The new NFIP documents—the *Flood Insurance Claims Handbook* and the *Summary of Coverage*—were available at all Disaster Field Offices in the affected areas by September 15. These materials also were given to the insurance commissioners of Alabama, Louisiana, and Mississippi.


The Administrator's Testimony

After Hurricanes Katrina and Rita, David Maurstad, Acting Director of FEMA's Mitigation Division and Federal Insurance Administrator, testified before the

Senate on issues related to the NFIP's response to these storms, including: streamlining the NFIP claims process for Katrina and Rita flood victims; the NFIP's financial status; repetitive loss properties; and mitigation/rebuilding issues.

Declared Disasters

President Bush approved major disaster declarations as a result of Hurricanes Dennis, Katrina, and Rita. The immediate federal priorities were to provide life-saving and life-sustaining operations in support of state and local officials, including commodity distribution; to supply critical communications capabilities; and to maintain hazardous material awareness on re-entry into affected areas.

The Atlantic hurricane season lasts from the beginning of June until the end of November. More information about FEMA's response to the 2005 hurricane season is available on the FEMA website (www.fema.gov).

Susan Bernstein is the Editor of Watermark and also the FEMA Mitigation Division Legal Liaison to WYO Companies and the FEMA Office of General Counsel. She's been handling WYO flood insurance lawsuits for nearly 9 years.



Large parts of New Orleans remained flooded for weeks after several levees failed in the wake of Hurricane Katrina. (Photo by Bob McMillan, FEMA)

Say Goodbye to Long LOMA Processing Times

Michael Godesky, FEMA

FEMA is developing an application called "eLOMA," which will provide licensed land surveyors and professional engineers with an Internet-based system to process straightforward requests for Letters of Map Amendment (LOMAs).

A LOMA is a letter from FEMA stating that an existing structure or parcel of land that has not been elevated by the placement of fill is not expected to be inundated by the 1-percent-annual-chance flood (the base flood).

The process to obtain a LOMA has historically taken 30 to 60 days, but with eLOMA, homeowners could receive their determinations in the time it takes to enter the required information online.

How Does eLOMA Work?

To receive an eLOMA, licensed professionals will register on FEMA's Multi-hazard Information Platform (MIP) to establish an account. They can then enter property-specific information that they have certified as accurate as well as data gleaned from the FEMA Flood Insurance Rate Maps and Flood Insurance Study Reports. The eLOMA online service will then make a determination based on the submitted information, and

users will be able to print a copy of it.

An eLOMA will perform the same functions as a standard LOMA. The only difference between the two is that the online determination is made automatically with standard checks and some random audits rather than with the more lengthy manual review given to the LOMA by FEMA staff. In addition, the eLOMA does not replace the LOMA procedure. The eLOMA is an optional process applicable to only the most straightforward LOMA requests. Currently, there is no charge to receive a LOMA, and eLOMAs also will be available to the public at no cost.

The Future Looks Bright

FEMA will be closely monitoring the progress of eLOMAs and, if they are successful, may consider expanding eLOMA capabilities to include:

- accepting and handling processing fees
- allowing on-line applications for LOMRs, LOMR-Fs, etc.



Some hilltop buildings may be eligible for LOMAs. (Photo by Lynd Morris, NFIP Bureau)

- determining the Base Flood Elevation by latitude and longitude, via a Digital Flood Insurance Rate Map (DFIRM) database (there must be enough volume to warrant this change)
- permitting e-LOMAs for buildings constructed on fill (community acknowledgement would be required to validate the fill)

Questions about the new eLOMAs can be directed to the FEMA Map Assistance Center (877-FEMA-MAP). [\[Link\]](#)

Michael Godesky, the Project Engineer for FEMA's Risk Identification Branch, is also the coordinator of FEMA's Letter of Map Change Workgroup.

DID YOU KNOW?

More than 100 private property/casualty insurance companies "write" (that is, issue) and service the NFIP's federally backed Standard Flood Insurance Policy (SFIP) under their own names. Just about any home or business owner in the U.S. and its territories can buy SFIP building and contents protection from his or her homeowners insurance agent.

FloodSmart Keeps Getting Smarter

Meg Bartow, Ogilvy Public Relations Worldwide

The FloodSmart campaign is well into its second year and going strong. June 2004 marked the beginning of the new marketing campaign for the NFIP. FloodSmart is an integrated, direct-marketing campaign designed to propel consumers to buy flood insurance. Elements of the campaign include television and print advertising, stakeholder outreach, and a comprehensive consumer website: www.FloodSmart.gov.

Year One

Between June 2004 and January 2005, FloodSmart's direct response outreach led to a 3.38 percent net increase in policy growth. And between June 2004 and March 2005, more than 100 million people nationwide came in contact with FloodSmart messaging through our various activities:

- 761,910 people visited www.FloodSmart.gov.
- 78,521 visitors used the risk assessment tool to determine their flood risk.
- 31,126 consumers were directed to agents through the Agent Referral Program.
- Outreach to the media resulted in FloodSmart being mentioned in the *New York Times*, the *Los Angeles Times*, the *Wall Street Journal*, and on National Public Radio.
- 428 agents enrolled in the Agent Referral Program.

Year Two

With FloodSmart now in its second year, the campaign is building upon

the successes of Year One to meet new goals established through March 2006.

Many of the components of the integrated FloodSmart campaign are growing in Year Two.

FloodSmart has expanded its six original target states (California, Florida, Louisiana, New Jersey, North Carolina, and Texas) to 16, adding Alabama, Georgia, Maryland, Massachusetts, New York, Ohio, Pennsylvania, South Carolina, Virginia, and Washington.

FloodSmart's Direct Response Television (DRTV) commercials, "Homeowners" and "Ignoring the Flood," are continuing to be aired, along with a new commercial spot. More channels have been added to the rotation. Online advertising and direct mail were very successful in 2004 and expanded in 2005. Direct-mail marketing has expanded the acquisition portion of the program into the newly targeted states. The campaign's website is being updated constantly and has been enhanced to include new tools and resources specifically designed for agents.

The NFIP also has increased the print media schedule to include buying ads in magazines such as *Reader's Digest*, *Family Handyman*, and *This Old House* while maintaining



Visit the FloodSmart web site at www.FloodSmart.gov

a presence in the *PARADE* and *USA WEEKEND* Sunday newspaper supplements. In addition, FloodSmart has created new ads specifically targeting insurance agents to be placed in industry publications including *American Agent & Broker*, *Independent Agent*, *Insurance Journal*, *National Underwriter*, and *Rough Notes*.

We encourage you to visit FloodSmart.gov often for more information about the NFIP's marketing campaign and the new incentives being developed for agents and WYO companies.

Meg Bartow is an Account Director at Ogilvy Public Relations Worldwide and has been a member of the FloodSmart campaign team since June 2004, when Ogilvy began partnering with the J. Walter Thompson advertising company to manage the NFIP's public awareness and advertising campaign.

PRP Conversion Now OK for Map Revisions

Michael McFadden, NFIP Bureau and Statistical Agent

Converting a standard-rated NFIP policy to a Preferred Risk Policy (PRP) because of a map revision has become possible for the first time, thanks to some of the semiannual program changes documented in the October update of the NFIP *Flood Insurance Manual*.

That item tops a short slate of changes effective October 1, which are summarized below. Complete details are provided in the October revisions supplement to the *Flood Insurance Manual*. Printed and CD-ROM copies of that document were mailed to flood manual subscribers in September (see sidebar on page 8 for subscription information). An electronic version, in Adobe PDF format, was posted on the NFIP website (www.fema.gov/nfip/manual.shtm) in August.

PRP Conversion

The PRP is the NFIP's low-cost insurance product for owners and tenants of eligible buildings in low- to

moderate-risk B, C, and X Zones located in NFIP Regular Program communities.

In the past, a standard-rated A Zone or V Zone policy could be converted to a PRP only to correct a rating error made when the policy was issued. There was no provision for converting a standard-rated policy when a flood map revision made it eligible as a PRP.

Cancellation/Nullification Section

Effective October 1, key changes in the *Flood Insurance Manual's* Cancellation/Nullification section have broadened the circumstances in which a standard-rated policy may be converted to a PRP:

- Cancellation Reason Code 22, "Cancel/Rewrite," has been reworded as "Cancel/Rewrite Due to Misrating."
- A new Cancellation Reason Code 24, "Cancel/Rewrite Due to Map Revision, LOMA, or LOMR," has been added.

Now, when a flood map revision, Letter of Map Amendment, or Letter of Map Revision makes a standard-rated policy eligible as a PRP, the agent may convert the policy to a PRP with a mid-term cancel/rewrite.

Detailed information about codes 22 and 24, new procedures for PRP conversion, and required documentation can be found on pages CN 6-7 of the October revisions supplement. Also, see the "Implementation Criteria" box below.

PRP Section

In the manual's Preferred Risk Policy section, pages PRP 2 and 4 have been revised in accordance with the changes in the Cancellation/Nullification section involving codes 22 and 24.

Actually, this process began in the May reissue of the *Flood Insurance Manual*, when part of the wording of subsection "IX. Endorsements" was changed and all of subsection "X. Cancellation/Nullification" was revised as "X. Conversion of

Implementation Criteria for New Cancellation/Nullification Reason Code 24, Effective Oct. 1, 2005

The following rules apply to conversion of standard-rated policies to PRPs under new Cancellation/Nullification Reason Code 24:

- The flood map revision, LOMA, or LOMR must have become effective on or after February 1, 2005.
- The standard-rated policy will be canceled and rewritten as a PRP back to the date when the policy was issued.
- WYO companies will use "New/Renewal Indicator Z" to report the new PRP to the NFIP Bureau and Statistical Agent for TRRP Plan processing.
- Paid premium for the canceled standard-rated policy will be applied to the new PRP. All excess premium will be refunded to the policyholder.
- The 30-day waiting period will not apply to the new PRP.

Standard Rated Policy to PRP Due to Misrating or Map Revision."

That phased-in revision process has been completed for October. The affected portion of the text now is organized into the following subsections:

- IX. Endorsements
- X. Conversion of Standard Rated Policy to PRP Due to Misrating [This subsection describes uses of revised Cancellation Reason Code 22.]
- XI. Conversion of Standard Rated Policy to PRP Due to Map Revision, LOMA, or LOMR [This newly added subsection describes uses of new Cancellation Reason Code 24.]

Bottom-Line Concerns

With standard-to-PRP conversions likely to become more frequent in the future because of the October 1 introduction of code 24, flood insurance agents and WYO companies may well wonder how this will impact them. Accordingly, the NFIP has decided that, when converting a standard-rated policy to a PRP because of a map revision under code 24:

- The agent will retain full commission on the canceled standard-rated policy; and

Getting the NFIP Manual

To subscribe to the NFIP *Flood Insurance Manual* and receive updates until its next reissue, call FEMA's Map Service Center (800-358-9616). A copy of the manual order form can be found on the FEMA website (www.fema.gov/msc/orderfrm.pdf). The cost of the *Flood Insurance Manual* and semi-annual updates is \$25.00.

- The WYO company's expense allowance for the standard-rated policy will not be reduced.

LFG Section

In the Lowest Floor Guide section, pages LFG 1-2 have been reorganized to help agents more quickly and knowledgeably determine the lowest floor for rating a building. The information now is broken down into the following short, clearly identified topics:

- Non-Elevated Buildings
- Elevated Buildings in A Zones [including discussions of enclosures with openings, alternatives to the "proper openings" (flood vents) requirement, and crawl spaces]
- Elevated Buildings in V Zones

Reorganized text on page LFG 2 makes it easier for agents to understand how flood zone and building characteristics govern whether submission of an NFIP Elevation Certificate is mandatory or optional.

Community Rating System (CRS) Section

As documented in the October CRS List of Eligible Communities, the CRS has realized a net gain of 10 participating communities since May 1. The CRS is the NFIP's incentive-based program in which communities that exceed minimum standards for flood awareness and flood mitigation activities earn premium discounts for local home and business owners who insure their property with the NFIP

The 10-community increase boosted the CRS List to a new record of 1,016 participating communities, which account for fully two-thirds of the 4.4 million NFIP policies in force.

In addition, as shown in the table below, 35 participating communities improved their rating classes by completing more CRS-approved activities during the preceding 6 months.

Rating Class Improvements, CRS List of Eligible Communities Effective October 1, 2005

Class Improvement	Number of Communities
4 to 3	1
5 to 4	-
6 to 5	1
7 to 6	12
8 to 7	10
9 to 7	1
9 to 8	10
10 to 9	-
TOTAL	35

Noteworthy among those 35 communities was the City of Wilson, North Carolina, which completed so many CRS-approved activities that it made a two-tiered jump from Class 9 to Class 7. Wilson residents located in a Special Flood Hazard Area, who buy or renew NFIP flood insurance on or after October 1, will receive a 15-percent discount on their premiums.

The other star of the 6-month period was King County, Washington. In moving up from Class 4 to Class 3, King County became only the second CRS community to reach that level or higher. Effective October 1, King County residents located in a Special Flood Hazard Area, who buy or renew NFIP flood insurance, will receive a 35-percent discount on their premiums.

For information about recent changes in the activities by which


CRS communities can earn premium discounts for their residents, see "Floodplain Officials Get CRS Boost" on page 25 of this issue.

Other Changes

- APP 3, PRP 5: Added language to clarify that the Flood Insurance Rate Map (FIRM) to be used when preparing an application for flood insurance is the FIRM that is in effect and published when the application is completed and presentation of premium is made.
- RATE 5, CONDO 16: Under the rate table on each of these pages,

added a footnote to indicate that, in unnumbered A Zones, use of the Elevation Certificate is optional for buildings without basement or enclosure. More information on this topic is presented at the end of page LFG 2.

- RATE 24, LFG 2, 24-25: Clarified the definition of a crawl space. Provided detailed guidelines for rating crawl spaces and determining the lowest floor for rating in a building that has a crawl space.
- CBRS Section: Updated the 10-page Coastal Barrier Resources System List of Communities.

- DEF 1, 5: Added the definition of "Alternative Rating" and reinstated the definition of "Improvements."
- Table of Contents, Index: Updated these to reflect significant changes in the text. 

Michael McFadden has worked with flood insurance for more than 7 years as a member of the NFIP Bureau and Statistical Agent's Technical Assistance and Communications Department.

Seeking Nominations for NFIP Awards

Agency of the Year Award

Each year, three insurance agencies are recognized by the NFIP for their efforts to:

- Achieve superior flood insurance policy growth.
- Implement innovative marketing strategies.
- Participate in flood awareness activities.
- Adhere to established underwriting guidelines.

Information and nomination forms will be available on the NFIP website (www.fema.gov/nfip) by the beginning of 2006. Anyone may submit a nomination by completing an "Agency of the Year Award" form and sending it, by the end of February, to:

Catherine King
NFIP Bureau and Statistical Agent
7700 Hubble Drive
Lanham, MD 20706

All nominations are reviewed by the Selection Committee, made up of representatives from the Flood Insurance Producers National Committee, the WYO Marketing Committee, and the Flood Insurance Committee of the Institute for Business and Home Safety. The three winning agencies will be announced at the next National Flood Conference, to be held May 7-10,


2006, at the Wyndham Philadelphia Hotel in Pennsylvania.

Contact Catherine King at the NFIP Bureau and Statistical Agent for more information (catheriner.king@associates.dhs.gov).

Public Awareness Materials Contest

Have you developed materials that help consumers, insurance agents, and others to understand the risk of floods and the need for flood insurance? If your answer is "Yes!" send a copy of your materials with an entry form for each (available on the NFIP website by early 2006) to:

Kevin Brown
NFIP Bureau and Statistical Agent
7700 Hubble Drive
Lanham, MD 20706

All materials submitted will be displayed at the 2006 National Flood Conference. Attendees can view the entries and vote for their favorite item in each category—Best Printed Marketing Material, Best Advertising Material, Best Training Material, and Best Website. Winners will be announced on the final day of the conference. 

2005 National Flood Conference

Lynd Morris, NFIP Bureau and Statistical Agent

Following is a series of articles about the NFIP's 2005 National Flood Conference held on Marco Island, Florida, May 31-June 3.

Measuring the Tides of Change

"Clean it up, all that damage! Clean it up..." A reggae beat scored the animated video—peopled by FEMA and friends—that opened the 22nd National Flood Conference. This year's conference theme, "Tides of Change: Reforming the NFIP," was a reference to the Flood Insurance Reform Act of 2004 and the opportunities it has created for improving the NFIP's operations. Mike Moye, former President of the National Lenders Insurance Council, reprised his annual role of emcee for the week and introduced each of the speakers.

David Maurstad, Acting Director of FEMA's Mitigation Division, welcomed conferees to the first general session on June 1, and described how the NFIP has been changing to meet the challenges it faced during 2004.

"Last year the NFIP received nearly 74,000 claims—a record for the program. These required almost \$1.6 billion to be resolved—another high mark for the program," said Maurstad. "Such a significant loss year meant that, by the end of the year, the program needed [for only the fourth time since 1990] to exercise its borrowing authority. The current forecast is to have the U.S. Treasury repaid—with interest—by the end of 2005. Both actions clearly indicate the strong financial health and management of the program."



David Maurstad, FEMA

According to Maurstad, there are three areas in which FEMA is particularly focused in effecting change. "Through the Flood Insurance Reform Act of 2004, we've designed supplemental information materials to help policyholders better understand the insurance coverage they buy; a policyholder handbook that describes procedures for filing a claim; and, an effective formal process by which policyholders may appeal claims decisions," Maurstad explained. He added that, once these materials had been tested with focus groups and their feedback had been incorporated, the publications would be distributed and new processes would be implemented beginning in October 2005.

Agent training is another area being addressed by FEMA. "Recognizing the statutory responsibility that State Insurance Departments have for licensing agents across the country," said Maurstad, "we are working with the National Association of Insurance Commissioners and the National Conference of Insurance Legislators to ensure that agents have access to the flood insurance training that is necessary to meet the differing requirements in their states."

FloodSmart, the NFIP's public awareness and marketing campaign, has been especially successful in promoting flood protection. "Since the initiative began, our policy growth rate has risen to nearly 3.8 percent," explained Maurstad, adding that by the beginning of June, the NFIP had experienced 10 consecutive months of policy growth—another NFIP first.

Maurstad closed by summarizing FEMA's Map Modernization initiative and describing one of the cooperative projects under way in Hillsborough, Florida, to ensure that more than 40,000 NFIP-insured home and business owners being affected by new flood maps are properly informed and given the opportunity to convert to less expensive Preferred Risk Policies.

Entering a New Hurricane Season

Noting that he was addressing the audience on June 1, the beginning of the Atlantic hurricane season,



Kevin McCarty, Florida Insurance Commission

Florida's Insurance Commissioner, Kevin McCarty, was next to welcome conferees to "The Sunshine State"—now sometimes known, he said, as "The Plywood State" or "The Blue Tarp State" as a result of the multiple hurricanes that hit Florida in 2004.

"If Hurricane Andrew [a killer hurricane that struck Florida in August 1992] was a study of what went wrong in a hurricane, then the storms of 2004 demonstrated what went well," said McCarty. He was referring to lessons learned from Hurricane Andrew that paid off during and after four Category II (or stronger) hurricanes struck Florida in September 2004.

Recovery strategies that McCarty credited included:

- Communication—reducing confusion and conflict between agents/policyholders/adjusters and between flood and general adjusters
- Coordination—between agents, claim adjusters, the NFIP, Florida's Office of Insurance Regulation, and disaster teams
- Efficiency—fewer claims adjusters were available than a decade earlier
- Mitigation—growing evidence indicates that prior mitigation efforts successfully protected property owners in 2004

Celebrating 15 Years of Success

During the first general session, the NFIP's Community Rating System (CRS) was recognized for its success in mitigating floodplain losses. Mike Buckley, Acting Deputy Director of FEMA's Mitigation Division, described the role of the CRS in FEMA's integration of flood insurance and mitigation in administering the NFIP. He pointed out that the CRS has become a model for public and private involvement in addressing all-hazard preparedness and mitigation.



Mike Buckley, FEMA

Buckley summarized the history of the CRS, which has grown from 293 participating communities in 1991 to 1,016 in 2005. Buckley credited no small part of this success to the vision of Frank Reilly (the "father of the CRS"), technical guidance from the Insurance Services Office, and the efforts of the CRS Task Force.

Bret Gates, FEMA's CRS Program Manager, described the insurance premium discount incentives given to NFIP policyholders when CRS communities undertake mitigation projects. The CRS now provides \$150 million in discounts to more than 3 million NFIP policyholders.



Bret Gates, FEMA

However, according to Gates, the greatest CRS reward is the reduction of flood losses that communities realize as a result of increased floodplain management activities. More than 70 percent of CRS communities have improved their class since joining, Gates noted. Of these, 60

percent require a safety cushion that all new buildings be constructed 1, 2, or 3 feet above the Base Flood Elevation; 91 percent preserve parts of their floodplains as open space; 23 percent have elevated, acquired, or relocated at-risk buildings; and 48 percent provide flood protection assistance to home and business owners.

Responding to the 2004 Storms

Todd Davison, Mitigation Director for FEMA Region IV, closed the first general session of the conference with a description of how the NFIP was successfully integrated into FEMA's disaster operations following the hurricanes that hit Florida in September 2004.



Todd Davison, FEMA

An NFIP assistance and outreach plan was developed from the outset that included efforts to respond to flood-related questions by recruiting, training, and deploying more than 4,000 Disaster Field Office staff in Florida; implementing a toll-free hotline; developing a new model floodplain ordinance with Florida that was implemented

statewide; attending hundreds of community meetings to answer questions; and working hard to explain the NFIP's \$30,000 Increased Cost of Compliance (ICC) coverage to the public, local officials, and contractors.

Davison described the ongoing risks of riverine and coastal flooding in Florida's floodplain, and their impact on risk assessment and disaster response after Hurricanes Charley, Frances, Ivan, and Jeanne last year.

Town Halls Tackle Hot Issues

On the second day of the conference, five Town Halls met to discuss NFIP procedures, policies, and future directions. Most new conferees attended the Town Hall that best matched their area of expertise. Experienced conferees were encouraged to attend Town Halls in other fields to familiarize themselves with issues that may impact how they interact with the NFIP in the future.

All Town Halls addressed questions and comments from those who attended. Following are highlights of the issues raised in the Town Hall meetings.

Floodplain Management/Mapping

Panelists described the Multi-Year Hazard Identification Plan (MHIP) for executing map modernization; multi-layer Digital Flood Insurance Rate Maps (DFIRMs) that can include orthophotos; and upcoming initiatives such as making Base Flood Elevation data and Letters of Map Amendment available online.

Other hot topics were community adoption of new flood maps and efforts to get these to local officials long before they become effective; building codes; and CRS changes such as the addition of a new activity recognizing promotion and sales of flood insurance,

increased points for activities that encourage cost sharing for map modernization, and a new home study course for Certified Floodplain Managers.

Underwriting

Attendees discussed a range of policy and rating issues such as how to rate two or more buildings constructed above the same parking garage; how to rate a building when the attached garage and foyer are higher than the living space; and how to rate a "hanging enclosure." Whether or not "stem walls" are elevated buildings also was discussed, as well as the documentation required for waivers when a building's lowest floor is at or above BFE.



Don Beaton, FEMA, explains rating issues at the Underwriting Town Hall.

Attendees also explored exceptions to the 30-day waiting period for Residential Condominium Building Association Policies (RCBAPs) and whether or not a policy could be canceled if the insured were deceased.

Lender

Topics included compliance issues from an auditor standpoint, zone determination discrepancies and responsibilities, coverage adequacy, premium adjustments for policies written using the wrong zone, determination of replacement cost value, condo coverage, and handling of home equity loans. Requests were made for agreement between lending regulators on complex procedures for buildings under construction as well as replacement cost for condos. Additional requests were made to increase homeowner coverage limits above the current \$250,000 ceiling.

Claims

Initial discussion focused on customer service and adjuster issues. Attendees underscored the importance of understanding the emotional stress flood victims suffer and the extra time needed with insureds to evaluate the extent of damage, discuss policy coverage exclusions, and inform them about advance payments.

Additional hot topics included ICC coverage, repetitive losses, adjuster certification, the Single Adjuster Program, and restoration companies.

Marketing

Using the format of a WYO Marketing Committee meeting, panelists gave reports about the NFIP Evaluation (focusing on the study of mandatory purchase requirements), the Rand study on flood insurance market penetration (showing a rate of 50-60 percent in SFHAs), and the FloodSmart marketing campaign. By the end of 2005, a secure site for insurance agents will be introduced on FloodSmart.gov for access to additional resources.

Filling Out the Program

In addition to the general sessions and Town Halls, conference attendees had a full schedule of activities to select from, beginning with the popular opening reception hosted by the Pilot family on Tuesday evening and ending with a humorous presentation about public-private partnerships given by Dr. Harry Freedman on Friday morning.

Technical Workshops

Nearly 40 workshops were presented during the National Flood Conference. Topics ranged from "Stemming the Tide of Confused Customers: Agents and Lenders Working Together" to "Program Changes Associated with the Enactment of the Flood Insurance Reform Act of 2004" to "Navigating the Treacherous Waters of Compliance: Given the varied requirements that the regulatory agencies have, how can you best keep your portfolio compliant?" and "Coverages from a Claims Perspective."

One of the most popular workshops—"FloodSmart Family Feud"—drew a standing-room-only crowd. Attendees were treated to representatives of several WYO companies competing against staff from FEMA

headquarters to answer questions about flood insurance and mitigation. Everyone emerged a winner in this event as laughter and applause were followed by a short explanation of the solution to each question presented by FloodSmart campaign staff.

Recognizing Excellence

On Thursday, the annual NFIP program awards luncheon began with a delicious meal and a stirring video produced for the FloodSmart campaign. Attendees then honored several NFIP partners for activities they'd undertaken during Fiscal Year 2004. See "Applauding Stakeholder Successes" on page 14 for information about the award winners.

Thunderstorms Didn't Deter These Runners and Walkers!

Although the official 5K Run sponsored Thursday morning by the National Lenders Insurance Council and the Salvation Army was scrubbed when the fire department warned of imminent thunderstorms, dozens of runners and walkers took to their heels to race unofficially



5K runners dash for charity.

on behalf of local disaster relief efforts. Todd Davison (FEMA Region IV) and Bob Dube (St. Paul Travelers) loped back in first place, and most of the remaining runners and dozens of walkers returned and were under shelter before the rainfall began. In all, more than \$5,700 was raised for the Salvation Army's relief work in the Naples area.

See You Next Year!

The 2006 National Flood Conference will be held May 7-10, at the Wyndham Hotel in Philadelphia, Pennsylvania.

Who should attend? This conference is designed for insurance agents and representatives of insurance companies, flood zone determination companies, and lend-

ing institutions; State and local officials; claims adjusters, real estate professionals, surveyors; and home builders.

Conference materials will be posted on the NFIP web site (www.fema.gov/nfip). For more information, contact Catherine King by email (bsa-support@nfipstat.com) or FAX (301-918-1498).

Applauding Stakeholder Successes

Each year, the NFIP honors a number of stakeholders who've made outstanding contributions to the Program. The following NFIP partners were recognized at the 2005 National Flood Conference for activities they'd undertaken during Fiscal Year 2004—October 1, 2003, through September 30, 2004.

Agency of the Year Awards

This award is given to three insurance agencies that display innovative marketing strategies, increase their flood portfolios, and actively promote flood awareness. This year's winners were Gateway Insurance Services, Inc.; Shelley & Associates, Inc.; and Warren E. Barhorst Agency, Inc. For more about these three agencies, see the article on page 15.

Administrator's Club and Trophy Awards

The Administrator's Club Award is bestowed upon WYO companies in recognition of their contribution to the growth of the NFIP. Winners are divided into five groups, representing policy base thresholds. This year's winners were Fidelity National Property & Casualty Insurance, Southern Family Insurance



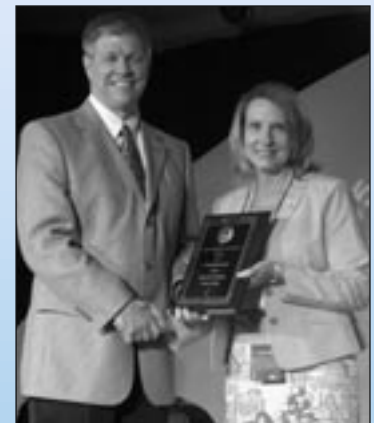
Anyietie Ukpong accepted the Administrator's Club Trophy for United Surety & Indemnity Co.

Company, First Insurance Company of Hawaii, Federated National Insurance Group, and Sunshine State Insurance Company.

Each year, the company that experienced the highest percentage of overall growth in the previous year is awarded the Administrator's Club Trophy. The Administrator's Club Trophy winner was United Surety & Indemnity Company.

Administrator's Quill Award

This award recognizes the WYO company with the highest percentage of overall growth, excluding rewritten policies. The Administrator's Quill Award was given this year to Fidelity National Property & Casualty Insurance.



Patty Templeton-Jones accepts the Quill Award for Fidelity National Property & Casualty Insurance.

Special Tribute

The awards luncheon closed with a special recognition of Bob Ross, who, while working with the Florida Association of Insurance Agents, was a founding member and former chair of the Flood Insurance Producers National Committee and emcee of many past National Flood Conferences. Although he was unable to attend




Bob Ross, FAIA

this year's flood conference for health reasons, Ross was present in the memories shared by many at the conference.

"If David McCullough ever writes a history of the NFIP, one of the chapters will be devoted to Bob Ross," said FEMA Senior Advisor Ed Pasterick, who described some of Ross's contributions, adding that Ross

tirelessly championed agent education in his decades of work with the NFIP.

"More than anybody, he kept the Feds on their toes," Pasterick continued. "If Bob raised an issue, nobody rested until Bob got an answer." According to Pasterick, Ross resolved many issues of importance to agents and insureds.

"Beyond that, Bob is a gentleman and a friend and one of the most wonderful people I've ever met," concluded Pasterick. "It would be impossible to come to Florida and not recognize Bob Ross and his contributions to the NFIP." 

Agency of the Year Award Winners

Each time insurance agents sell a flood policy, they may not think of themselves as essential parts of the NFIP. But they are. FEMA relies on the hard work, creativity, and initiative of thousands of insurance professionals to promote the coverage that will help property owners begin the process of recovery if they become flood victims.

At the National Flood Conference each year, FEMA honors three insurance agencies for the work they've undertaken on behalf of the NFIP. Agencies are nominated for this honor on the basis of their flood portfolio growth during the previous year, the marketing strategies they've used to increase flood insurance policy sales, activities they've undertaken to promote flood awareness, and their adherence to NFIP underwriting guidelines.

Every Agency of the Year Award winner is selected for the innovation and dedication they demonstrate in achieving the NFIP's goals of protection from flood loss-



Accepting the Agency of the Year Awards were (left) Warren Barhorst for the Warren Barhorst Agency, Gloria Fecher for Shelly & Associates, and Mike Shafer for Gateway Insurance Services.

es. These award winners exemplify this successful public-private partnership that benefits millions of property owners in the U.S. and its territories.

Gateway Insurance Services, Inc.

Gateway Insurance Services, Inc., of Elizabeth City, North Carolina, had 1,070 NFIP policies in force by the

end of 2004. The agency's 401 new policies represented a 60-percent increase over the previous year.

There are 10 people—working out of five Gateway Insurance Services offices located in North Carolina's floodprone Outer Banks—who contribute to the agency's flood insurance sales effort. Every home and business owner is offered flood insurance as part of the agency's initial quoting process. Homeowners are given specific quotes based on their lenders' appraisal.

Mike Shafer, manager of Gateway Insurance Services, reports that, initially, most homeowners believe they do not need to have flood insurance coverage. However, after local flood hazards have been explained to them by an agency representative, 99.9 percent of Gateway Insurance Services customers choose to purchase NFIP insurance. In fact, although it is this agency's policy to request that customers sign a waiver form if they choose not to purchase coverage, according to Shafer, the agency has not had to invoke this policy for several years. And once a customer has purchased a flood policy, Gateway Insurance Services representatives work hard to ensure that it is retained. For example, all renewal flood clients are contacted by telephone or letter when the agency receives a notice of NFIP policy expiration.

Stakeholder education is an important part of Gateway Insurance Services' marketing strategy, and the agency focuses extra attention on providing insurance training to real estate agents. According to Shafer, twice in 2004, the agency was selected to provide monthly classes to the Board of Realtors pre-licensing school to help agents avoid E & O claims. Discussion during these classes centered on coastal property insurance, highlighting flood coverage issues such as map changes and how these can affect property sales.

Because lenders, mortgage bankers, and attorneys can be sources of leads for flood insurance, Gateway Insurance Services representatives make "house calls" to these professionals and leave information regarding coverage requirements for coastal property owners. The agency also works closely with area contractors and is a member of the local Homebuilders Association. In addition, agency manager Shafer is a member of the Planning Board for the Town of Nags Head, which

reviews all residential and commercial projects needing building permits. From this position and with the NFIP requirements in mind, Shafer has been able to influence the design standards included in local subdivision guidelines, especially in regard to limiting enclosures below buildings. The Board also has addressed minimizing the flood exposure of property located near or in the floodplain by making zoning changes to limit the amount of fill allowed on these lots.

Shelley & Associates, Inc.

The Shelley & Associates agency of West Palm Beach, Florida, experienced a 298-percent increase in new flood policies in 2004, closing the year with 834 flood policies in force. More than half of these were new NFIP policies. Four people contribute to the overall marketing and selling of flood insurance policies.

Flood hazard awareness and NFIP marketing strategies at Shelley & Associates are focused on the agency's new homeowner clients. Prospecting letters that include a premium quote and a flood zone determination report that shows the zone in which his or her property is located are sent to all new clients. Extra care is given to ensure that property owners whose buildings are in moderate-risk zones are aware that they are not "out of a flood zone" and are urged to protect themselves against flood losses, because more than 25 percent of flooding occurs in B, C, and X zones.

To ensure that customers who do not have flood insurance are aware of their increased exposure to flood losses, the agency places FEMA's "Notice! This policy does not cover flood loss" sticker on the declarations page of homeowners policies before they are mailed. Those clients who choose not to purchase a flood policy must sign a waiver form. Last year, Shelley & Associates took further steps to inform their uninsured clients about their vulnerability to flood losses by conducting a direct-mail campaign targeting homeowners policy customers.

Warren E. Barhorst Agency, Inc.

By the end of 2004, the Warren E. Barhorst Agency in Houston, Texas, had 1,027 NFIP policies in force. With 463 new flood policies during the year, the agency

increased its flood policy count by more than 63 percent over that of 2003.

Agency owner Warren Barhorst uses a number of strategies to broaden flood awareness and increase NFIP policy sales for his agency. Marketing, selling, and servicing operations are conducted by 50 agency personnel in several offices, although new flood policy sales are written primarily by four producers. Their marketing focus is on cross-selling flood insurance to those homeowner clients who don't already carry it. In addition, all new homeowner clients are offered the opportunity to purchase flood insurance policies.

All agency personnel are encouraged to learn about flood insurance issues and take initiative in NFIP policy growth. Barhorst has conducted internal agency-wide flood insurance sales contests for his sales representatives, and created a Flood Producer of the Year Award to recognize excellence among his staff.

In 2004, the agency conducted several direct-mail campaigns to promote flood insurance. Letters providing

key facts about local flood hazards and information about NFIP flood coverage were tailored to residential and business clients. In addition, NFIP brochures and promotional literature produced by its WYO company, Nationwide Mutual Fire Insurance Co., were distributed to improve client awareness of flood risk.

Barhorst has taken flood education into the community by offering presentations to a number of local real estate and mortgage companies about home and flood insurance. A simple yet effective strategy the agency uses to promote public awareness of the hazard is to display flood awareness and marketing messages on a marquee sign that faces a heavily used road in front of the agency's headquarters. Additionally, the agency runs flood ads in the Houston newspaper.

Lynd Morris has worked with the NFIP Bureau and Statistical Agent as a communications specialist since 1983 and has been the writer and publication coordinator for the Watermark for nearly 8 years.

Agents Save with the Co-Op Program

The NFIP Agent Co-Op Program has experienced tremendous growth as part of the FloodSmart campaign—thanks to more than 200 agents who participate in this cooperative advertising program. By the end of June 2005, FloodSmart had pre-approved more than \$1 million in reimbursements for agents who placed radio spots, black & white and color newspaper ads, and Yellow Pages ads carrying FloodSmart messages.

During 2005, the campaign introduced new incentives and revisions to the NFIP Agent Co-Op Program to make it easier for agents to advertise on a regular basis. Now, in just a few quick steps, agents can request reimbursement funds. Beginning in August 2005, agents became eligible for pre-approval of \$1,250 a month and up to \$15,000 a year in reimbursement funds through the Co-Op Program.

The Agent Co-Op Program continually offers new advertising concepts and special incentives. This is a win-win program for agents and for FloodSmart. By pooling resources to get the message out, we can remind more consumers nationwide about the importance of protecting their property from floods.

To get started and learn more about upcoming agent incentives, visit www.FloodSmart.gov/agents.

Funny, It Doesn't LOOK Like a Floodplain!

David Schein, FEMA

To many stakeholders, the NFIP's floodplain determination process is somewhat of a mystery. Many people think they know what a floodplain is, and perhaps even what one looks like, and they often wonder how floodplains are delineated on the NFIP's Flood Insurance Rate Maps (FIRMs). It is a good question.

To answer it, we first have to understand that nature and statutory or regulatory requirements don't always fit together neatly. Ideally, they should, but in the case of flood hazard delineations, we have to know a little bit about both hydrologic and hydraulic engineering methods, and fluvial geomorphology. Don't get scared. I said "a little bit."

Mother Nature's Work

Nature designs floodplains to carry excess water, water that overflows the natural conveyance system, such as rivers and streams and creeks and ditches (and ponds and lakes as well). These floodplains usually are easy for the lay observer to identify in the field. They look different than their surrounding geography. They are generally flat, to be sure, and more or less follow the natural stream bank or shoreline. There may be a scarp (escarpment) or natural drop-off from the slightly higher land adjacent to the floodplain, and these features are often called benches or beaches.

The vegetation in a floodplain is usually different, too. Certain trees like to get their feet wet from time to time, like cottonwoods and willows, so the geomorphic floodplain is typi-

cally inhabited by these water-tolerant species. Oaks, on the other hand, will almost never naturally occupy soils that experience periodic inundation. The soils are derived from sediment deposited by floods, and they are typically very uniform, highly compacted, and clayey. These are characteristics of the geomorphic floodplain, a visible and describable physical feature.

Floodplains are FIRMLY Planted on Paper

The floodplains that are designated on FIRMs as Special Flood Hazard Areas (SFHAs) may or may not look like the scene described above. Very often, they are not noticeably different from the surrounding geography. This is because the SFHA is a statistical probability notion, per our regulations. A line on a FIRM separating what is "in" the floodplain from what is "out" of the floodplain does not always correspond to a recognizable ground feature or vegetation zone. It really just serves as an approximate dividing line between areas that have different statistical probabilities of being flooded.

As people who have lived through floods know—floods are not always statistically oriented. Thus, the dividing line on a FIRM between the SFHA and the rest of the world is established by a bunch of engineers getting together and modeling the watershed's runoff characteristics and determining how friction losses at encroachments (such as bridges, dams, culverts, fill, and buildings) affect the water surface elevation of the 1-percent-annual-chance flood



Flood Insurance Rate Maps define the floodplain.

event (sometimes erroneously called the "100-year" flood). The line marking the floodplain on the FIRM is established with the best available (and affordable) topographic information.

That said, the important thing to keep in mind is that water doesn't have to stop when it reaches ANY line on a map! Even the observable geomorphic floodplain limit may not confine large floods—an excellent reason for residential and commercial property owners in low- to moderate-risk flood zones to purchase the NFIP's very affordable Preferred Risk Policy. To put it another way, there are nature's floodplains, and FEMA engineers' floodplains. Someone's got to make the call, so when dealing with the NFIP, the engineers have to be the ones. But, an educated prediction is not a guarantee. When you are gambling with Mother Nature, it is better to be safe than sorry. 🌊

David Schein, who holds both bachelor's and master's degrees in Geography from the University of Illinois, is the Senior Program Manager in the Hazard Identification and Risk Assessment Branch in FEMA's Region V Office in Chicago.

Floods After Fires

Lynd Morris, NFIP Bureau and Statistical Agent

Fires and floods may not seem to have much in common, but the connection between them can be dangerously direct. When winter and spring rains fall on soil that has been scorched by wildfires the previous summer and fall, the rapid runoff can easily produce flash flooding. And if heavy rains inundate steep, fire-stripped hillsides, the earth can become saturated, multiplying the risk of mudflows and landslides.

Fire Recovery

Each public land management agency is responsible for Burned Area Emergency Rehabilitation (BAER) efforts after a fire. Through reseeding the land, mulching, placing erosion barriers, and breaking up damaged forest soils, BAER teams help prevent future disasters in areas that have become susceptible to flooding and mudslides.

Although burned areas can never be returned to their pre-fire condition, BAER teams can help stabilize soil, protect watersheds and habitat, and prevent irreversible loss of natural and cultural resources to floods and mudslides. However, it can take years for scorched land to recover sufficiently to resist flooding and mudslides, and during this time property owners located in or near the burned areas may find themselves in harm's way.

FEMA Outreach to Those at Risk

In the 5-year period from January 1, 2000, to December 31, 2004, hun-

dreds of wildfires scorched land in many parts of the United States. Of these, 262 fires were so severe that Presidential Fire Management Assistance Declarations were made to provide federal assistance—including grants, equipment, supplies, and personnel—to State and local governments for the mitigation, management, and control of these fires on public or private forest land and grassland.

FEMA Region IX

More than 30 percent of the Presidential Fire Management Assistance Declarations in the first 5 years of this millennium were in FEMA Region IX (Arizona, California, Guam, Hawaii, and Nevada), and two-thirds of these were made in California.

At the end of 2003, after a series of nine late-October wildfires in Southern California, FEMA

conducted a public awareness campaign in the five affected counties.



Fighting Colorado wildfires in June 2002. (Photo by Justin Domeroski, FEMA)

Post-Fire Advisory Flood Hazard Maps were distributed to show the increased short-term flood risk in and around the burn areas. Additional outreach materials explained that, although numerous federal, state, and local agencies were taking measures on hills and mountainsides to



Mudslide resulting from Colorado wildfire in July 2002. (Photo by Michael Rieger, FEMA)

protect property and lives, it would be an estimated 3 to 5 years before vegetation would recover enough to lessen the likelihood of increased water run-off in the burned areas. Property owners were urged to learn more about flood insurance protection through the NFIP.

Several post-fire public forums sponsored by the State of California and workshops conducted by the California State Insurance Commissioner in the wake of these devastating wildfires featured FEMA representatives who spoke about increased flood risk and under-insurance issues.

FEMA Region VIII

Nearly 23 percent of the 262 Presidential Fire Management Assistance Declarations made during the 5 years from 2000 through 2004 resulted from fires in FEMA Region VIII—Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming. In 2004, FEMA conducted a post-fire flood awareness campaign in this region by distributing fact sheets that warned about increased flood risks in the aftermath of dozens of wildfires in the previous 4 years.

An entire page on the FEMA Region VIII website (www.fema.gov/regions/viii/fires.shtm) presents dozens of resources and links to information about wildfires and flooding.

FEMA Region X

With more than 14 percent of the 262 Presidential Fire Management Assistance Declarations made during the 5-year period, FEMA Region X (Alaska, Idaho, Oregon, and Washington) also has responded to

Presidential Fire Management Assistance Declarations

January 1, 2000 - December 31, 2004

State	2000	2001	2002	2003	2004	Total
Alabama	1	1	0	0	0	2
Alaska	0	1	0	0	3	4
Arizona	0	0	6	3	2	11
California	0	0	12	16	21	49
Colorado	3	1	20	5	2	31
Florida	10	9	0	0	0	19
Georgia	0	1	0	0	0	1
Hawaii	1	0	0	1	1	3
Kentucky	2	3	0	0	0	5
Louisiana	1	0	0	0	0	1
Minnesota	1	0	1	0	0	2
Missouri	1	0	0	0	0	1
Montana	6	0	0	7	0	13
Nevada	2	3	3	4	4	16
New Jersey	0	0	1	0	0	1
New Mexico	5	1	9	2	2	19
Oklahoma	3	0	0	1	0	4
Oregon	0	1	8	3	2	14
South Carolina	0	1	1	0	0	2
South Dakota	2	1	1	1	0	5
Tennessee	2	2	0	0	0	4
Texas	17	2	0	0	0	19
Utah	0	1	1	1	1	4
Virginia	0	3	1	0	0	4
Washington	3	8	2	1	5	19
West Virginia	0	2	0	0	0	2
Wyoming	1	3	3	0	0	7
Total	61	44	69	45	43	262

the threat of post-fire flooding. This region conducts ongoing public awareness efforts to alert consumers about the connection between fires and floods. In a May 2005 press release distributed to media outlets throughout the region to announce the beginning of summer wildfire season, FEMA Region X Director John

Pennington warned residents that "Wildfires and prolonged drought conditions strip slopes of groundcover and harden soils, increasing the risk of flash floods, allowing them to strike suddenly, with higher velocity and greater debris loads." He reminded consumers that, "You don't need

to live in a high-risk flood zone to be at risk from flash floods."

A Widespread Problem


Wildfires and the flood risk that follows are not just phenomena of the Western United States. Altogether, 27 states had fires extensive enough to require Presidential Fire Management Assistance Declarations from 2000 through 2004. Included among these were states in the Mid-Atlantic, Gulf Coast, Midwest, and Plains, as well as Alaska and Hawaii.

Not every wildfire will be followed by flooding, but, because the flood risk increases after wildfires and because it takes several years to lower that risk through reforestation,

it is useful to see where fires have occurred and where the risk of post-fire flooding may be present. The table on page 20 lists FEMA's 27 Presidential Fire Management Assistance Declarations in the 5-year period between January 1, 2000, and December 31, 2004.

Finding More Resources

For more information about wildfires in general, visit the U.S. Fire Administration section of the FEMA website (www.usfa.fema.gov/) or the FEMA Region page (www.fema.gov/regions/) for fire and flood information specific to your state. FEMA Region VIII's wildfire page (www.fema.gov/regions/viii/fires.shtm) provides

dozens of resources about wildfire preparedness, including their downloadable fire-flood fact sheet (www.fema.gov/regions/viii/firesand-floods.shtm). The website of the National Wildland/Urban Interface Fire Program (www.firewise.org/), a consortium of wildland fire organizations, offers a variety of publications, links, and other resources about preparing for, surviving, recovering from, and mitigating fires. 

Lynd Morris has worked with the NFIP Bureau and Statistical Agent as a communications specialist since 1983 and has been the writer and publication coordinator for the Watermark for nearly 8 years.

Get FloodSmart This Winter

Each winter, the NFIP's FloodSmart campaign reminds consumers and agents about the risks of winter flooding and the benefits of flood insurance, with a focus on California and the Pacific Northwest.

A pop song once misadvised, "It never rains in Southern California." However, the winter rainy season brings flooding to the West Coast year after year due to loss of ground cover from wildfires, melting mountain snow and ice, overburdened drainage systems, and changes in the landscape from booming construction.

The *Los Angeles Times*, *San Diego Tribune*, *San Jose Mercury News*, and *San Francisco Examiner* are a few of the media outlets that have covered the need for flood insurance during

winter months. Last winter, FloodSmart's media coverage in California and surrounding states reached a circulation of more than 9 million readers with the message of flood preparedness.


The FloodSmart campaign not only communicates successfully with the media, but also reaches out to insurance agents on the West Coast through their WYO companies, agent associations, and trade publications—reminding agents to talk to their clients about winter flooding.

The winter rainy season in the West extends through February each year, so the time has come to remind

consumers of their risk of winter flooding. For more information about FloodSmart's winter weather outreach



Winter storms caused flooding in Casitas Springs, California, in January 2005. (Photo by John Shea, FEMA)

and seasonal agent incentives, visit www.FloodSmart.gov/agents or send an email message to FloodSmart@ogilvypr.com. 

Ask the Experts Q&As: Defining Moments

Susan Bernstein, FEMA

A lot of questions about insurance, any insurance, hinge on how the risk is defined. In this article, I want to talk about a few recent questions to the NFIP "Ask the Experts" team in which the answers hinged on FEMA's definitions of flood conditions and coastal insurance issues.

"Flood, Mudslide, or Mudflow?"

Question: I am underwriting a loan for a property that is not located in a Special Flood Hazard Area. I am considering requiring flood insurance due to the fact that during the recent rainy season a portion of the property's yard and the neighboring parcel at the top of the rear slope has fallen, and the fallen slope borders a neighboring parcel that has a swimming pool edging the subject proper-

ty. If there is another severe rainstorm and a mudslide occurs, or the neighbor's swimming pool collapses

and floods the borrower's house, would the damage be covered by flood insurance?

Answer: It sounds like your decision will call into play two of our definitions, "flood" and "mudflow." Remember, it all depends on circumstances; no one can adjust a claim before it happens, but here are the variables. And, as always, it's safer for collateral to be protected with insurance.

Let's start with "flood." The NFIP defines a "flood" as "a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is the policyholder's property) from: overflow of inland or tidal

waters; unusual and rapid accumulation or runoff of surface waters from any source; or mudflow; or collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of

water exceeding anticipated cyclical levels that result in a flood as

defined above." Depending on the circumstances, if the pool were to collapse, overflow, or crack and dump all its water, and it affected two or more properties, an NFIP flood insurance policy might pay for covered damages.

If a pool, levee, dam, or other containment of water collapses and mixes with dirt from the slope, coverage will depend on how wet the mud is. Basically, this type of thing is judged on a case-by-case basis, looking at the water content. The NFIP flood insurance policy covers mudflow but not mudslide. We define "mudflow" as "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." You can see the difference—it's basically a ratio of water to dirt.

From your description, it sounds as though it probably would be a good idea to make sure both a flood insurance and a homeowners policy are in place.

"Is a Tsunami a Flood?"

Question: You have lots of interesting information on your website about tsunamis, including how to prepare for them. But—I don't know if damage caused by a tsunami is considered a flood?

Answer: Generally, a tsunami would fit us to a "T." Due to the loca-



Property damaged by mud and water in Casitas Springs, California, in January 2005. (Photo by John Shea, FEMA)



*Tsunamis can wreak widespread devastation if they reach land.
(NOAA photo)*

tion of most fault lines (since most tsunamis are related to earthquakes) and the way the waves tend to form and travel, few have hit the mainland U.S. However, Alaska and Hawaii are vulnerable. California and the rest of the west coast are exposed to a lesser degree.

A tsunami fits our description of a "flood." You can find the definition of a flood in the NFIP flood insurance policy on the NFIP website (www.fema.gov/pdf/nfip/dp126.pdf). Scroll to page 3, which is the first page of the NFIP Dwelling Policy.

"Making Sure This Cobra Doesn't Bite"

Question: We are looking at buying property on the coast of North Carolina and we would like to inquire about the requirements for homes on the coast and surrounding areas. We currently live in Florida and are required to carry flood and windstorm insurance; does the same apply for North Carolina?

Answer: Well, I can give you the basics about the NFIP and coastal

property in North Carolina, some of what you need to think about when buying a home. Since you are coming from Florida, you probably know the basics of NFIP flood insurance requirements: (1) if your community participates in the NFIP, and (2) your

property is in a Special Flood Hazard Area (SFHA), then (3) you may be required to get flood insurance to protect the home if (4) your lender is federally regulated. Finally, (5) you'll need to know about a land designation sometimes called "Cobra"—the Coastal Barrier Resources Area (CBRA) within the Coastal Barrier Resources System (CBRS). Let's address each of these considerations individually.

1. Community participation in the NFIP—The NFIP is a two-way street. If the community joins, it is required to begin mitigating future flood damage by preventing construction in the floodplain and by applying building codes that decrease the risk of flood damage. At the same time, FEMA allows insurance companies to sell flood insurance in the community. Since it is difficult for insurers to cover themselves against flood losses (floods do a lot more damage than fires and burglary, which are covered by homeowners insurance, so it's generally too high a risk for insurance companies to cover flood losses without the NFIP's assistance), this allows them to offer

coverage at reasonable prices to homeowners. Thus, if the community participates, you can get NFIP-backed insurance from your insurer and your lender may require you to purchase flood coverage. You can check a community's participation status by going to www.fema.gov/fema/csb.shtm. Simply click on "North Carolina," and then search for your community's name. If your town is on the list, it participates in the NFIP. In the right hand column, you can find out how long it has been part of the Program.

2. The SFHA—The SFHA is the area that has the highest risk of being flooded [see the related article on page 18]. The SFHA often includes coastal properties as well as those in river valleys. If you are moving to coastal North Carolina, your new home will probably be in the SFHA. Many coastal homes are built on stilts nowadays, so the living quarters are above the base flood line. Some are pretty high up, and look a little odd, but it is beautiful up there and a lot safer. If you choose a home on stilts, remember that the lower area beneath the living quarters needs to be kept open so that water can flow through without any barrier. Usually these areas are used as carports, or contain beach showers, etc. Any electrical items, etc., must be kept high up or your flood insurance costs will rise. It makes sense to keep the important and more costly items above the flood line as there is less chance they will be damaged in a flood. And, naturally, keeping valuable property in elevated parts of the building keeps annual insurance premiums lower.
3. Flood insurance—A lot of people complain about flood insurance, but it's a good thing to have if you live in an area that is prone to



Hurricane Dennis flooded Nags Head, North Carolina, in September 1999. (Photo by Dave Gatley, FEMA)

flooding as flooding is not covered by homeowners insurance. If you live outside the SFHA, you may be eligible for a Preferred Risk Policy. Your insurance agent can tell you more about this lower-cost option. Agents in coastal North Carolina know about flood insurance or should. If you want to find an agent, all you need is an address and ZIP Code. Visit www.FloodSmart.gov (where you also can find some good background information about flood risk and protection) and choose Step 5—"Find an Agent"—from the box on the upper right of the home page. On the next screen, enter the full property address in the left

column. You'll next see a list of agents in that area who want to help answer your flood insurance questions. You can also reduce your premium costs by mitigating potential damage by keeping the lower part of a raised home clear, or moving your water heater higher. Find out more about flood mitigation by visiting that section of the NFIP's website (www.fema.gov/nfip/floodprev.shtm).

4. Lenders—Federally regulated lenders must check to see whether the home you are purchasing is in the SFHA and, if it is, the lender is required to make sure you get flood insurance. This information should be available before you close, to avoid surprising you. But it's best to know a lot about the home, and not expect others to make sure. Just a word to the wise.
5. The CBRS—There are protected areas throughout the United States, from Michigan to Florida and California to New Jersey, including many in North Carolina. This means

that because of the protected flora and fauna and the fragile ecological balance, Congress has decided that federally backed loans will not be available in those areas. People who don't need a loan to buy property and are willing to live without flood protection can buy property there. You can take a look at the CBRS information in the *Flood Insurance Manual* pages of the NFIP website (www.fema.gov/pdf/nfip/manual2005_10/mainedition/18cbars.pdf). This section of the manual provides some background about the CBRS as well as a list of communities with coastal barrier areas. You can find additional information in the CBRA section of the NFIP website (www.fema.gov/nfip/cobra.shtm). The CBRS is actually regulated by the United States Fish and Wildlife Service (www.fws.gov/), which also has coastal barrier information on its website (ipl.unm.edu/cwl/fed-book/cbra.html).

Susan Bernstein is the Editor of Watermark and also the FEMA Mitigation Division Legal Liaison to WYO Companies and the FEMA Office of General Counsel. She's been handling WYO flood insurance lawsuits for nearly 9 years.

DEFINITION

Finished (Habitable) Area

You might use this term to describe a certain standard of orderliness you strive to meet before the in-laws arrive for dinner, but the NFIP uses this phrase to address the specifics of a building's infrastructure rather than to comment on how pleasant it might be to inhabit as a living space.

The *Flood Insurance Manual* defines "finished (habitable) area" as:

"An enclosed area having more than 20 linear feet of finished walls (paneling, etc.) or used for any purpose other than solely for parking of vehicles, building access, or storage."

Floodplain Officials Get CRS Boost


For more than 15 years, the NFIP's Community Rating System (CRS) has supported local officials in their efforts to protect residents and natural resources within the floodplain. In addition to offering incentives that make compliance with floodplain regulation more attractive to community residents and businesses, the CRS provides technical guidance for promoting public awareness of the flood hazard, improving mapping and regulations, reducing flood damage, and preparing for flood disasters.

Staying Informed

CRS technical guidance comes in several forms: online and resident training (see sidebar at right) and a number of reference documents. The essential CRS publication is the *CRS Coordinator's Manual*, a document that spells out the details for earning

credit for each eligible activity and includes processing forms and an array of associated resource materials. The manual is available online at the CRS Resource Center (www.training.fema.gov/emiweb/CRS/).

Every 2-3 years the *CRS Coordinator's Manual* is updated to reflect enhancements to the program as well as adjustments to the

amount of credit given for floodplain activities that earn greater premium discounts for property owners. Below is a table that provides highlights of the most recent *CRS Coordinator's Manual* changes to the numbered activities that earn CRS credit. 

Online and Resident CRS Training

Every year FEMA's Emergency Management Institute (EMI) offers dozens of floodplain management and CRS training programs at its national center in Emmitsburg, Maryland. These are oriented to local building, zoning, planning, and engineering officials. Tuition for these courses is free for state and local government officials, and travel stipends are available. For more information, visit the EMI website (training.fema.gov/emiweb/is/crslst.asp), call EMI (800-238-3358), or contact the training office of your state emergency management agency.

EMI also manages a variety of home or independent study courses. More information about these and how to enroll is available on the EMI website.

Major Changes to the *CRS Coordinator's Manual* for 2005

Activity	<i>CRS Coordinator's Manual</i> Change for 2005
310 (Elevation Certificates)	<ul style="list-style-type: none"> · FEMA's Elevation Certificate (EC) form has been revised, and the new version is now available in the CRS manual.
320 (Map Information Service)	<ul style="list-style-type: none"> · Publicity must state that ECs are available from the community. · Partial credit will be available if publicity is sent to only two of the three target audiences, or if the community provides map information through a website or computer terminal instead of providing person-to-person assistance.
330 (Outreach Projects)	<ul style="list-style-type: none"> · All 10 topics that have been specified to receive credit will earn 6 points with the exception of outreach projects to floodplain properties (OPF), which each will earn 13 points. · Some topics must include additional information for full credit. · The criteria for a county-wide or area-wide project have been clarified to ensure that local information is still provided, where needed. · A new element—earning 65 points—has been added for mailing to the entire community a letter or brochure that promotes the purchase of flood insurance policies.
350 (Flood Protection Information)	<ul style="list-style-type: none"> · Credit points for the local website (WEB) have been increased from 36 to 72 points, and several revisions have been made to the credit criteria.

Activity	CRS Coordinator's Manual Change for 2005
360 (Flood Protection Assistance)	<ul style="list-style-type: none"> Site visits to review a property's flood or drainage problem must be for more than determining whether the community is responsible for the problem. There must be a written summary of the visit's findings, not just a log entry.
404 (Area Calculations)	<ul style="list-style-type: none"> The sizes of areas affected by elements and the area of the regulatory floodplain (aRF) now are recalculated at each cycle verification visit to reflect annexations, changes in floodplain boundaries, etc.
410 (Additional Flood Data)	<ul style="list-style-type: none"> There is a new prerequisite that the credited study must be submitted to FEMA for a flood map revision. There is a new prerequisite for the community to assess its maps at cycle and advise FEMA if any need to be revised or updated. The activity has been reorganized and the credit points increased substantially. Most communities will receive increased points for their current credits if their studies have undergone an independent quality assurance review. There is new credit for mapping repetitive loss areas and for cost-sharing on FEMA Flood Insurance Studies.
420 (Open Space Preservation)	<ul style="list-style-type: none"> The credit criteria have been revised to exclude parking lots, roads, and other areas with impervious surfaces.
430 (Higher Regulatory Standards)	<ul style="list-style-type: none"> The building code provision no longer receives credit under foundation protection (FDN). The credit for adopting the International Building Codes has increased. The credit for the community's Building Code Effectiveness Grading Schedule classification has increased.
440 (Flood Data Maintenance)	<ul style="list-style-type: none"> The credit for having a geographic information system (GIS) that is compatible with FEMA's systems has been replaced by credit for having topographic data in the GIS.
450 (Stormwater Management)	<ul style="list-style-type: none"> There is a new prerequisite for receiving stormwater management plan credit. For each cycle verification visit, the community must evaluate whether its plan(s) need to be updated.
501 (Repetitive Loss List)	<ul style="list-style-type: none"> Communities with one or more repetitive loss properties must provide a list of the addresses of all properties in the repetitive loss area(s). Repetitive loss area outreach projects must discuss sources of financial assistance for mitigating repetitive loss properties. There is a new section that includes background information about financial assistance and an example outreach project. Communities with 10 or more repetitive loss properties can prepare area analyses (see Activity 510) as an alternative to the required floodplain management plan.
510 (Floodplain Management Planning)	<ul style="list-style-type: none"> There have been a variety of relatively minor adjustments in the requirements so that the credit criteria now match FEMA's local multihazard mitigation planning requirements under the Disaster Mitigation Act of 2000 (DMA 2K). A multihazard mitigation plan approved by a FEMA Regional Office as meeting these requirements (found at 44 CFR 201.6) will receive some credit for this activity. A new element—area analyses—is now offered that takes a more in-depth look at repetitive loss areas.
520 (Acquisition and Relocation) and 530 (Flood Protection)	<ul style="list-style-type: none"> Triple credit is now provided for each building that qualifies as a Target Group repetitive loss property. There are approximately 11,000 Target Group properties in the country. They are those properties that have had: <ul style="list-style-type: none"> 4 or more flood insurance claim payments since 1978 each > \$1,000, or 3 flood insurance claim payments since 1978 cumulatively > the property value, or 2 flood insurance claim payments within any rolling 10-year period cumulatively > the property value.
530 (Flood Protection) and 540 (Drainage System Maintenance)	<ul style="list-style-type: none"> Text explaining these activities now clarifies that communities are expected to meet all environmental protection laws and regulations, including the Endangered Species Act.
630 (Dam Safety)	<ul style="list-style-type: none"> There are new scores for State Dam Safety programs (SDS) based on the recent nationwide reevaluation of state programs.
Special Hazards	<ul style="list-style-type: none"> Credits for protecting dunes and beaches and mapping and managing coastal erosion areas have been combined in one supplement to the <i>CRS Coordinator's Manual</i>. Other special hazards are now addressed in a separate supplement. The maximum credit for these hazards is now capped at 200 points. Credit for mapping alluvial fans, ice jams, and closed basin lakes has been eliminated because there are now FEMA requirements for mapping these hazards. Special hazard open space credit (420SH) is now provided only if the community also has development regulations related to that hazard. This affects approximately 140 CRS communities whose only special hazard credit is dune and beach open space. If these communities don't want to lose the credit, they must put into place regulations that protect dunes and beaches or that set standards for new construction in erosion-prone areas.

Adjuster Certification

Joyce King, NFIP Bureau and Statistical Agent

In the aftermath of a flood, claims adjusters play an essential role in helping NFIP policyholders begin the process of recovery. Because many people only study the details of their coverage after they have sustained a loss, claims adjusters often find themselves in the position of answering complex questions about coverage and recovery options. These conversations often take place while the adjuster also is trying to assess the flood victim's property damage—a challenging task when the adjuster frequently must also distinguish flood-related damage from damage caused by other types of perils before determining the costs involved.

Since they are in the position of interpreting and explaining coverage issues to the policyholders, adjusters must have a broad knowledge of the Standard Flood Insurance Policy (SFIP) coverage. It is the adjuster whose careful and responsive handling of a claim will influence how quickly it is processed and paid. And it is the adjuster's ability to listen with patience and consideration and to answer coverage questions with clarity that will influence the insured's willingness to continue to do business with those providing coverage: the Write Your Own (WYO) company and the NFIP.

Claims Seminars Offer Specialized NFIP Training

Every year, the NFIP offers more than two dozen claims seminars around the country for adjusters.

These seminars are designed to provide adjusters with information about new changes in flood insurance coverage and adjustment procedures. In 2006, 25 claims seminars will be presented between January and June. Multiple seminars will be offered in Florida, Texas, and California because these three states are so large. Additional claims seminars are scheduled throughout the year at the request of WYO companies and claims adjustment firms.

Claims seminar presentations center around the three forms of the SFIP: the Dwelling Policy, the General Property Form, and the Residential Condominium Building Association Policy (RCBAP). In addition to providing general information about each policy, special emphasis is placed on general conditions of flooding and substantial-damage issues as well as the complexity of claims processing concerns relating to basements, elevated buildings, and condominium coverage. Each seminar also addresses the Increased Cost of Compliance (ICC) coverage and how it relates to the community administration of floodplain management laws or ordinances. Other topics include mitigation options available under ICC, and the technical assistance available to state and local officials following a flooding event.


Certification

The NFIP maintains a database of independent adjusters who are certified to adjust flood claims under poli-

cies issued by the NFIP Servicing Agent and the WYO companies who use the services of independent adjusters.

To receive claims certification, adjusters must meet the minimum qualifications established by the NFIP. Although there are several certification categories that require different degrees of experience, all NFIP-certified adjusters are asked to attend one of the Program's claims seminars each year to stay up to date with changes in underwriting and claims procedures and to maintain certification. Several states accept attendance at the NFIP claims seminar for Continuing Education credit.

To apply for certification, or for more information about claims adjusting, seminar participation, or sponsoring an on-site claims presentation, visit the adjuster section of the NFIP website (www.fema.gov/nfip/claimsadj.shtm).

Visit the NFIP's website at www.fema.gov/nfip for information about upcoming claims seminars, NFIP publications, and access to the entire text of the *Flood Insurance Manual*, which contains explanations of all NFIP policies as well as coverage limitations. 

Joyce King has worked as a claims specialist with the NFIP since 1980 and has been the Claims Director at the NFIP Bureau and Statistical Agent for nearly 11 years.

FEMA Webcast Briefs Insurance Commissioners

Harriette Kinberg, FEMA

An hour-long webcast/teleconference was held on Wednesday, July 13, featuring David Maurstad, Acting Director of FEMA's Mitigation Division, who talked with state insurance commissioners and their staffs about insurance agent training and the NFIP.

The webcast was introduced and conducted by Ed Connor, Chief of Industry Relations in the Mitigation Division. The subject was Section 207 of the Flood Insurance Reform Act (FIRA) of 2004 and how states can implement flood insurance training and education requirements.

Maurstad explained FIRA and its significance to the NFIP. He also discussed FEMA's commitment to respecting states' authority and providing technical assistance to them through internet training and live workshops for agents. He emphasized the "bottom line"—Congress expects all agents who sell NFIP flood insurance to be well versed in the subject, and FEMA looks to the states to support that mandate with appropriate training requirements. He also responded to a variety of questions during the webcast.

Guest Experts

The FEMA personnel were joined by Diane Koken, Insurance Commissioner for the Commonwealth of Pennsylvania and President of the National Association of Insurance Commissioners (NAIC). She talked about the consumer protection role of insurance regulators and

Pennsylvania's activities in support of the NFIP.

Eric Nordman, Director of Research, NAIC, spoke of the need for "transparency" in the NFIP. Nordman sees the role of state insurance commissioners and legislators as one of solving problems. He noted that similar state requirements for agent training are needed for crop insurance, and that it will be a challenge for states to determine the best way to track compliance with FIRA. These issues were to be addressed at the September 2005 NAIC meeting.

Candace Thorson, Director of Legislative Affairs, National Conference of Insurance Legislators (NCOIL), discussed NCOIL's support of the NFIP over the years. She noted that one of the offshoots of that relationship was the development, production, and distribution to state legislators in 2002 of *Rising Waters, Mounting Challenges to Flood Prevention, Protection and Assistance: A Legislator's Guide to Flood Insurance*. (Contact Watermark editor, Susan Bernstein, for a copy.) NCOIL's model law, the State Flood Disaster Mitigation and Relief Model Act, includes language that states can use to readily adopt a flood insurance training requirement.

Ed Connor asked webcast participants how their states will track agent compliance with the training requirement. Responses varied from "We can easily do that" to "We'll ask insurance companies to do it." Some

participants wanted to know whether Federal funds will be available to states for this purpose.

In Closing

Connor spoke of the development of state flood insurance training requirements for agents and the benefits from well-formulated training goals and programs. He assured webcast participants that training development and implementation will be a joint activity of FEMA, state insurance departments, and the insurance industry. He closed the webcast by offering states assistance with their endeavors. He mentioned some of the tools and contacts available to help state legislators and the public: NFIP State Coordinators, the NFIP Consumer Hotline (800-427-4661), and online and on-site NFIP Agent Training (see page 30 for a list of upcoming workshops being offered around the U.S.).

Harriette Kinberg is a Program Specialist serving in FEMA's Mitigation Division, Industry Relations Staff. She has worked with the NFIP for many years in a variety of positions.

DID YOU KNOW?

During the course of a traditional 30-year home mortgage, there is a 25-percent chance that the building will be flooded—against a 9-percent chance that it will be damaged by fire. Flood insurance, anyone?

Re:Sources

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.

We offer this information for reference but do not necessarily endorse any organization, product, or service. Unless otherwise noted, resources cited are free of charge. Website addresses may have changed since this edition of *Watermark* went to press.

Publications

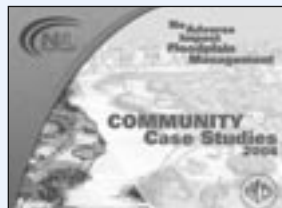
The Natural and Beneficial Functions of Floodplains: Reducing Flood Losses by Protecting and Restoring the Floodplain Environment

This report to Congress by the Task Force on the Natural and Beneficial Functions of the Floodplain identifies the natural functions of floodplains and how they can reduce flood losses, and offers recommendations for further actions communities can take to restore floodplains to their original use. This item, FEMA Document 409, can be ordered by calling the FEMA Distribution Center at 800-480-2520.



No Adverse Impact Floodplain Management Case Studies

Eleven communities and their No Adverse Impact activities are profiled in this publication from the Association of State Floodplain Managers (ASFPM). You will find clear descriptions of the tools that various communities



across the United States have used to reduce flood losses and make their communities safer. See and download it from the ASFPM website (www.floods.org/PDF/NAI_Case_Studies.pdf).

NFPA 225, Model Manufactured Home Installation Standard 2005 Edition


The National Fire Prevention Association (NFPA) works with the American National Standards Institute to develop codes, standards, recommended practices, and guides through a consensus standard-development process. This NFPA publication about manufactured homes presents a wide variety of information from flood openings and post-elevation considerations like elevation certificates to seismic mapping and perimeter supports to slide-out fireplace installation. You can order this document and other products from the NFPA by telephone (800-344-3555) or by visiting their online catalog at their website (catalog.nfpa.org). Other titles available include *ASCE Standard 24-98, Flood Resistant Design and Construction*; *ASCE Standard on Minimum Design Loads for Buildings and Other Structures, 2002 Edition*; and *NFPA 5000®: Building Construction and Safety Code®*, 2003 Edition.

Websites

www.geodata.gov/gos

Feeling geospatial? Want some geodata? You might like to visit this website, which offers one-stop shopping for federal, state, and local geographic data. The site links a variety of activities and data through maps and offers several formats, including downloadable and live data maps.

wcatwc.arh.noaa.gov/tsunamiready/tready.htm

Are you TsunamiReady? As a member of the National Tsunami Hazard Mitigation Program Steering Committee, FEMA, in partnership with NOAA, USGS, and the states of Alaska, California, Hawaii, Oregon, and Washington, supports the National Weather Service TsunamiReady initiative. Current TsunamiReady communities include: Homer, Kodiak City, Seward, and Sitka in Alaska; Crescent City and the University of California Santa Barbara in California; Manzanita/Wheeler/Nehalem in Oregon; and Long Beach, Ocean Shores, and the Quinault Indian Tribe in Washington. 

Just Around the Bend

More workshops will have been scheduled since publication of this issue. For updated workshop information, visit the NFIP web site (www.fema.gov/nfip/wshops.shtm).

For information about NFIP events for agents, lenders, and other stakeholders, call the NFIP Bureau and Statistical Agent Regional Offices (listed on the next page).

STATE/EVENT	CITY	DATE
COLORADO		
Agent and Lender Workshop	Lakewood	Nov. 16
Agent and Lender Workshop	Lakewood	Dec. 14
CONNECTICUT		
Agent Workshop	Waterbury	Nov. 3
MARYLAND		
Agent Workshop	Lanham	Nov. 16
Lender Workshop	Lanham	Nov. 17
Agent Workshop	Lanham	Apr. 19, 2006
Lender Workshop	Lanham	Apr. 20, 2006
MICHIGAN		
Agent Workshop	Acme	Apr. 18, 2006
Agent Workshop	Lansing	Apr. 19, 2006
Agent Workshop	Livonia	Apr. 20, 2006
MISSOURI		
Agent and Lender Workshop	Cape Girardeau	Nov. 8
Agent and Lender Workshop	O'Fallon	Nov. 9
Agent and Lender Workshop	Jefferson City	Dec. 6
Agent and Lender Workshop	Joplin	Dec. 7
Agent and Lender Workshop	Kansas City	Dec. 8
Lender Workshop	St. Louis	Mar. 7, 2006
Lender Workshop	Kennett	Mar. 21, 2006
Lender Workshop	Springfield	Mar. 22, 2006
Lender Workshop	Kansas City	Mar. 28, 2006
NEW MEXICO		
Agent Workshop	Clovis	Dec. 7
NEW YORK		
Agent Workshop	Poughkeepsie	Nov. 29
Agent Workshop	White Plains	Nov. 30
Agent Workshop	Carle Place	Dec. 1
Agent Workshop	Yaphank	Dec. 2

STATE/EVENT	CITY	DATE
OHIO		
Agent Workshop	Zanesville	Nov. 1
Agent Workshop	Miamisburg	Nov. 2
Agent Workshop	Perrysburg	Nov. 3
PENNSYLVANIA		
Agent Workshop	Philadelphia	Mar. 9, 2006
TEXAS		
Agent and Lender Workshop	Arlington	Dec. 7
Agent and Lender Workshop	Lubbock	Dec. 8
VIRGINIA		
Agent Workshop	Staunton	Nov. 1
Agent Workshop	Charlottesville	Nov. 2
WASHINGTON		
Agent Workshop	Everett	Nov. 2
Lender Workshop	Everett	Nov. 4
Agent Workshop	Mt. Vernon	Nov. 28
Lender Workshop	Mt. Vernon	Nov. 30
Agent Workshop	Seattle	Jan. 12, 2006
Lender Workshop	Seattle	Jan. 13, 2006
Agent Workshop	Bellevue	Feb. 9, 2006
Lender Workshop	Bellevue	Feb. 10, 2006
Agent and Lender Workshop	Poulsbo	Feb. 17, 2006
Agent Workshop	Spokane	Mar. 23, 2006
Lender Workshop	Spokane	Mar. 24, 2006
WISCONSIN		
Agent Workshop	Eau Claire	Mar. 21, 2006
Agent Workshop	Wisconsin Dells	Mar. 22, 2006
Agent Workshop	Milwaukee	Mar. 23, 2006

National Flood Insurance Program

TELEPHONE NUMBERS

www.fema.gov/nfip

NFIP Telephone Numbers

Number	Service
800-638-6620	Direct Business
800-720-1093	Agent Information
800-427-4661	General Information
800-611-6125	Lender Information
800-427-5593	TDD
877-336-2627	FEMA Map Assistance Center (Information about flood hazard maps and map changes)
800-358-9616	FEMA Map Service Center (Order flood maps and FIS studies, <i>Flood Insurance Manual</i> , and <i>Community Status Book</i>)
800-480-2520 301-497-6378 FAX	FEMA Distribution Center (Order free NFIP forms and public awareness materials)

Regional Office Telephone Numbers

Region	FEMA	NFIP Bureau & Statistical Agent
Region I CT, MA, ME, NH, RI, VT	617-223-9540	781-848-1908
Region II NJ, NY Caribbean Office-PR,VI	212-680-3600 787-296-3500 ¹	856-489-4003 281-829-6880 ²
Region III DC, DE, MD, PA, VA, WV	215-931-5608	856-489-4003
Region IV AL, GA, KY, MS, NC, SC, TN FL	770-220-5400 -----	770-396-9117 813-975-7451 ³
Region V IL, IN, MI, MN, OH, WI	312-408-5500	630-577-1407
Region VI AR, LA, NM, OK, TX	940-898-5399	281-829-6880
Region VII IA, KS, MO, NE	816-283-7061	913-780-4238
Region VIII CO, MT, ND, SD, UT, WY	303-235-4800	303-275-3475
Region IX AZ, CA, GU, HI, NV	510-627-7100	916-780-7889
Region X AK, ID, OR, WA	425-487-4600	425-488-5820

¹FEMA contact number for Puerto Rico and the Virgin Islands.

²NFIP B&SA contact number for Puerto Rico and the Virgin Islands.

³NFIP B&SA contact number specifically for Florida.

NATIONAL FLOOD INSURANCE PROGRAM
P.O. Box 710
Lanham, MD 20703-0710

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