

National Flood Examiner

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The National Flood Examiner, the official newsletter of the National Flood Determination Association (NFDA), is published biannually for our members and all other interested parties. For more information about the NFDA or to subscribe to this newsletter, go to the “Contact the NFDA” section of www.floodassoc.com.

Letter from the President

Dear Members:

As important stakeholders in the federal flood program, flood determination companies have a responsibility to work to make the program more successful. Influencing positive changes through legislative reform and strengthening our own industry through the certification process are two ways in which we can support the program.

Presently before Congress, the Flood Insurance Reform and Modernization Act of 2006 (separate Senate and House bills of the same name) represents the most significant attempt at reform to the program since the 1994 Reform Act. Therefore, it’s important that we continue to be involved in discussions of the core issues, including the following examples.

Residual risk areas (defined as areas protected by dams, levees, or other man-made structures): The Senate bill expands the mandatory purchase requirement to include these areas to become effective when FEMA completes the mapping of these areas. The House version requires a study on this topic. While we support the expansion of the mandatory purchase requirement to include residual risk areas, we are concerned that the requirement to first map these areas will indefinitely delay this change. Instead, we propose that implementation occurs at a point during the map modernization project.

Premium adjustment: The draft legislation provides for adjustment of NFIP premium rates for policies on properties affected by map revisions. We would like to see an added requirement that life-of-loan tracking be made mandatory for regulated lending institutions.

Continued on next page

Requirements for state-chartered financial institutions: We support expansion of flood insurance requirements to state institutions not currently subject to them; however, we recognize the complications that could arise from creation of dual programs—state and federal. We recommend insertion of a specific provision to the effect that federal law unequivocally supersedes state law in this regard.

Mapping the 500-year floodplain: The bill requires FEMA to map the 500-year floodplain throughout the country. We believe that current budget proposals are not sufficient to map these areas without negatively impacting the overall map modernization effort, including the funding for much needed flood insurance studies. Only the Senate bill requires lenders to notify property owners and lessees if a property securing a loan is in the 500-year floodplain. If the mandatory purchase requirement is ultimately expanded to include these areas, then notifying borrowers becomes essential. Without this requirement, we do not believe this notification will have its intended effect.

We are in the process of updating the NFDA certification requirements to include specific life-of-loan criteria. Due to the increasing number of map changes, the certification committee and the Board view this as an important addition to protect our clients and further support the program. (See the article about the certification process on page 5.)

As always, we're excited to begin accepting applications for this year's certification process. Thanks are definitely in order for all our members who worked so hard to develop and launch the certification program, as well as those who keep it going from year to year. I think we can all be proud of this program, which helps ensure the integrity and professionalism of our industry.

Cheryl A. Small, NFDA President

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SEPTEMBER 2006

Legislative Report from the Capitol

Meredith R. Inderfurth, *Washington Liaison*

A Busy Season

This spring and summer have seen lots of legislative activity of interest to flood determination companies, but none of it is finished!

Most importantly, two versions of legislation which would reform the National Flood Insurance Program (NFIP) have been developed and are in various stages of action. In addition to that, the FY 2007 appropriations bill for the Department of Homeland Security (DHS) has passed both the House and Senate and is awaiting a House-Senate Conference Committee to resolve differences. Various bills and amendments to alter FEMA's structure, some within the Department of Homeland Security and some outside of DHS, are under active consideration.

Other legislation is underway to reform Freddie Mac and Fannie Mae. Legislation to provide for catastrophe insurance is under consideration. Bills have been reported out of committees in the House and Senate to make changes to the Stafford Act which is the legislation governing disaster relief programs,

including major disaster mitigation programs. Legislation to provide for an inventory of the nation's levees and their general condition as well as to create a levee safety program is moving along.

The Congress was in recess for the month of August. This being an election year, most Members of Congress were in their home states and districts to campaign. There isn't much legislative time remaining before the end of the fiscal year (September 30) and the October recess. That recess is unlikely to be delayed this year due to the upcoming November elections, so it is widely assumed that the Congress will return for a *Lame Duck* Session in November, after the elections.

Flood Insurance Reform

Impetus for another round of NFIP reform legislation comes largely as a result of lessons learned from the catastrophic 2005 hurricane season and from the need to deal with the huge amount of Treasury borrowing for payment of claims as well as to make the program more actuarially sound. Although the pro-

gram has been actuarially sound for the average loss year since 1986 and all Treasury borrowing has been repaid with interest, the current need for borrowing over \$20 billion has caught the attention of many Members of Congress and generated efforts to reduce subsidies and costs associated with the program. As a result, House bill H.R. 4973 and the Senate bill S. 3589 were developed and have been reported out of committee. During the development process, various ideas were discussed, with the result that some were revised or not included in the final versions. A notable example is an attempt to reduce the “expense constant” percentage paid to Write Your Own companies – which was not included in the Senate bill as reported out of committee.

“NFDA may wish to comment on these two bills as they move to the Senate floor and then to House-Senate Conference. NFDA President Cheryl Small would be glad to have your reactions and thoughts.”

There are many similarities, but also many important differences between the House bill and the Senate bill. Following is a partial listing of what is alike and what is different. In looking them over, it would be useful to think about the overall impact on the future of the NFIP. For example, what will be the effect on the program of moving so many categories of policy holders toward actuarial rates at the same time as additional premium increases would be required to create the catastrophe reserve fund of about \$9 billion? What would be the impact on the efforts of FloodSmart to expand voluntary purchase of flood insurance? What possible unintended consequences could result – such as adverse effects on lower income owners and on community participation in the NFIP, particularly in areas with a large stock of older housing? The object of many of the changes is to improve the financial solvency of the NFIP. Do these bills accomplish that? Are there other ideas that should be considered

to protect the program in catastrophic loss years? NFDA may wish to comment on these two bills as they move to the Senate floor and then to House-Senate Conference. NFDA President Cheryl Small would be glad to have your reactions and thoughts.

Similarities Between House and Senate Bills

- Re-establish the Technical Mapping Advisory Council.
- Change the maximum annual premium increase from 10% to 15%.
- Phase out subsidized rates on vacation homes, non-primary residences and commercial properties.
- Eliminate the pre-FIRM subsidy for new or reinstated lapsed policies.
- Increase civil penalties on lenders for mandatory purchase violations.
- Provide for FEMA participation in non-binding mediation of claims issues when there are multiple claims for the same property.
- Amend the Real Estate Settlement Procedures Act (RESPA) to require that purchasers of property outside the SFHA be notified that federal flood insurance is available. (This was an NFDA suggestion.)
- Expand the flood map modernization program to map the 500-year floodplain; map areas of residual risk behind levees and below dams; and incorporate relevant data from other agencies and sources (NOAA, USGS, Army Corps of Engineers). Extend map modernization through 2012. *Note: The House bill authorizes an additional \$100 million per year for the additional tasks; the Senate bill adds \$200 million per year.*

Differences Between House and Senate Bills

- Senate bill forgives the NFIP debt to the Treasury and reduces borrowing authority back to \$1.5 billion; the House bill does not forgive the debt and increases borrowing authority to \$20.775 billion.
- Senate bill creates a Catastrophe Reserve fund equivalent to 1% of loss exposure, to be derived from premium income over a 10-year period; the House has no comparable provision.
- Senate bill includes catastrophic loss years in calculation of average loss year; House bill does not.
- Senate bill expands mandatory purchase requirement to properties in residual risk areas behind levees and below dams; House bill requires a study of the regulatory, financial and economic impacts of doing so. Senate bill contains a limitation that the new mandatory purchase requirement may not be implemented until all map revisions are complete.
- Senate bill requires notification if property is in the mapped 500-year floodplain and notification that flood insurance is not required; House bill has no similar provision. Senate bill provides

for new ground elevation data for flood maps and for vertical positioning information on lowest floor and lowest adjacent grade elevation; House bill does not.

- House bill reduces the waiting period for the effective policy date from 30 days to 15 days; the Senate bill does not.
- House bill would increase coverage limits to \$335,000 and \$670,000 for residential and non-residential properties respectively and would also increase contents coverage; Senate bill would do neither.
- House bill provides for optional coverage at actuarial rates for living expenses, business interruption and basement and contents replacement cost coverage; Senate bill does not.
- House bill gives the FEMA Director authority to require use of advisory (interim) elevation data for purposes of the NFIP; Senate bill does not.
- House bill allows use of “demolish and rebuild” as a mitigation option; Senate bill does not.

Appropriations

The FY 2007 Appropriations bill for the Department of Homeland Security (H.R. 5441) has passed both the House and Senate. It is awaiting action by a House-Senate Conference Committee to resolve differences. Both bills provide the full requested amount of \$198.98 million for the Map Modernization Initiative, and both bills include \$31 million for the regular Flood Mitigation Assistance Program, as requested by the Administration, rather than the fully authorized amount of \$40 million provided last year.

Language in the report accompanying the House bill identified certain areas for priority in map updates. Those are: Independence County, Arkansas; Flint River in Albany; Georgia, Pike and Bell Counties in Kentucky; Hearne and Abilene, Texas; and Brazos and Robertson counties in Texas. Further, the Committee indicates concern about using outdated and inaccurate information to produce maps, and “therefore directs FEMA to use newly collected elevation data produced by using the best available technologies being utilized by other federal agencies such as the National Oceanic and Atmospheric Administration, the National Geospatial Intelligence Agency and the Department of Defense. This should include consultation and coordination with, at a minimum, the U.S. Geological Survey and the Army Corps of Engineers.”

FEMA In or Out of DHS

There are a number of legislative proposals to restructure FEMA, either to take it out of the Department of Homeland Security (DHS) or to leave it within DHS but with more independence. Many Members of Congress have recognized that FEMA’s ability to do its job has been diminished by its being part of a larger bureaucracy, resulting in FEMA having to clear everything through DHS; having funds siphoned off for other DHS purposes; and having essential functions, such as preparedness and state and local coordination, removed from FEMA and made a separate directorate of DHS.

The Senate Committee on Homeland Security and Governmental Affairs reported out S. 3721 which substantially restores FEMA’s previous areas of responsibility, adds some new responsibilities related to man-made disasters and makes FEMA more independent, but still within DHS. In addition, an amendment offered by Senator Susan Collins (R-ME) to the DHS appropriations bill (H.R. 5441) incorporates these same elements. The amendment was accepted by the full Senate and is likely to make the House-Senate Conference for the bill very interesting. Another amendment to fully restore FEMA’s status as an independent agency was defeated.

In the House, there seems to be a stalemate. Two committees have reported out H.R. 5316 which would restore FEMA to independent agency status and also reconstitute its functions. Another committee has reported out H.R. 5351 which would somewhat restore FEMA’s responsibilities, but keep it within DHS.

Other Legislation

Stafford Act Amendments

The Stafford Act is the legislation governing Disaster Relief and Mitigation programs. A bill is being drafted in a House committee to make changes. On the Senate side, Stafford act amendments were included in the bill to restructure FEMA in DHS. Another Senate committee held a hearing in July on Stafford Act changes and is likely to draft a bill.

Levee Safety

A House committee reported out H.R. 4650, which sets up a levee safety program modeled after the dam safety program, and authorizes a national inventory of levees and their general condition. The Senate passed its Water Resources Development Act, S. 728 in July, which includes a section with similar provisions for levee safety.

“Many Members of Congress have recognized that FEMA’s ability to do its job has been diminished by its being part of a larger bureaucracy.”

Catastrophe Insurance

A number of bills have been introduced to deal with the need for catastrophe insurance and/or reinsurance. All are pending consideration by the House Financial Services Committee or the Senate Banking Committee. These bills are:

H.R. 5587 & S. 3114	Commission on Catastrophic Disaster Risk and Insurance Act
H.R. 4366 & S. 3117	Homeowners Insurance Protection Act
H.R. 4507	Natural Catastrophe Insurance Act

Fannie and Freddie Reform

Bills have passed both the House and Senate, but no unified bill has been finalized. The House passed H.R. 1461 in October, 2005, and the Senate passed S. 2856 in May, 2006.

All bills and reports referenced in this article can be reviewed by going to: <http://thomoas.loc.gov> and typing in the bill number.

Changes to the Second Round of NFDA Certification Program

You will have some extra time to get your application in for the second round of the NFDA’s certification program. In response to a number of requests from our membership, the deadline to file an application has been extended to September 30, 2006. The extension will allow companies additional time to prepare for the certification process as well as ease the burden on those companies who will be assisting with the accuracy validation process. The announcement of the Certification results is

expected to take place at the end of January 2007. In addition, we will also be extending the recertification deadline for companies who were certified in the January 2005 cycle. However, certified companies who have gone through a merger since then will need to participate in the current certification cycle. Rick

Catalano, Certification Chairperson, will be providing members and non-members with the details of these changes by letter and email.

Another significant change to the Certification Program has occurred this year. The NFDA expanded its certification standards to include life-of-loan. Certification applicants will be audited for accuracy and completeness in tracking map changes. Catalano explained the reason for the change saying, “The NFDA has always required that a certified company have appropriate life-of-loan record keeping and that they maintain sufficient financial reserves to handle the future work the tracking represents. But this was really the next step. Our members are tracking approximately 97 million flood zone determinations for map changes, so we felt that adding the life-of-loan audit was imperative to preserve the credibility of the Certification Program and the industry as a whole.” This added criterion makes a total of eight distinct areas that the NFDA Certification Program addresses. The other areas are accuracy validation, business recovery, experience in business, financial viability, training, quality assurance and record keeping.

Catalano continued discussing the Certification Program as a whole saying, “The NFDA has extraordinarily high standards that applicants have to meet to get our Certification. For example, applicants submit a statistically valid, random sample of approximately 1,500 flood zone determinations, and of those, 99.000% must correctly identify Special Flood Hazard Areas. When you realize that our members do over 33 million new certifications each year, this is quite a feat and it speaks to the focus on accuracy that a Certified company has to have.”

Additional information regarding the NFDA’s certification program is available on the homepage of www.floodassoc.com. Or, contact Rick Catalano by email at rcatalano@americanflood.com or by telephone at 800-995-8667, x106.

Hurricanes and In-Laws

Robert Ogle, *American Flood Research, Inc.*

I don't know about you, but man am I sick of hearing about hurricanes.

Regardless of how you feel about the way the government has handled the situation, the fact is, someone needs a good slapping. I, for one, vote we slap my mother-in-law.

Shortly after Hurricane Katrina exited the mainland, Hurricane Rita came along and pounded the thriving metropolis of Lake Charles, LA. This just happens to be the place where my in-laws have resided since the Stone Age. It's a nice city, if you like pollution, hazardous roadways, and donkey size mosquitoes. They say that Rita did so much damage it looks like the city was bombed. Frankly, I can't see much difference. At least the flood water washed the streets off a bit.

During the hurricane, I was hoping to see video on a weather channel showing my mother-in-law flailing in the roaring floodwaters, but when it was all said and done, all they lost was their roof, and if you didn't know any better, that roof must have been worth a million dollars.

We spoke via cell phone shortly afterwards:

M-in-L: We lost our roof.

ME: *Maybe the storm scared it. Did you look in the closet, or under the bed?*

M-in-L: It blew off the house.

ME: *How's the house feel about that?*

M-in-L: They say it might take six months to get a new one.

ME: *That's what those free blue tarps are for.*

M-in-L: But every time it rains, water still gets in the house.

ME: *That's what those free mops and buckets are for.*

long pause...

F-in-L: What's your problem?

ME: *My rain gauge broke. You got an extra one you can send me?*

Now, they don't speak to me anymore. They speak through my wife. Of course, that has always been the case, but now it's official. Thank goodness for caller I.D., otherwise I'd have to

constantly deal with that awkward silence after I first say hello, when I only hear shallow breathing, and I then hand the phone to my wife and say, "It's the hurricane."

That awkward silence is quite similar to the awkward silence that took place upon their recent visit to our nicely roofed home. They came to see my oldest child graduate from 5th grade. I'd never heard of 5th grade graduation. That was a new experience. Fortunately, we have decided to home-school from now on, so I won't ever have to endure that again. My in-laws also came to see one of our other kids, though I don't remember

which one, graduate from kindergarten. This was also a beating, but I'd been through it a few times before, so I knew how much to drink before attending.

After all the little graduation ceremonies were attended, the remainder of their stay consisted of mostly idle silence, with an occasional cough and a meal mixed in. When we do go out to eat with the in-laws, I prefer that they ride with us. Otherwise, my mother-in-law would have to follow us around town, and it would be time for the next meal once we finally

arrived. However, one negative to them riding with us is that before we enter the vehicle, my mother-in-law must spray on at least 30 to 40 ounces of perfume. Therefore, we have to ride with the windows down. In the summer months, my wife and I wear chemical respirators, similar to the ones we wore in Lake Charles during our afternoon strolls through the park. Once we do arrive, I prefer to sit at a different table, but my kids always want to sit with me, so then it's a big deal and my wife gets all mad and then I end up coming back over. Hopefully by then, another beer has arrived.

Yeah, hurricanes and in-laws...I don't see much difference. They're both unpredictable and most of the time they're both quite destructive.

By the way, have I ever told you my mother-in-law's name?
Rita.

A coincidence?
I don't think so.

Robert Ogle is a freelance writer, and serves as Project Manager for AFR Services. He lives in Texas with his wife and the kids they made.

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eLOMA: Electronic Letters of Map Amendment

MOD Team, Michael Baker Jr., Inc.

What is eLOMA?

The Federal Emergency Management Agency (FEMA), in association with the National Service Provider (NSP), has designed a new interactive online determination tool for MT-1 requests called eLOMA. eLOMA is a web-based application within the Mapping Information Platform (MIP) that provides licensed land surveyors and professional engineers (Licensed Professionals) with a system to submit simple Letter of Map Amendment (LOMA) requests to FEMA. This tool is designed to make a determination based on the information submitted by the Licensed Professional and allow them to generate a determination from FEMA in minutes.

The initial release of eLOMA will enable Licensed Professionals to make requests for existing single residential structures or properties, provided no fill has been placed to raise the elevations of the structure or property. Approximately half of the LOMAs processed annually (about 10,000 cases) meet the requirements of eLOMA.

What Are the Advantages of eLOMA?

eLOMA was designed to facilitate the LOMA process. Historically, because of manual processing, obtaining a LOMA took up to 60 days, provided all required documentation was on file. Through the use of eLOMA, Licensed Professionals could receive a determination in the time that it takes to enter the required information online.

How Does eLOMA Differ from the Traditional LOMA Process?

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). To receive an eLOMA, Licensed Professionals must register on the MIP to establish an account. Once registered, they will be able to enter property-specific information that they have certified as accurate, as well as data taken from the FEMA Flood Insurance Rate Maps (FIRMs) and Flood Insurance Study (FIS) Reports. Licensed Professionals should refer to FIS Reports because the Base Flood Elevations (BFEs) are not always found on the FIRMs; the BFE

data in the FIS Text is generally more accurate. The eLOMA online service will then make a determination based on the submitted information, and Licensed Professionals will be able to print a copy once the request is processed.

An eLOMA document will serve the same functions as a standard LOMA. The only difference between the two is that the online determination is made automatically with standard checks instead of the lengthier manual review used in traditional LOMA processing. eLOMA does not replace the LOMA procedure. The eLOMA determination tool is an optional process applicable to only the most basic LOMA requests. Currently, there is no charge to receive a LOMA, and eLOMAs also will be available to Licensed Professionals at no cost.

How Does eLOMA Create Determinations Through the MIP?

A surveyor or engineer must set up an account through the MIP using individual license certification information. Once the Licensed Professional is registered on the MIP, he or she can log into eLOMA. Once logged in, he or she will be given the option to create a new application or resume a previously saved application. The Licensed Professional will be asked to submit certified elevations. eLOMA will make a comparison of the submitted BFE with the submitted Lowest Adjacent Grade (LAG) or Low Lot Elevation (LLE) and provide an instant determination for the Licensed Professional if the application has not been

2007 NATIONAL FLOOD CONFERENCE WILL BE "ROCKY"

The 2007 National Flood Conference is slated to be held in Denver, Colorado, the backyard of the Rocky Mountains. When conference organizers make the final arrangements, they plan to notify all attendees of the 2006 conference by email with dates and the hotel where the conference will be held.

selected for FEMA audit. For quality purposes, eLOMA will ensure that all required information has been entered.

If the application is selected for FEMA audit, the Licensed Professional will receive instructions for submitting their application materials. If the application is approved, the Licensed Professional will receive notification that they can login and print the determination. If the application is rejected, the

LOMA will be completed by FEMA using the standard, manual MT-1 process and the Licensed Professional will be audited again after his or her next submittal. After a successful audit, the Licensed Professional will be able to generate eLOMA determinations online. However, he or she will still be subject to random audits.

What is the Future of eLOMA?

FEMA will be closely monitoring the progress of eLOMA to consider expanding its capabilities to include:

- Offering broader application requests
- Expanding use of eLOMA to include additional users
- Adjusting audit frequency as needed

Information, Feedback, General Inquiries & Technical Issues

- For more information about eLOMA, or to register as a licensed professional, go to www.hazards.fema.gov.
- This is an exciting step for Flood Map Modernization and they want to hear from you. Please send your feedback to MIPHelp@mapmodteam.com, and include the phrase “eLOMA Feedback” in the subject line.
- For general inquiries, please contact the FEMA Map Assistance Center at 1-877-FEMA MAP, option 1, Monday – Friday, 8 a.m. – 6:30 p.m. EST.
- To report a technical issue, please contact the MIP Help Desk at 1-877-FEMA MAP, option 2, Monday – Friday, 8:00 a.m. – 5:00 p.m. EST. Or, contact them via email at MIPHelp@mapmodteam.com.

Mid-Course Adjustment Leads to Changes in Map Mod

MOD Team, *Michael Baker Jr., Inc.* • Doug Plasencia, *Association of State Floodplain Managers (ASFPM)*

Following a mid-course review of the Flood Map Modernization (Map Mod) initiative, FEMA concluded that Map Mod should be adjusted to better meet the needs of map users by focusing more closely on communities at greatest flood risk. As a result of this adjustment, FEMA will provide additional engineering data and will increase the number of miles of delineation that are compliant with the floodplain boundary standard to the communities most at risk for flooding.

“FEMA remains committed to the original vision of Map Mod, but the immediate goal of providing digital maps for the entire country will be delayed in favor of focusing on the areas of highest risk.”

FEMA conducted the mid-course evaluation two years into Map Mod, taking into account experience to date, input from Congress and federal agencies, stakeholder feedback, adoption of the Floodplain Boundary Standard (which addresses the difference between the ground elevation and the flood elevation of

a given area), and requests for engineering updates submitted by states in their annual state business plans.

This course adjustment constitutes a change from the original primary focus of Map Mod, which called for producing digital flood maps for 100 percent of the Nation within a 5 year period. The original plan for Map Mod called for converting all flood maps from paper to digital format, updating roughly 20 percent of map panels with new flood risk information, and adding 13,700 completely new digital map panels to cover communities that previously were not mapped.

FEMA remains committed to the original vision, but the immediate goal of providing digital maps for the entire country will be delayed in favor of focusing on the areas of highest risk. FEMA estimates that three quarters of all mapped stream and coastal miles will meet the new standard. Under original Map Mod plans, just 57 percent of coastal and stream miles and only 32 percent of the population would have met the Floodplain Boundary Standard.

The mid-course adjustment also will free additional funds for engineering analysis. Because the revised focus will free funds for engineering studies, it also will increase the percentage of mapped streams and coastal miles with new, updated, or validated engineering analyses, as well as the percentage of population covered by maps with new or revised engineering information.

As a result of the adjustment, 92 percent of the nation’s population will be covered by digital maps. An estimated 65

percent of the nation's continental land mass will be covered by digital maps by the end of Map Mod, rather than the 100 percent originally sought. Much of the land that will not be mapped, however, is more sparsely populated.

To accomplish this, FEMA is changing the way it prioritizes funding beginning in 2006, analyzing flood risk at the census block group level (census block groups are the smallest geographic units for which the U.S. Census Bureau develops data), rather than at the county level. This will allow FEMA to focus

more specifically on the areas that are more populated and do not meet the Floodplain Boundary Standard.

The mid-course adjustment recognizes that the necessary quantity of new flood data and mapping far exceeds the scope originally envisioned. FEMA believes that delaying completion of digital mapping and increasing the amount of money available for engineering analysis will best meet the needs of the nation.

For more information, contact Doug Plasencia at doug.plasencia@mapmodteam.com.

FEMA, NFDA & MOD Team Coordination Meeting

MOD Team, *Michael Baker Jr., Inc.*

FEMA officials, representatives from the NFDA, the Map Service Center (MSC), and the Mapping on Demand (MOD) team met in Alexandria, Virginia on June 29, 2006. The purpose of the meeting was to provide updates on aspects of Flood Map Modernization (Map Mod) that affect the flood determination industry and their processes.

The NFDA represent two-thirds of the flood zone determinations performed today. They are the largest user-group of maps, using flood maps to perform approximately 33 million determinations last year. With Map Mod's goal of modernizing all of the maps nationwide, potentially 124 million households (per the U.S. Census Bureau) might be affected. NFDA members track 97 million homes for their lender clients, which is 80% of the total homes in the U.S.

Topics discussed included impacts of proposed legislation regarding mapping new areas (such as levees and coastal subsidence); the Map Delegation Pilot Program; an eLOMA update; FEMA's Map Assistance Center (FMAC); processes for getting Letter of Map Revision, maps, and Digital Flood Insurance Rate Map (DFIRM) data to the NFDA in a timely matter; the status of historical maps on the MSC Website; and a technical roundtable. The meeting also provided a forum for NFDA members to discuss map products and provide useful feedback to FEMA and the MOD team.

Cheryl Small, NFDA President, explained that the association was started years ago in order to discuss map-related issues and the impact they have on the flood determination industry.

The NFDA maintains strong relationships with lenders. These relationships are fruitful and beneficial for all NFIP stakeholders as the NFDA helps to educate lenders who then feed this information back to homeowners.

One of the main areas of discussion addressed in this meeting included current legislation in Congress with potential impacts on Map Mod. This includes two bills (one in the House and one in the Senate) with language that calls for more robust mapping requirements. This will impact FEMA and all map users,

“NFDA members also actively stated their interest in becoming users of the eLOMA determination tool.”

including the determination companies. This round-table forum provided each group with the opportunity to analyze and discuss the potential implications regarding this legislation. FEMA and the MOD team will continue discussions with and update the NFDA as information regarding this legislation develops.

NFDA members also actively stated their interest in becoming users of the eLOMA determination tool, an automated application for filing simple Letter of Map Amendment requests via the Mapping Information Platform (MIP). eLOMA is currently available only to Licensed Professionals including engineers and surveyors (see the related eLOMA article on page 7).

All participants agreed that the meeting was very beneficial and informative. It was suggested that a working group composed of NFDA and FEMA representation be established to continue discussions and make progress on core topics that affect the future of Map Mod.

The NFIP Announces New Record for Flood Insurance Policies

More than five million Americans now protect their homes and businesses with flood insurance. The National Flood Insurance Program (NFIP), administered by FEMA, ensures that affordable flood insurance is available for homes and businesses across the country.

The NFIP has provided flood insurance protection since 1968, but policy growth has been inconsistent during its tenure. The five million policy mark comes on the heels of the program's most extensive consistent growth period, in which policy numbers have steadily increased by more than 11 percent since June 2004. *(NFIP data reflect policies in-force from June, 2004, through April, 2006.)*

This new – and significant – milestone highlights the fact that citizens are increasingly recognizing the need for flood insurance. This is of prime importance because floods are the nation's #1 disaster and can occur anywhere, both inland and on the coast. And, floods do not just occur in high-risk areas. Historically, about 20-25 percent of all flood claims in the U.S. come from low- to moderate-risk areas.

David Maurstad, Federal Insurance Administrator and Director of FEMA's Mitigation Division, said the program's growth could not have been achieved without a concerted effort by the NFIP and the program's many partners in the insurance, lending, real estate and financial services industries who have worked to encourage residents across the U.S. to get protected with flood insurance.

ABOUT THE NATIONAL FLOOD DETERMINATION ASSOCIATION

The NFDA is a national nonprofit organization comprised of flood determination companies, their vendors, re-sellers and other industry associates. The NFDA is dedicated to promoting the interests and success

of members involved in the making, distributing and reselling of flood zone determinations.



FLOODASSOC.COM GETTING A FACELIFT

Form follows function, and we're getting ready to reform our website. There will be a new look and it will be easier to find the information you need online.

Since 2004, the NFIP has redoubled efforts to educate Americans through the FloodSmart campaign. The campaign works to remind Americans about their flood risk and directs them to their insurance agent for more information. The campaign uses television, online, and print advertising, as well as direct mail, public education, and close collaboration with stakeholders.

"Americans have begun to truly understand that flood insurance is a critical part of protecting their home and property from the devastation of flooding. We encourage all Americans to learn their risk and talk with insurance agents about their flood insurance options," said David Paulison, Director of the Federal Emergency Management Agency.

With memories of the past two hurricane seasons – which resulted in the largest number of flood insurance claims in the program's history – still fresh, the NFIP is strongly urging Americans to protect themselves with flood insurance.

"The five-million mark is a positive step in the right direction, but there are still far too many Americans who remain unprotected," said Maurstad. "It is critical that we all stay focused on our goal to ensure that residents properly protect themselves from the effects of flooding. Most importantly, all residents living in the nation's high-risk areas, which we know can and do flood, simply must be covered by flood insurance."

To learn more about FloodSmart, NFIP's marketing campaign, visit www.FloodSmart.gov or call 1-800-427-2419.

Insurance Outreach Toolkit for Flood Map Updates

Now Available

Last year, Hillsborough County, Florida, and FEMA's FloodSmart team partnered to develop outreach materials clearly explaining the flood map modernization process and its flood insurance implications. These materials were created for use in conjunction with the release of the county's preliminary Digital Flood Insurance Rate Maps (DFIRMs). The suite of outreach materials yielded positive results in Hillsborough County, helping community officials inform real estate agents, lenders, builders, surveyors, insurance agents, members of the media, and the public about upcoming map changes and the impact on flood insurance.

Incorporating the feedback received on the outreach materials, FloodSmart has created template versions of these pieces that can be customized to include local information, messages and statistics. Together, they form a comprehensive toolkit that communities across the country can use to communicate more effectively about map changes in their area and the effect on insurance requirements.

This toolkit will be a tremendous resource for communities going through map studies, as they work to educate and inform individuals in their area about the impact of new flood maps. Please use and share this information with your clients

and constituents. If you have questions or comments, contact Mary Jo Vrem, FEMA's Project Manager for the FloodSmart NFIP Marketing Campaign (maryjo.vrem@dhs.gov). For up-to-date information on flood insurance, visit www.floodsmart.gov.

GET YOUR INSURANCE OUTREACH TOOLKIT TODAY

The insurance outreach toolkit is **now available** on FEMA's website at www.fema.gov/business/nfip/hillsbo1.shtm. A mini-CD version of the toolkit has also been created and will be made available at a number of flood insurance-related conferences and meetings.

When accessing the toolkit, you will note that it is divided into sections to reflect the audiences for whom the various pieces are designed. Templates were created in Microsoft Word to allow individual counties and communities to include information specific to their area. As a helpful point of reference, the toolkit also includes PDF samples showing how each document was used when the preliminary DFIRMs were introduced in Hillsborough County.

Annual Meeting Update

Leila Taha, *Nationwide TotalFlood Services, Inc.*

NFDA's 2006 Annual Meeting was again held in beautiful Scottsdale, AZ this past April. Attendees enjoyed the sun, shopping, golfing, and the sharing of flood industry-related ideas and perspectives. NFDA hosted several speakers to discuss pertinent events and issues affecting the industry in a new panel format that facilitated open discussion among the attendees. Among the speakers and panel participants were Ed Connor and Dave Stearrett from FEMA, Doug Plasencia from the Association of State Floodplain Managers (ASFPM), Jim Murphy from Michael Baker Jr., Inc., Al LeQuang from Freddie Mac; Amy Dirkson from Wells Fargo Insurance, Inc., and Bruce Bender speaking on behalf of the FloodSmart campaign. Everyone responded positively to the open meeting room format and interactive panel discussions, which will likely be repeated for the 2007 meeting.

The next Annual Meeting is actively being planned for March 2007, to again take place in the Phoenix, AZ region, but at a new resort property. Conference details are still being finalized, and will be distributed to the membership and posted on www.floodassoc.com as soon as available. Mark your calendars now. This will be a "can't miss" meeting, especially in light of the current legislative activity that could significantly change our industry.



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