

NFDA Annual Retreat Notes
March 31, 2008 – April 1, 2008

Welcome – Leila Taha

Anti Trust Statement – Tom List

Tom List briefly explained that the Anti-Trust Statement means that all meetings and discussions are conducted in compliance with the NFDA guidelines. There is no discussion of prices and products or non-published info or special product offerings and no business matters are discussed off the record. All in attendance agreed to comply.

NFPA Member Survey

- Results were discussed point by point 2006 vs. 2007.

NFIP Update – Ed Connor

- Ed Connor expressed thanks to NFDA for its ongoing supporting the NFIP and the partnership.
- Ed introduced Tuula Young who replaced Lena Thompson when she retired recently.
- Biggest upcoming challenge/priority is the Program Reauthorization and keeping it on the radar by educating, disseminating information about the importance of keeping it running. The program did not meet its growth goal, primarily because of the impact of the mortgage slump and the impact of the hurricane season.
- Agent training has now been ramped up and 48 states now have training programs in place.

Cards/Survey

- Index cards and program survey cards were distributed and attendees were asked to submit questions and complete the surveys.

NAR Perspective and Map Coalition – Russell Riggs

- Russell gave the realtors' stand on the legislative proposals.
- Flood maps need to be accurate and up-to-date and there is a need to educate consumers and homeowners about the need for flood insurance. Suggestions include putting together brochures to educate Realtors,

Risk Map Strategy– Roy Wright

- Roy Wright discussed on-line delivery of information. Over a million firmettes are created per year.
- Distribution of information is 85% digital with a 75% reduction in paper from 1997.
- 2008 is the last year of funding under Map Mod. Successful stakeholder engagement going forward is a must as is nationwide levee assessment.

Map Mod Update - Jeff Sparrow

- 75% of the maps completed meet all requirements.
- 92% of the nation's effective population is now with new maps.
- Discussed MIP AdHoc Reporting Systems and National Flood Hazard Layer and 2009 and beyond including RiskMap, 2009 Budget, unmet engineering data needs, Coastal Flood Hazards and storm surge.
- Attention is on physical changes, climatological changes and methodological changes.

Levee Update & Mapping Initiatives – Larry Larson

- Discussed the quality of maps and the need to map 500 year flood zone.
- Risk needs to be conveyed and definitions need to be clarified.
- Addressed some issues with maps: true areas of risks are not identified; consideration of future conditions; overreliance on levees; changes to coastal areas; climate change

Map Mod in AZ – Maureen Towne

- Maureen said that the local perspective on flooding is one of ignorance.
- There have been 61 flood disaster declarations in AZ – mostly in dry rivers and washes.
- The community needs to have visual evidence of risk and keep it in people's minds.
- AZ needs to strive for 100% community participation as some larger cities do not participate. So far response has been lukewarm.
- Need to simplify the application process and make it free.
- Need to look at how local flood ordinances are written and how old they are.

Legislative Update – Meredith Inderfurth

- Legislation is stalled.
- GAO studies due in April.
- Issues are: Risk behind levees and levee-like structures; 2 congressmen are asking that legislation be added that new maps should be delayed until all other maps are completed.

Future of the NFIP Panel Discussion – Bruce Bender, Larry Larson, Russell Riggs, Amy Dirksen , Patty Templeton-Jones, Meredith Inderfurth

Discussion/comments included:

- Renaming 500 year zone behind levees
- Lenders supportive of new zone for land behind levees
- Effect of zones on cost of homes

- Realtors will have to add new dimension and added cost
- Studies in Australia and Europe show that placing homes into high risk flood zones do not devalue property. In US there is some evidence to indicate devaluation, but not on a large scale.
- There are no new regulations on the horizon until after there is a new administration
- ASFPM in favor of levee zone.
- There is some buyer concern that FEMA isn't using the correct data.
- Discussion of phasing out subsidized rates and getting rid of grandfathering.
- If actuarial rates are to be considered, make it straight across the board.
- Realtors not in favor of eliminating grandfathering.
- From WYO view, grandfathering is not actuarially sound
- Where are opportunities to add revenue?
- New Yellow Book - Responsibility of lender to resolve discrepancy between SFHDF zone and zone on flood policy. Lenders unsure how to resolve. Is it lender's job? What is the reason? Where are the risks? How to accomplish in a practical manner. Is there a need to work through bigger issues? Will FEMA pay a claim if property is rated in the wrong zone? Is the lender compliant if there is a zone discrepancy? The "Yellow Book" was revised but the regulations were not. FEMA knows there is not enough guidance right now but regulators will provide additional direction. Lenders should go to regulators.
- Risk vs. Hazard – What can FEMA and stakeholders do to have more people protect themselves from flood risk? Views need to change on risk vs. hazard. Too many people think FEMA = disaster assistance and that disaster \$ goes to individual homeowners rather than into a "system". Perception is that there is no difference between a flood policy and disaster assistance. Require flood insurance for everyone? Charge flood insurance to the community and allow community to administrate no build zones, etc. Require flood insurance for all in high risk zones rather than just those with mortgages?
- Reauthorization of NFIP program. Authorization of new mapping program? Debt forgiveness?
- Does optional wind and flood affect the viability of the program? What would be the impact on lender compliance? Should something that is privatized be moved into the government?

eLOMA Digital Vision – Lora Eskandary

- The proposal for certain NFDA members to be able to process eLOMAS is going through upper management and a procedure memo is being drafted. There is no timeline, but probably late 2008.
- Dual County Community issues – FEMA understands that some counties are not mapped in their entirety and is providing outreach to map partners. These will be resolved on a case by base basis & notify FEMA when issues arise.

- OCC Bulletin regarding CSB – The file is updated daily as PDF. Long term solution – gather recommendations and address within NFDA.
- Digital Vision – Digital as Official policy signed in November. Digital data can be accepted for ordinances. If paper needed they are generated from digital.
- QC and Review Process – Provide agenda topics prior to July Technical meeting.

Map Service Center Update

- Desktop DFIRM expected late 2008
- NFHL Layer – combination of DFIRM and LOMR. Updated version will have a report function

Flood Industry Case Law – Tom List, Chuck Burkhart, Lauren McKenna, Mark Alexander

- Audler case confirmed that there is no private right of action against a flood vendor.
- Discussion on how to better educate on reliance upon SFHDF.
- Most claims reach settlement prior to litigation.
- Unknown if there are any cases out there where someone is suing because a WYO was misrated.
- When claim is received get atty involved early, provide education early, educate opponent early, have a relationship with an experienced counsel. Offer case law whenever available. If case is filed, educate judge on Flood Disaster Protection Act and Reform Act. Remove to Federal Court if possible.
- Needs to be more education of Flood Act – events, publications, etc.
- Case law will be posted on Members only site.

FloodSmart Update – Bruce Bender

- Many misperceptions about flood.
- Policies drop off about a year after flooding event.
- Net 4 year policy growth has been 24.9 %. Goal is 5%/year.
- Need Media and Outreach
- There will be micro sites for community officials, lenders, etc.
- Insurance Outreach toolkit.
- Coming soon – Levee Outreach toolkit

NFDA Updates – Leila Taha

- Need suggestions on how to reach out to members
- Committee opportunities?
- Technical Mapping Meeting June 20 – Arlington VA.
- Added functionality to website to be able to address compelling issues
- Submit ideas and recommendations to Board.

