

# WATERMARK

F E D E R A L E M E R G E N C Y M A N A G E M E N T A G E N C Y

## Program UPDATES

In May and October of each year, FIMA publishes the changes that have been made in NFIP policies and procedures. All revisions are sent to agents who subscribe to the NFIP's *Flood Insurance Manual*. Subscriptions to the Manual can be obtained by writing to the FEMA Map Service Center, PO Box 1038, Jessup MD 20794-1038 or by calling 800-358-9616. Or you can access the Manual on the NFIP's web site ([www.fema.gov/nfip/manual.htm](http://www.fema.gov/nfip/manual.htm)). The web site also offers recent NFIP bulletins, policy endorsements, and policy interpretations. The following changes became effective on May 1, 2002.

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## Racking up Points, Lowering Premiums

Does your local library carry NFIP brochures? Is there a link to flood preparation information on your community's web site? Can you get flood data about specific properties from local officials? If so, your community is in a good position to earn credit points from the NFIP's Community Rating System (CRS). And these points earn premium discounts of up to 45 percent for local NFIP policyholders.

For more than a decade, the CRS has encouraged community floodplain management activities that exceed the minimum NFIP standards. As of October 1, 2001, 938 communities across the United States were participating in the CRS. In these communities, lower flood insurance premium rates reflect

decreased flood risks resulting from community activities to reduce flood losses, facilitate accurate insurance rating, and promote awareness of flood insurance.

The CRS recognizes 18 creditable activities, organized under four categories numbered 300 through 600: Public Information, Mapping and Regulations, Flood Damage Reduction, and Flood Preparedness. This article about Series 300 (Public Information) activities is the first of several that will examine

### CRS Classes

Credit Points	Class	Premium Reduction for Property Located in a High-Risk SFHA*	Premium Reduction for Property Located Outside an SFHA or in an AR or A99 Zone*
500-999	9	5%	5%
1,000-1,499	8	10%	
1,500-1,999	7	15%	10%
2,000-2,499	6	20%	
2,500-2,999	5	25%	
3,000-3,499	4	30%	
3,500-3,999	3	35%	
4,000-4,499	2	40%	
4,500+	1	45%	

\* Preferred Risk Policies are not eligible for CRS premium discounts.

*continued on page 4*

## Message from the Deputy Administrator for Insurance



Dear *Watermark* Reader,

During the last year and a half there have been a lot of changes at FEMA and throughout the federal government. All Americans have new concerns about what the sources of catastrophe will be. This has led to a rethinking of FEMA's strategic plans. But, as always, protection, mitigation, and preparation for catastrophes remain vital elements of FEMA's strategy.

In the NFIP, our first priorities are, as always, flood insurance, floodplain management, and mapping.

Today, more than 19,000 communities have enrolled in the NFIP and are committed to keeping their residents protected through safer building practices. As a result, about \$1 billion in flood damages is being avoided each year as new construction in flood-prone areas is elevated or floodproofed to avoid flood damage. We have more than 4.3 million flood insurance policies in our book of business. Coverage exceeds \$573 billion.

Tropical Storm Allison provides a good example of where we have come with flood insurance. Allison was the costliest disaster in the NFIP's history, exceeding \$1 billion in paid claims—money that we saved the taxpayers. Some 30,000 victims of Allison paid their own way by buying flood insurance policies long before the storm hit. With our private sector partners we were able to efficiently fund their recovery.

For the coming years we have six priorities for the NFIP. First, we plan to continue increasing the number of people who have flood insurance protection. We also will advance the NFIP's financial soundness and use emerging technologies to make flood insurance processes easier. We will continue to modernize our maps, incorporating the most recent risk information possible; and we will make the most of predisaster mitigation resources and data. Finally, we will increase our readiness for large-scale catastrophes.

One of our top priorities is our business process and technical improvement effort. During the past 18 months *Watermark* has shared these efforts with its readers. One of our first products was the "blueprint for our future" that examines ways to operate more efficiently with our program partners. This effort has three goals: to achieve a more effective program operation; to take advantage of appropriate technological advances; and to develop and optimize e-government and e-commerce capabilities.

We want to make use of emerging technologies to overhaul the entire process of writing flood insurance—from writing policies, to adjusting claims, to providing easy access to Flood Insurance Rate Maps. We foresee a more robust, efficient environment in which to conduct our business in the twenty-first century.

Howard Leikin  
Deputy Administrator for Insurance  
Federal Insurance and Mitigation Administration

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

[www.fema.gov/nfip/wm.htm](http://www.fema.gov/nfip/wm.htm)

## Rate Changes

### V Zones (coastal high-velocity zones)

Larger rate increases have been implemented as a result of the Heinz Center's Erosion Zone Study which indicates that changes are needed to meet the increasing flood hazard from eroding coastlines.

- Post-FIRM V Zones: Premiums increased 9 percent—slightly less than the maximum 10 percent allowed by the 1994 National Flood Insurance Reform Act (NFIRA).
- Pre-FIRM V Zones: Premiums increased 6 percent.

### A Zones (nonvelocity, primarily riverine zones)

There were modest increases to keep our Post-FIRM rates and second-layer rates at actuarial levels and to slightly decrease the amount of subsidy in our Pre-FIRM rates.

- Post-FIRM AE Zones: Premiums increased 3 percent, as indicated by the NFIP's actuarial rate model.
- Pre-FIRM AE Zones: Premiums increased 2 percent.
- AO, AH, AOB, and AHB Zones (shallow flooding zones): No change. Experience has been favorable in these zones.
- Unnumbered A Zones (remote A Zones where elevations have not been determined): Premiums increased 4 percent. These increases are in line with those for Post-FIRM AE Zones.
- A99 Zones (approved flood mitigation project—e.g., levees—still in the course of construction): Premiums increased 5.5 percent.

### B, C, and X Zones (zones outside the Special Flood Hazard Area)

Moderate increases were made for the NFIP's standard business with no increase for the Program's preferred business.

- Standard Risk Policy: Premiums increased 5 percent, as shown by underwriting experience.
- Preferred Risk Policy (PRP): No change. Experience has significantly improved since the strengthening of the underwriting guidelines for this category of policies.

### Mortgage Portfolio Protection Program (MPPP) Policy

These rates increased slightly more than 7 percent. This increase keeps the MPPP in line with the rates for business that is not force placed.

### Rate Changes

NFIP premium rate changes for new and renewal business with effective dates on or after May 1, 2002, have increased the overall rate level by about 3 percent. The box above lists the rate changes. They include changes to V Zones, A Zones, X Zones, and the Mortgage Portfolio Protection Program (MPPP) policies.

The NFIP continues to hold the line on Preferred Risk Policy (PRP)

premiums. WYO company diligence in implementing underwriting changes during the last few years has been instrumental in helping the NFIP keep these premiums unchanged.

### TRRP Plan Changes

The Transaction Record Reporting and Processing (TRRP) Plan has been revised to reflect changes being implemented for new business with effective dates on or after

May 1, 2002. New manual pages sent to subscribers in the Spring noted that all WYO companies are required to report each community map panel number and the estimated Replacement Cost Value (RCV) of each building for which they write a flood insurance policy. Renewals are not affected by these changes. 🌱

the creditable activities within the four CRS categories and show how easy it is to earn points that reduce premiums. Once participating in the CRS, a community needs only 500 points to move from one CRS class to the next, and there's a 5 percent insurance premium discount for each class improvement!

### **Activity 310: Elevation Certificates**

How accessible are Elevation Certificates (ECs) in your community? All CRS communities are

required to maintain FEMA ECs for buildings constructed, substantially improved, or placed in the floodplain after the date the

community applied for participation in the CRS. So, just by meeting one of the minimum requirements for participation in the CRS, a community already has earned 56 credit points.

Almost 300 CRS communities earn up to 56 additional points by maintaining ECs for Post-FIRM buildings—those constructed after a FEMA Flood Insurance Rate Map (FIRM) went into effect for their area. Nearly 100 CRS communities earn as many as 15 additional points for maintaining ECs for Pre-FIRM buildings.

Storing ECs electronically simplifies the process of looking up data when responding to queries. Grand Forks, North Dakota; Arvada, Colorado; and Stafford Township, New Jersey, are among 190 communities that earn up to

15 more points for this activity.

New for 2002: when a community's ECs are made accessible via a public web site, 20 additional points can be earned.

### **Activity 320: Map Information**

How accessible is flood map information in your community? All CRS communities are required to maintain current local FIRMs and provide flood hazard information from these to anyone who requests it. Almost 890 CRS communities earn up to 140 credit

points for annually publicizing and documenting this service.

In Point Pleasant, New Jersey, a letter is sent each year to insurance and real estate agents and lenders

to inform them that FEMA map and EC information is available. The community maintains logs of the information that is requested and regularly updates its local FIRM with LOMAs (Letters of Map Amendment), LOMRs (Letters of Map Revision), annexations, and other map changes.

Some communities have responded to the large volume of map information requests they receive by developing innovative computer-based systems for accessing FIRM information. Orange County, Florida, has implemented a digitized mapping system that, unlike the local FIRM, includes parcel data showing all streets. Contra Costa County, California, manages its 30-40 daily requests for FIRM information by employing a toll-

free number that refers visitors to the county's web site where they can access geographical information system (GIS) base maps simply by inputting a property address.

### **Activity 330: Outreach Projects**

How informative are your community officials? Notifying people that they are exposed to a flood hazard can motivate them to protect their property. Up to 315 credit points can be earned for engaging in outreach projects that adequately address 10 flood-related topics.

Outreach projects directed to everyone in the community can earn

#### **CRS EC Software Available**

**The CRS provides software for electronic storage and retrieval of ECs. Call 317-848-2898 or send a fax to Insurance Services Office at 317-848-3578 or an e-mail request to [NFIPCRS@iso.com](mailto:NFIPCRS@iso.com) for information about ordering this free software.**

#### **CRS Outreach Topics**

**The first five topics receive more points because they are considered more important to the goals of the CRS.**

- 1. The local flood hazard**
- 2. Flood safety**
- 3. Flood insurance**
- 4. Property protection measures**
- 5. The natural and beneficial functions of the local floodplain**
- 6. A map of the local flood hazard**
- 7. The flood warning system**
- 8. Floodplain development permit requirements**
- 9. The substantial improvement/damage requirements**
- 10. Drainage system maintenance**

as many as 60 credit points. Community newsletters are natural vehicles for flood protection messages. But there are many other ways to promote CRS topics. Some communities, such as Florida's Miami-Dade,

Alachua, Orange, and Palm Beach Counties, publish flood-awareness information—including the availability of EC and map information services—in local telephone directories. Novi and Midland, Michigan, each have community calendars that address CRS topics during flood-prone months. Every citizen in Avalon, New Jersey, is sent a flood information brochure that addresses all 10 CRS topics. Each year, Denver's Urban Drainage and Flood Control District sends an outreach brochure to all communities in the metropolitan area, including those not participating in CRS. Tillamook, Oregon, earns CRS credit by using a billboard (erected on a former repetitive loss property that was bought out) to promote flood protection.

Outreach projects directed to at least 90 percent of the properties located in the floodplain can earn up to 130 more CRS points. Using GIS technology, Prince George's County, Maryland, identifies buildings located in floodplains and then targets flood literature mailings to them. Every year, a placard about flood awareness is hung on the door of each building in the Des Moines, Iowa, floodplain. Sanibel Island and Miami Beach—both cities located entirely within Florida's floodplain—enclose inserts that address all 10 of the CRS outreach topics in the town newsletters.

Direct mailings can be expensive, especially for smaller communities. An enterprising CRS coordinator in Charlotte County,

Florida, successfully appealed to area banks to include a flood awareness flyer with one of the monthly statements mailed to their depositors. In St. Petersburg, Florida, a Girl Scout troop earned a community badge by delivering a CRS outreach flyer to homes in an area containing numerous repetitive loss buildings. Fort Collins, Colorado, and Tammany Parish, Louisiana, offer flood information—including maps—on their community web site.

Making presentations to community organizations also can earn outreach credits. For example, many Florida emergency management officials who attend meetings at manufactured home park and neighborhood associations to discuss flood preparation and response in coastal communities earn CRS credits for their communities. In Grand Forks, North Dakota, an annual "Flood Fight" open house is held at a local library to combat spring flooding on the Red River of the North. Grand Forks also exhibits a flood awareness booth at the annual local builders show to reach out to architects and contractors. In the community of Avalon, New Jersey, the local CRS brochure not only is available at the building permit counter year-round, but also is distributed with other flood-related literature at a table set up at the annual Municipal Alliance Coalition Night at the community hall. In Louisiana, the Amite River Basin Commission sponsors an annual Flood Awareness Week in libraries throughout East Baton Rouge, Livingston, and Ascension Parishes.



Communities that establish a public outreach project team charged with developing, implementing, and monitoring a public information strategy earn up to 125 points. King County, Washington, developed the first strategy that met all CRS criteria for receiving credit (see related story on page 17). Their strategy—which lets the community choose whatever public outreach medium works best for its situation—has become the model for all communities earning credit for this activity. The CRS strategy team in Palm Beach County, Florida, consists of representatives from 15 local governments who sponsor an annual Hurricane Preparedness Expo at local malls each year. The Mantoloking, New Jersey, and the St. Charles County, Missouri, CRS strategy teams are among those that annually review and evaluate information presented in local outreach brochures. And in Skagit County, Washington, the CRS strategy team worked in conjunction with a local grocery store to print a series of flood protection messages on grocery bags.

### Activity 340: Hazard Disclosure

Do you have disclosure requirements in your town? One of the best times to advise people about flood hazards is when they are considering the purchase of property. Current federal law requires that a lender advise a person of the flood hazard 10 days before closing. But states that have their own disclosure laws can earn their CRS communities 20 credit points if real estate agents use a Multiple Listing Service notice or other written notification to potential purchasers when the property they are considering is located in a floodplain. Almost half of the communities

that participate in the CRS receive points for this activity. In California and Hawaii, the multihazard disclosure laws are so advanced that all of their CRS communities earn these points.

In states that don't have disclosure laws, communities are encouraged to pass their own hazard disclosure regulations. Communities can earn 46 credit points if local real estate agents must disclose that a property is in a floodplain, even if no state law requires them to do so. Miami-Dade County, Florida, is one of several communities to enact laws that require real estate agents to identify the flood hazard zone for potential buyers. Real estate agents in Austin, Minnesota, help their community earn CRS points by keeping FIRMs in their offices and listing flood hazards on the Multiple Listing Service form. Novato, California, has passed a law requiring all sellers to purchase a Resale Property Report that discloses all prior permit activity as well as any exposure to natural hazards on the property. Ketchum, Idaho, has written mandatory disclosure of flood hazards into the community's floodplain ordinance.

Other disclosure methods credited by the CRS include requiring landlords to advise potential renters about flood hazards, requiring titles and deeds to show zoning or building permit conditions related to floodplain or drainage regulations, and requiring that signs be posted in subdivisions to advise visitors of the flood hazard. In Florida, Alachua and Osceola Counties and the community of Fellsmere require disclosure of flood zones and Base Flood Elevations on

lot surveys or plat maps. And, although disclosure of flood hazards and wetlands is a state regulation in Maryland, Prince George's County also requires that landlords include flood hazard information in rental leases and that land records identify flood easements.

More credits can be earned when real estate agents offer their clients literature about flooding. The community of Grand Forks, North Dakota, does an annual direct mailing to local real estate agents requesting that they disclose flood hazards and offering them a flood awareness brochure tailored to their community. Morgan City, Louisiana, provides customized CRS brochures for local real estate agents to give to potential property buyers. Officials in Eagle, Idaho, send their CRS outreach brochure to all of the real estate offices in town with a cover letter asking agents to hand out the brochures when they list properties in flood zones.

Almost 50 CRS communities earn 10 more points for addressing erosion, subsidence, or wetlands in the flood hazard notification materials that real estate agents provide to potential buyers.

### Activity 350: Flood Protection Information

Have you been to your public library lately? Are you familiar with how flood protection information is distributed in your community? The community library is an obvious place for residents to seek information about flooding and flood protection. Municipal or county government-sponsored flood awareness activities can be augmented through the library's own public information campaigns that include displays, lectures, and other projects.

More than 85 percent of CRS communities earn up to 25 points for maintaining flood information at the library. Some libraries, like the one in Dearborn Heights, Michigan, draw immediate attention by maintaining a "Floodplain Information" display at the reference desk. This display contains flood-related books, community FIRMs, and other information about local flood conditions.

Almost 750 CRS communities publish their own guidebooks about local flood hazards for area residents. Maintaining copies of these in the public library system earns 5 credit points.

Beginning this year, CRS communities that have their own web sites can earn up to 36 points by providing a link on their home page to the latest flood protection information and by including information about local flood conditions elsewhere on the site. The Santa Clara Valley Water District in California has a multiuse web site ([www.heynoah.com](http://www.heynoah.com)) that alerts visitors to the many flooding issues of the communi-



ties that make up the district. In addition to retrofitting and flood zone determination information, the web site also includes color-coded maps of floodplain areas that FEMA has not yet mapped.

### **Activity 360: Flood Protection Assistance**

Do your clients know where to go to get flood protection assistance? The most effective public information program is direct, face-to-face communication with an expert. To receive CRS credit, the community must annually publicize the availability of this service.

More than 375 CRS communities earn 10 points of CRS credit by providing property owners with historical, site-specific flood information, when requested. For example, water level gauges are placed at strategic points in the City of South Daytona, Florida, so that people driving through neighborhoods can see for themselves how high the water has reached in the past.

When faced with protecting a building from flooding, most prop-



**Water level gauge**

erty owners do not want to retrofit their properties by themselves, and, therefore, need the names of companies that will. Though not endorsing any particular business, more than 185 communities earn CRS credit by providing contact information for licensed contractors or building consultants knowl-

edgeable in retrofitting techniques and construction. Additional credit is earned by almost 300 CRS communities that provide information about how to select a qualified contractor and what recourse people have if they are dissatisfied with a contractor's performance. Some communities in Florida earn this credit by distributing the state's or the local Better Business Bureau's brochures about how to select a qualified contractor. The Louisiana State University Cooperative Extension Service has published a similar brochure that is provided to local communities.

California communities have access to a brochure produced by California Contractors State License Board (access this brochure on-line at [www.cslb.ca.gov/forms/wysk.pdf](http://www.cslb.ca.gov/forms/wysk.pdf)).



Public officials who make site visits to review flooding, drainage, and sewer problems and to provide one-on-one advice to the property owner can earn 35 CRS points. Among the 375 CRS communities that earn credit for this activity, some—such as Tallahassee, Florida—have developed advanced systems to track complaints about ponding or other drainage problems.

More than a quarter of all CRS communities earn 14 points for providing advice and assistance about retrofitting techniques. Several dozen CRS communities such as Tillamook County, Oregon; Las Vegas, Nevada; and Pinellas Park,

Florida, earn 5 additional points for ensuring that the person who provides retrofitting advice has graduated from FEMA's Emergency Management Institute course on retrofitting.

Atlantic City, New Jersey, is one of the few communities in the United States that engage in all of the CRS Flood Protection Assistance activities, earning the maximum 71 credit points.

### **Easy Credits Add Up**

Why not get your community on the CRS bandwagon? It will help your sales, your clients, and your community! A total of 835 credit points can be earned for the six activities in the Series 300 category. Many of these activities may already be taking place in your community. If your community is participating in the CRS, simple documentation of these accomplishments is all you'll need to receive credit for them. And 500 points is all it takes to improve your community's CRS class and increase the insurance premium discount enjoyed by area policyholders.

If your community is not yet part of the CRS and you'd like to help area property owners reduce their flood insurance premiums, a CRS field representative can help the community in applying to the program and in designing, implementing, and documenting the activities that earn even greater premium discounts. To get started, contact the Insurance Services Office at 317-848-2898 or send an e-mail message ([nfipcrs@iso.com](mailto:nfipcrs@iso.com)). 📧

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## Growing the Policy Base

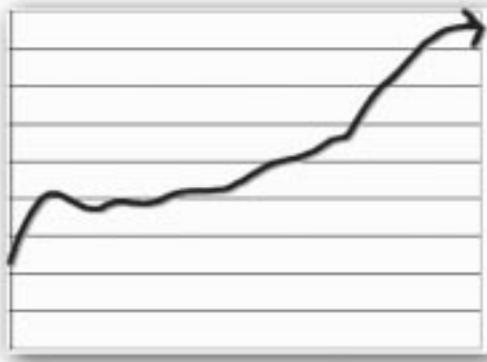
In serving flood insurance policyholders as well as American taxpayers at large, the NFIP works to increase the number of insured property owners, thus reducing the amount of funding needed for disaster assistance. Simultaneously, the Program strives to achieve a Congressionally mandated reduction in the subsidy provided by the federal government to insure properties for which premiums are not yet actuarially sound.

Although the NFIP reached its Fiscal Year 2001 target for attracting new business, gains were offset by policy attrition, resulting in net growth of 1.8 percent.

Last fall, FIMA convened an NFIP Policy Growth Strategy meeting attended by almost 50 representatives of WYO companies, the lending industry, and government agencies. The purpose of this

meeting was to develop strategies for increasing the NFIP policy count by at least 5 percent annually. Meeting attendees were asked to devise strategies in two areas to achieve this goal:

- statutory/regulatory/program-related
- marketing



At a series of breakout sessions, attendees developed dozens of recommendations. Those brainstorm-

ing regulatory strategies to boost NFIP policy growth focused on increasing education and partnership arrangements, modifying insurance products and prices, enhancing enforcement and compliance, and using incentives to motivate lenders, insurance agents, and community officials to promote insurance coverage and mitigation projects. Marketing strategies explored included product enhancement, premium discounts, data management and communication tools, and promotional techniques.

FIMA plans to follow through on many of the regulatory and marketing recommendations. *Watermark* will report on methods used by program stakeholders to enhance growth. See the article below about the effect of customer retention on profitability and growth. 🌱

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## The Bottom Line: Profitability

Lynn Thomas, 21st Century Management Consulting, Inc.

It is far cheaper to keep a customer than attract a new one. In today's highly competitive marketplace, customer retention has become a critical success factor. *Best Practices* listed it as the single most important factor in enhancing an insurance agency's value and placing it in the world-class category.

High customer retention rates consistently and positively correlate with high profits. In any industry,

the top five companies have a 93–95 percent customer retention rate, in contrast to the average rate within the insurance industry of 84 percent. This 10 percent difference between the top insurance agencies and the norm represents the major difference in profits. Given the insurance industry's high customer acquisition costs, replacing customers is not economical. Cross-selling is a key retention strategy. The more products and services a customer has with an insurance

agency, the more difficult it is to leave. That is where flood insurance can play a major role. It is a needed—but largely ignored—coverage for many businesses and individuals.

### Basic Facts of Customer Retention

- Customer retention—not sales volume, market share, or low-cost producer—is the only factor that correlates with long-term profitability.

- The insurance industry has the highest customer acquisition costs of any industry: 11 to 13 times more to attract a new customer than to retain a current customer.
- A sustained 5 percent improvement in an agency's customer retention rate can double profits in 5 years.
- When customers tell you they are satisfied with your agency, there is no valid correlation that says they will subsequently remain with your agency. Satisfaction does not guarantee retention.
- Reducing customer defections by as little as 2 percent per year is equivalent to cutting costs by more than 10 percent.

### **Commitment**

The bottom line of customer retention is that you must either love your customers or lose them. This requires a 100-percent passionate commitment to your customers. Period. Retention of your profitable customers is the most important activity to ensure your agency's long-term profitability.

### **Profit Enhancement**

Because of its high customer acquisition costs, the insurance industry is in the best position to take advantage of the benefits of higher customer retention rates: its efforts will yield the largest profitability gain from retaining (and the greatest pain from losing) customers.

### **Customer Segmentation**

Recognize that your agency has one customer base that consists of

different markets such as personal lines, commercial lines, and construction. The great news about flood insurance is that all types of customers need it.

Each market has A, B, and C customers. The A customers are your most profitable. A customers are the 20 percent of your customer base who produce 80 percent of your revenue. Generally, B customers are 30 percent of your client base and produce 15 percent of your revenue, and Cs are the 50 percent who produce 5 percent of your revenue. Where do you want to focus your efforts?

Since most agencies have not differentiated their customers and thus have a policy of "treating all clients equally," they are spending a majority of time on unprofitable business. This guarantees that staff members remain very busy, but also ensures a flat—or at best a low—level of profitability. The As in an average agency receive 20-30 percent of that agency's time, effort and resources. Yet, agencies exceeding \$100,000 in revenues per employee are spending 30-50 percent of their time, effort, and resources on these customers. Why do the more profitable agencies do this?

- A clients are the primary source of the agency's future growth.
- When A clients are lost, they tend to be replaced with easier to acquire C clients.
- Losing an A client has five to ten times the impact on profitability as losing a C client.
- The most profitable clients are As who renew their policies and refer other customers.

### **Referrals**

The most profitable new customers will come from referrals from your A customers. Why? Generally, we associate with people who are like us. A customers tend to know other As, B customers know Bs, and C customers know Cs. So, if you want more A customers, ask As for referrals.

Referrals are a key strategy for building high customer loyalty and retention. To understand the power of referrals, you must understand their economic benefits.

- A referred first-year customer generates, on average, five times more revenue than a nonreferred customer.
- Referred customers have the lowest acquisition costs.
- Referred customers produce the highest sales-hit ratios: 60 percent of referred customers will become policyholders.
- A referred customer has, on average, a 92-percent retention rate over the first 3 years versus a 67-percent rate for a customer from any other marketing source.

### **"Wow" Power**

There is a pervasive myth that, when a customer is satisfied, he or she will stay. To keep customers, you've got to "wow" them. Nothing short of that will do. If customers are merely "satisfied," you may lose them. So what is your job? Uncover ways to wow your A customers. Shift your focus from customer satisfaction to customer wowing, delighting, or astounding. A definite wow occurs when a customer has a loss due to flooding, and he

or she is insured. Customers are thrilled because they were insured while many of their neighbors may not have been, and they are convinced that they have survived this catastrophe because your agency held their best interest first and foremost.

When you wow your customers, they return the favor over and over again. Why? Because those clients who are “highly satisfied” are 6 times more likely to refer a customer, cross-buy, or repurchase than a customer who is not “highly satisfied.” And, after all, that is

what you really want: customer advocates who will give your agency positive word-of-mouth advertising, refer more A customers, and keep your retention rates and profitability increasing!

For more information about customer retention issues, visit my web site ([www.21stcenturymgmt.com](http://www.21stcenturymgmt.com)).

*Lynn Thomas has worked in the retention field for 13 years with many of the top insurance companies in the country. Thomas is founder of 21st Century Management Consulting, Inc., the only*

*retention firm in the United States that specializes in insurance. She has conducted hundreds of market research*

*projects in retention and has made thousands of presentations about it, including two for NFIP National Flood Conferences and one for WYO companies.*



## Above-Normal Hurricane Activity Ahead

The United States is in for 20 to 30 years of above-normal hurricane activity, say researchers at the National Oceanic and Atmospheric Administration (NOAA). The prediction for the 2002 hurricane season—made by renowned forecaster Dr. William Gray of the Department of Atmospheric Sciences at Colorado State University—is

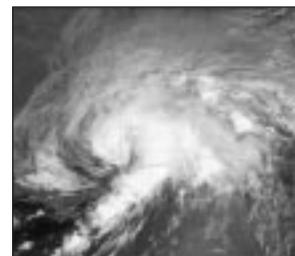
for more hurricanes than average, including four major ones, and an 86-percent probability of one of these major

Named Storms	13
Hurricanes	8
Major Hurricanes	4

hurricanes hitting somewhere along the U.S. coastline. The last century’s average annual probability was 52 percent.

According to weather researchers, 1995-2001 was the most active Atlantic Basin hurricane period on record. During those years, there were 94 named storms, 58 hurricanes, and 27 major hurricanes including Opal (1995), Fran (1996), Georges (1998), and Floyd (1999). A hurricane is considered major if it reaches Category 3, 4, or 5 on the 5-point Saffir/Simpson Hurricane Scale.

Researchers have noted that while this era will continue to be a busy one, there will be some years that are not above average. Nonetheless, with coastal populations increasing rapidly, hurricane damage will be felt at a greater scale than ever before.



NASA photo of Tropical Storm Allison

Even weak storms can cause devastating flooding, as happened when Tropical Storm Allison swept across parts of Texas and Louisiana in June 2001.

Scientists warn that it does not take an active hurricane season to have a catastrophic storm. In 1992, Hurricane Andrew became the costliest disaster in U.S. history and was the only hurricane to make landfall that year.

Forecasters note that between the late 1920s and the late 1960s, there were ten Category 4 or 5 U.S. landfalls, but only two—Hugo and Andrew—since then. According to researchers, it’s just a matter of time until the next Category 4 or 5 storm. This prediction, coupled with a steady population shift to coastal regions during the past few decades, points to the ongoing need for greater hurricane preparedness.

## Naming the Storms

During World War II, tropical storms were informally given women's names by meteorologists of the U.S. Army Air Corps and U.S. Navy (after their girlfriends or wives) who were forecasting and monitoring tropical cyclones over the Pacific Ocean. From 1950 to 1952, tropical storms were identified by the phonetic alphabet (Able, Baker, Charlie, etc.), but in 1953 the US Weather Bureau switched to women's names. In 1979, the World Meteorological Organization and the U.S. National Weather Service switched to a system that alternated women's and men's names. Six lists are used in rotation. Thus, the 2002 list will be used again in 2008.

Tropical storm names are "retired" if the storm is noteworthy for the damage or deaths it caused. This is to prevent confusion of a historically well-known storm with a current one.

### Atlantic Hurricane Names for 2002

Arthur  
Bertha  
Cristobal  
Dolly  
Edouard  
Fay  
Gustav  
Hanna  
Isidore  
Josephine  
Kyle  
Marco  
Nana  
Omar  
Paloma  
Rene  
Sally  
Teddy  
Vicky  
Wilfred

### Pacific Hurricane Names for 2002

Alma  
Boris  
Cristina  
Douglas  
Elida  
Fausto  
Genevieve  
Hernan  
Iselle  
Julio  
Kenna  
Lowell  
Marie  
Norbert  
Odile  
Polo  
Rachel  
Simon  
Trudy  
Vance  
Winnie  
Xavier  
Yolanda  
Zeke

This information was excerpted from the National Oceanic and Atmospheric Administration's web site ([www.aoml.noaa.gov/hrd/tcfaq/tcfaqB.html](http://www.aoml.noaa.gov/hrd/tcfaq/tcfaqB.html))

## Preparing for Coastal Disasters

Coastal disasters are common and costly. They regularly include floods, erosion, storm waves, wind, hurricanes, and tsunamis. Coastal disasters cause suffering and loss of life, environmental degradation, and enormous property damage.

From February 24 through 27, "Solutions to Coastal Disasters Conference 2002" was held in San Diego, California. Attendees included coastal engineers,



researchers, scientists, planners, and managers from a wide variety of disciplines involved in coastal zone management, hazard identification, and mitigation. Participants explored the broad field of coastal

disasters and discussed strategies for reducing disaster impacts.

Sessions about climate change, shoreline alteration, coastal storms, tsunamis, wind, and coastal management were supplemented by exhibits, plenary sessions, and lunch programs. Field trips took attendees to see local wetlands restoration efforts, bluff stabilization and beach nourishment projects, and the Tijuana National Estuarine Research Reserve. 

## TRAVEL TRAILER

When can a travel trailer be insured by the NFIP? When it no longer can travel, that's when! The NFIP *Flood Insurance Manual* states:

**"Under the NFIP, a travel trailer can be considered a building [and thus insured] only if it is without wheels, built on a chassis and affixed to a permanent foundation, and regulated under the community's floodplain management and building ordinances or laws."**

# Turning No Into Yes

Larry Patrick, Auto Club South Insurance Company

The customer in front of you is making the largest purchase of his life, and you have just told him what he is going to have to pay for homeowners insurance to protect that purchase. Is it any wonder that when you talk to him about flood insurance for his preferred risk zone home his natural inclination is to say, “No thanks. I’ve really spent all I want to for insurance protection?”

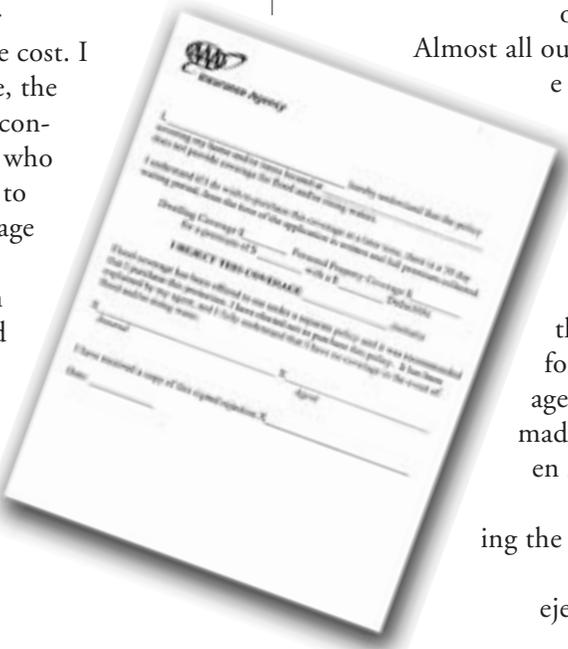
To overcome a price objection, an agent must demonstrate that the value is greater than the cost. In flood insurance, the challenge is to convince someone who is not required to carry the coverage that there is greater value in being protected than there is in spending the premium amount for something else.

Tools to overcome objections vary and situation to situation. However, when it comes to flood insurance, our agency has found that asking a customer to sign a flood rejection form is extremely valuable.

Our most successful agents offer flood insurance as part of every homeowners policy proposal they deliver. This allows them to explain that the homeowners policy does not provide coverage for flooding.

If, after discussing the value of flood insurance, the customer says that he doesn’t want the policy, our agency asks him to sign a form saying that he has been offered flood insurance and has chosen not to buy it.

Dozens of times in the last few years this simple act has caused our customers to rethink their decisions and make the purchase. After implementing this strategy for 2 years, one of our offices experienced a 20-percent increase in Pre-



Almost all our agents tell me a story of someone who changed his mind when confronted with the rejection form. Some agents have made the form even more effective by incorporating the policy’s premium cost rejection form

Why does this work?

First, using the rejection form lets the customer know the agent considers the purchase of flood insurance an important part of insurance protection. Discussing the form reinforces the customer’s correct perception that he is working with a professional who understands risk and insurance. Additionally, using a rejection form increases emphasis on the decision about whether or

not to purchase flood insurance. The most important financial decisions in our lives almost always involve our signature. Asking for a signed rejection places the decision in the “This is Important” category.

While we employ the rejection form primarily as a sales tool, it has a second important function. It is a great document to have if a dispute arises over whether or not the agent offered flood insurance. After Hurricane Opal, a customer quickly dropped his “failure to offer” claim when confronted with his signed flood rejection document.

While most of us dislike additional paperwork, the rejection form is an exception. Its use definitely results in more sales. Just having the form forces us to explain the flood peril to the customer. While we would like everyone to buy a flood policy, the customer’s signature shows he has considered the purchase and has decided not to buy the coverage. At the end of the process, the agent has explained the peril and the coverage and made a recommendation, and the customer has made an informed decision that he believes best addresses his needs. Accomplishing this is the goal of every agent. 🌟

Larry Patrick is a Vice President for Auto Club South Insurance Company and has worked with the NFIP since his company joined the Write Your Own Program in 1993. Patrick serves on the NFIP’s WYO Marketing Committee and represents his company as a member of the Flood Insurance Servicing Companies Association of America, Inc. (FISCAA).



## State Stats for January 1, 2001 — December 31, 2001

(Data as of December 31, 2001)

Policy Statistics	AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	GU	HI	ID
Total Policies in Force	37,545	2,458	27,389	13,816	322,698	14,631	29,482	16,810	441	1,765,393	64,498	191	41,493	5,154
Distribution by:														
Occupancy Type														
Single-Family	23,066	1,870	23,770	11,184	263,489	9,625	19,624	10,850	226	1,017,246	54,351	145	8,850	4,343
Two- to Four-Family	1,417	128	887	901	20,160	835	1,993	1,191	14	83,911	2,449	19	1,019	221
Other Residential	10,561	242	1,461	416	23,699	2,341	5,822	4,246	177	612,436	4,984	12	30,410	187
Nonresidential	2,501	218	1,271	1,315	15,350	1,830	2,043	523	24	51,800	2,714	15	1,214	403
Zone														
A Zones	21,216	1,631	20,580	10,676	132,945	9,020	18,430	10,955	44	1,336,901	40,091	126	14,004	3,032
V Zones	3,507	21	0	0	901	0	1,162	1,929	0	35,652	1,001	12	4,070	0
B, C, and X Zones	12,661	651	6,734	3,080	101,154	5,481	9,861	3,873	397	385,364	23,296	53	22,955	2,109
Other <sup>1</sup>	161	155	75	60	87,698	130	29	53	0	7,476	110	0	464	13
Special Policies														
PRP <sup>2</sup>	4,262	301	3,875	1,528	64,436	2,748	3,488	1,553	214	190,546	17,700	2	800	1,536
RCBAP <sup>3</sup>	9,934	233	1,081	172	17,336	2,103	5,776	4,918	168	559,871	4,199	6	29,229	109
MPPP <sup>4</sup>	207	4	105	102	388	67	72	30	0	1,745	223	0	1	22
All Other Policies	23,142	1,920	22,328	12,014	240,538	9,713	20,146	10,309	59	1,013,231	42,376	183	11,463	3,487
<b>Loss Statistics</b>														
FEMA Flood Disaster														
Declarations	1	0	0	1	0	0	0	0	1	2	0	0	0	0
Total Paid Losses	74	1	13	48	211	25	67	4	0	2,867	51	0	5	1
Total Claims Payments	\$612,157	\$6,804	\$79,152	\$487,759	\$2,489,873	\$135,353	\$1,264,085	\$50,929	\$0	\$38,050,798	\$1,081,975	\$0	\$32,914	\$3,430
Average Claim Payment	\$8,272	\$6,804	\$6,089	\$10,162	\$11,800	\$5,414	\$18,867	\$12,732	\$0	\$13,272	\$21,215	\$0	\$6,583	\$3,430
Distribution by:														
Occupancy Type														
Single-Family	60	1	12	45	180	15	47	3	0	2,141	32	0	4	0
Two- to Four-Family	1	0	0	1	12	0	6	0	0	280	0	0	0	0
Other Residential	1	0	0	0	1	7	8	0	0	192	5	0	0	0
Nonresidential	12	0	1	2	18	3	6	1	0	254	14	0	1	1
Zone														
A Zones	33	1	12	32	61	11	36	2	0	2,097	26	0	2	1
V Zones	1	0	0	0	7	0	0	0	0	210	0	0	2	0
B, C, and X Zones	36	0	1	16	124	14	31	2	0	544	24	0	1	0
Other <sup>1</sup>	4	0	0	0	19	0	0	0	0	16	1	0	0	0
Special Policies														
PRP <sup>2</sup>	19	0	1	10	68	10	18	1	0	359	11	0	0	0
RCBAP <sup>3</sup>	0	0	0	0	1	0	8	0	0	160	0	0	0	0
MPPP <sup>4</sup>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other Policies	55	1	12	38	142	15	41	3	0	2,348	40	0	5	1

<sup>1</sup> Emergency Program, D Zones, etc.  
<sup>2</sup> Preferred Risk Policies  
<sup>3</sup> Residential Condominium Building Association Policies  
<sup>4</sup> Mortgage Portfolio Protection Program Policies

## State Stats for January 1, 2001 — December 31, 2001

(Data as of December 31, 2001)

Policy Statistics	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO	MT
Total Policies in Force	45,199	25,609	10,101	10,535	19,762	363,469	6,955	50,144	39,153	25,527	10,155	41,563	22,032	3,065
Distribution by: Occupancy Type														
Single-Family	35,514	23,062	8,309	8,688	16,134	306,072	5,156	24,209	27,278	21,811	8,476	34,526	16,113	2,722
Two- to Four-Family	1,308	778	265	359	739	26,493	377	2,005	3,512	606	230	1,357	996	87
Other Residential	5,969	525	174	332	768	14,047	633	22,118	5,789	2,183	588	2,077	663	56
Nonresidential	2,408	1,244	1,353	1,156	2,121	16,857	789	1,812	2,574	927	861	3,603	4,260	200
Zone														
A Zones	32,164	20,546	7,434	7,128	14,332	228,257	3,674	35,380	25,256	18,858	5,036	29,761	15,796	1,948
V Zones	0	0	0	0	0	2,687	359	2,553	2,398	0	0	387	0	0
B, C, and X Zones	12,641	4,966	2,118	3,247	5,307	121,040	2,906	12,131	11,494	6,557	5,049	11,327	6,080	1,063
Other <sup>1</sup>	394	97	549	160	123	11,485	16	80	5	112	70	88	156	54
Special Policies														
PRP <sup>2</sup>	6,884	2,449	960	1,814	1,849	79,676	1,174	4,549	4,198	2,734	3,610	6,624	2,922	751
RCBAP <sup>3</sup>	5,227	97	44	122	518	8,977	550	21,858	5,534	1,670	397	1,132	191	34
MPPP <sup>4</sup>	137	84	57	50	296	1,088	24	28	19	89	16	463	142	12
All Other Policies	32,951	22,979	9,040	8,549	17,099	273,728	5,207	23,709	29,402	21,034	6,132	33,344	18,777	2,268
<b>Loss Statistics</b>														
FEMA Flood Disaster Declarations	1	0	1	1	1	1	1	0	1	0	1	2	0	0
Total Paid Losses	597	33	342	32	97	6,316	15	17	773	95	629	691	301	2
Total Claims Payments	\$6,006,281	\$208,369	\$5,358,040	\$473,481	\$1,150,205	\$230,613	\$121,308	\$140,352	\$6,072,921	\$1,078,957	\$7,231,760	\$9,769,834	\$3,800,198	\$2,689
Average Claim Payment	\$10,061	\$6,314	\$15,667	\$14,796	\$11,858	\$15,394	\$8,087	\$8,256	\$7,856	\$11,357	\$11,497	\$14,139	\$12,625	\$1,344
Distribution by: Occupancy Type														
Single-Family	529	31	277	25	71	5,660	12	13	565	82	514	563	239	2
Two- to Four-Family	16	0	4	1	4	255	0	1	63	6	5	13	9	0
Other Residential	12	0	0	3	8	91	0	1	58	0	11	28	13	0
Nonresidential	40	2	61	3	14	310	3	2	87	7	99	87	40	0
Zone														
A Zones	443	18	298	14	58	4,078	6	11	419	63	362	351	239	0
V Zones	0	0	0	0	0	17	0	0	69	0	0	4	0	0
B, C, and X Zones	152	15	42	16	37	2,137	9	6	284	32	266	331	62	2
Other <sup>1</sup>	2	0	2	2	2	84	0	0	1	0	1	5	0	0
Special Policies														
PRP <sup>2</sup>	85	9	22	9	12	1,235	5	3	103	17	187	155	13	2
RCBAP <sup>3</sup>	1	0	0	0	0	2	0	0	30	0	8	2	0	0
MPPP <sup>4</sup>	0	0	0	0	1	11	0	0	0	0	0	3	0	0
All Other Policies	511	24	320	23	84	5,068	10	14	640	78	434	531	288	0

<sup>1</sup> Emergency Program, D Zones, etc.

<sup>2</sup> Preferred Risk Policies

<sup>3</sup> Residential Condominium Building Association Policies

<sup>4</sup> Mortgage Portfolio Protection Program Policies

# State Stats for January 1, 2001 — December 31, 2001

(Data as of December 31, 2001)

NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA	PR	RI	SC	SD
13,062	12,988	4,885	178,117	11,640	93,859	102,876	6,586	33,830	14,537	25,909	61,267	45,542	11,261	133,039	3,225
11,453	10,771	3,325	113,515	10,142	74,897	78,916	5,076	27,223	12,068	21,034	45,058	35,648	8,445	82,555	2,823
338	320	440	27,093	459	7,710	4,849	261	1,466	412	1,032	4,730	1,245	626	8,754	69
251	742	598	29,710	204	7,075	12,790	433	2,083	572	1,882	3,023	5,682	1,325	36,685	51
1,020	1,155	522	7,799	835	4,177	6,321	816	3,058	1,485	1,961	8,456	2,967	865	5,045	282
11,326	9,357	3,177	153,094	9,252	59,331	60,600	3,006	25,362	9,618	15,334	31,098	37,870	6,712	94,040	1,680
0	0	39	2,504	0	2,375	5,423	0	0	0	294	0	1,082	1,175	7,087	0
1,661	3,608	1,656	21,133	2,347	32,023	32,167	3,477	8,236	4,814	10,232	29,670	6,183	3,371	31,751	1,540
75	23	13	1,386	41	130	4,686	103	232	105	49	499	407	3	161	5
836	2,108	724	8,139	1,444	12,318	18,239	2,425	3,925	2,521	6,698	15,495	1,818	1,344	19,653	786
54	525	562	37,236	82	5,512	13,099	203	1,549	188	1,573	1,600	5,381	1,269	40,024	0
21	36	5	135	77	423	147	6	237	70	54	81	3	7	203	18
12,151	10,319	3,594	132,607	10,037	75,606	71,391	3,952	28,119	11,758	17,584	44,091	38,340	8,641	73,159	2,421
2	0	0	0	0	0	0	1	1	2	0	1	2	0	0	1
19	4	23	139	6	127	128	204	148	32	0	510	173	67	99	112
\$112,505	\$26,873	\$189,463	\$1,856,549	\$41,943	\$1,093,732	\$954,129	\$2,348,251	\$3,543,115	\$499,312	\$0	\$20,481,211	\$2,200,106	\$828,968	\$1,309,132	\$786,942
\$5,921	\$6,718	\$8,238	\$13,356	\$6,991	\$8,612	\$7,454	\$11,511	\$23,940	\$15,603	\$0	\$40,159	\$12,717	\$12,373	\$13,224	\$7,026
14	2	18	95	5	105	109	133	114	27	0	376	130	46	75	87
0	0	3	9	1	7	5	2	2	0	0	15	4	10	8	3
4	0	0	2	0	2	0	3	4	0	0	34	1	0	3	2
1	2	2	33	0	13	14	66	28	5	0	85	38	11	13	20
17	2	17	79	1	52	31	94	70	19	0	297	113	43	24	33
0	0	1	1	0	2	20	0	0	0	0	0	2	2	3	0
2	2	5	58	5	71	74	76	74	13	0	207	24	22	72	79
0	0	0	1	0	2	3	34	4	0	0	6	34	0	0	0
1	0	2	22	5	38	50	38	35	6	0	93	1	11	45	56
0	0	0	0	0	0	0	0	0	0	0	7	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	4	21	117	1	89	78	166	113	26	0	410	172	56	54	56

## State Stats for January 1, 2001 — December 31, 2001

(Data as of December 31, 2001)

Policy Statistics	TN	TX	TT <sup>5</sup>	UT	VT	VI	VA	WA	WV	WI	WY	Unknown	TOTAL
Total Policies in Force	15,339	431,388	1	2,351	2,937	2,341	77,371	27,083	19,091	12,714	1,887	284	4,360,394
Distribution by:													
Occupancy Type													
Single-Family	11,605	378,443	1	1,487	1,805	688	60,054	23,043	15,857	10,404	1,646	185	3,034,876
Two- to Four-Family	1,021	6,888	0	164	336	202	3,134	928	511	938	50	1	228,234
Other Residential	966	29,473	0	470	137	705	10,365	936	238	498	52	23	899,881
Nonresidential	1,747	16,584	0	230	659	746	3,818	2,176	2,485	874	139	75	197,683
Zone													
A Zones	9,985	137,418	1	1,133	1,907	1,671	48,519	17,922	13,249	9,109	1,112	228	2,838,332
V Zones	1	5,396	0	0	0	25	590	102	0	0	0	5	82,737
B, C, and X Zones	5,287	277,402	0	1,212	1,025	644	27,960	8,970	4,928	3,532	739	45	1,309,208
Other <sup>1</sup>	66	11,172	0	6	5	1	302	89	914	73	36	6	130,401
Special Policies													
PRP <sup>2</sup>	2,716	228,184	0	755	444	39	18,921	5,877	2,079	2,252	516	14	773,453
RCBAP <sup>3</sup>	915	21,146	0	426	82	550	10,032	864	54	223	18	0	824,653
MPPP <sup>4</sup>	135	673	0	16	3	0	67	30	200	58	5	2	8,183
All Other Policies	11,573	181,385	1	1,154	2,408	1,752	48,351	20,312	16,758	10,181	1,348	268	2,754,389
<b>Loss Statistics</b>													
FEMA Flood Disaster Declarations	1	1	0	0	0	0	1	0	1	1	0	0	30
Total Paid Losses	72	24,378	0	2	2	13	123	3	785	200	0	5	40,681
Total Claims Payments	\$654,282	\$932,128,573	\$0	\$1,587	\$5,455	\$180,938	\$2,154,548	\$53,766	\$12,570,656	\$2,326,443	\$0	\$367,746	\$1,072,656,462
Average Claim Payment	\$9,087	\$38,236	\$0	\$793	\$2,727	\$13,918	\$17,517	\$17,922	\$16,014	\$11,632	\$0	\$73,549	\$26,368
Distribution by:													
Occupancy Type													
Single-Family	56	22,720	0	2	1	7	91	3	683	178	0	4	36,199
Two- to Four-Family	0	251	0	0	0	0	1	0	5	1	0	0	1,009
Other Residential	0	489	0	0	0	0	1	0	4	6	0	0	989
Nonresidential	16	918	0	0	1	6	30	0	93	15	0	1	2,571
Zone													
A Zones	39	10,963	0	0	2	5	67	1	569	150	0	1	21,363
V Zones	0	17	0	0	0	0	1	0	0	0	0	0	359
B, C, and X Zones	33	13,252	0	2	0	8	55	2	203	49	0	4	18,589
Other <sup>1</sup>	0	146	0	0	0	0	0	0	13	1	0	0	511
Special Policies													
PRP <sup>2</sup>	15	8,905	0	2	0	2	22	1	75	30	0	0	11,809
RCBAP <sup>3</sup>	0	99	0	0	0	0	0	0	0	0	0	0	318
MPPP <sup>4</sup>	1	40	0	0	0	0	0	0	3	1	0	0	60
All Other Policies	56	15,334	0	0	2	11	101	2	707	169	0	5	28,493

1 Emergency Program, D Zones, etc.

2 Preferred Risk Policies

3 Residential Condominium Building Association Policies

4 Mortgage Portfolio Protection Program Policies

5 Trust Territory of the Pacific Islands

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## FIRMs On-Line

FIMA introduces F-MIT (Flood Map Image Tool) software for viewing and capturing any of the NFIP's more than 100,000 Flood Insurance Rate Maps (FIRMs).

Optimized for on-screen display of scanned flood maps, F-MIT allows users to pan and zoom within a map, select an area of interest, and print a "FIRMette." The FIRMette includes the map title block, north arrow, and scale bar. Because a FIRMette is a same-scale "clip" of an official NFIP flood map image, it can be used in all aspects of the NFIP, including floodplain management, flood insurance, and enforcement of mandatory flood insurance purchase requirements.

This new technology allows users to view, print, email, and save

the FIRMette free of charge. Help screens assist users in navigating the entire inventory of scanned flood map images. F-MIT runs under Microsoft Windows 95/98/NT/ME/2000 operating systems and is compatible with most printers and some large-format graphics plotters.

The FEMA Map Service Center (MSC) provides a one-time free copy of F-MIT Version 1.0 on CD-ROM with each paid order of scanned FIRM images. The free software also can be downloaded from the MSC web site ([www.fema.gov/msc](http://www.fema.gov/msc)). The web site has a "finder" tool that allows our more frequent users to locate images of interest by typing in a street address. Once the image is found, a web-based version of F-MIT allows users to run the application without having to download the software. Using scanned maps and F-MIT

should enhance flood map utility and access, thus heightening the nation's awareness of flood hazards.

Future versions of F-MIT will include GIS functions that work with digital FIRM (DFIRM) data or other data but will be tailored to DFIRM data and specific floodplain management and insurance tasks.

The release of this new product brings us closer to realizing one of our Map Modernization Plan goals—to convert the 100,000 paper map panels to digital format. Achieving this goal will reduce the cost of storing and retrieving maps, eliminate the need to photocopy and fax maps, and speed delivery of maps to our customers. 📍

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## Class Distinction

*Steve Bleifuhls, Green River Flood Control Zone District*

On October 1, 2001, King County, Washington, was awarded a Class 4 rating under the Community Rating System (CRS). Howard Leikin, FIMA's Deputy Administrator for Insurance, presented King County Executive Ron Sims with the award. Leikin praised the county's floodplain management program and noted that this recognition was based on the county's efforts to provide direction for policy development, technical assistance to communities, and prioritization and integration of floodplain management issues throughout

the county and its neighboring counties as well. King County's CRS Class 4 rating translates into a

30-percent annual premium discount for local flood insurance policyholders, an average annual savings of \$125 per policy.



Ron Sims (left) receiving award from Howard Leikin

King County's success in attaining a CRS Class 4 rating demonstrates that this community has begun to fulfill the mission and goals of the NFIP's new *Blueprint for the Future*, described in the Fall 2001 edition of the *Watermark*. Following are some of King County's accomplishments.

- Collecting and generating high quality data, including flood and channel migration

hazard maps, river gauges, forecasts, flood damage figures, and watershed studies.

- Refining policies, programs, and coordination to build on existing strengths and remedy deficiencies.
- Funding, developing, and implementing technical data and tools that are vital to wise floodplain management and flood hazard reduction.
- Fostering community responsibility for hazard reduction and enhancing education, training, and public awareness of flood hazards and protection. Seeking active participation from citizens, the private sector, and governmental organizations to achieve a disaster-resistant county.
- Assessing and evaluating programs and policies to ensure that lessons learned are translated into adopted modifications. These include adopting appropriate laws, codes and regulations and integrating floodplain management regulations into King County's comprehensive development plans.

Since the 1980s, King County has focused on protecting the natural functions of floodplains both to protect property from floods and to preserve natural ecosystems. This has involved combining structural and nonstructural measures to reduce flood losses, preserving and maintaining natural riparian functions, providing for passive recreation and public open space, and planning mitigation projects.

King County has been at the forefront in developing new regulatory policies to protect floodplains.

In 1990, the county adopted a "zero-rise" requirement for development activity in the floodplain. This requirement prohibits any development or activity in the floodplain that would increase the elevation of the 100-year flood or impede the conveyance of floodwaters. More recently, the county used historical data and analysis of the geology and morphology of the floodplain in adopting a channel migration hazards public rule that addresses riverbank erosion and destabilization, rapid river incision, and lateral shifts in the channel location. The rule prohibits any development in areas designated as "severe" and significantly limits any development in areas designated as "moderate."

King County also is updating its 1993 comprehensive Flood Hazard Reduction Plan to ensure that its policies, programs, and recommendations for specific projects are consistent and compatible with the goals and objectives of the Endangered Species Act. The updated plan will ensure that all future floodplain management activities support regional salmon conservation and recovery efforts as well as continue to provide public health and safety to the citizens of King County.

For more information on King County's flood hazard reduction programs, please contact Dave Clark, King County CRS Coordinator, at 206-296-8388 (or by e-mail at [dave.clark@metrokc.gov](mailto:dave.clark@metrokc.gov)).

*Steve Bleifuh is Program Coordinator for the Green River Flood Control Zone District, an interjurisdictional*

*flood control and resource management program for the lower Green River basin in King County, Washington. The lower basin area contains some 44,000 acres and has total assessed property valuation of over \$16.2 billion. Bleifuh also provides program and budget administration for King County's countywide comprehensive flood hazard reduction programs and projects.*

## ACTUAL CASH VALUE

Great Aunt Maude's favorite armchair may have tremendous sentimental value to the man who used it as a fort when he was a child . . . but it is not likely to draw high bids at a local auction. The Actual Cash Value (ACV) of an item is its value on the market (the price people pay for similar items) at the time just before it was damaged by a flood. The ACV does not refer to the cost of Great Aunt Maude's favorite armchair when it was new many decades ago, nor does it refer to the cost of replacing it with a new armchair at today's market prices. In many cases, NFIP insurance claims pay the ACV of a damaged item according to the guidelines in the policy. ACV is defined in the NFIP *Flood Insurance Manual* as:

**"The cost to replace an insured item of property at the time of loss, less the value of its physical depreciation."**

## Renew or Sign up for More Leads!

For almost 6 years, the NFIP Leads Program, developed as part of the Cover America national marketing and advertising campaign, has helped thousands of consumers find local insurance agents who sell flood insurance. By signing up or renewing for the Leads Program with the new application, not only will insurance agents get referrals of consumers who call and need an insurance agent to write a policy, but their agencies will be included in a new locator system on the NFIP web site as well, all at no cost. But the only way to participate in the NFIP Leads Program and be included in the locator system is to sign up or renew with the new application!

### The Campaign

Since the campaign began in 1995, most NFIP advertising and public relations materials have included a tag line that urges consumers to “Call your insurance agent or the NFIP.” When people call the NFIP’s toll-free number, they receive information about flood insurance and, if needed, a referral to either their own insurance agent or an NFIP Leads Program agent in their area. More than 22,000 agents participate in the Leads Program. Between October 1995 and January 2002, 18 percent of all callers—more than 130,000 people—were referred to an insurance agent

Newer campaign materials provide both the NFIP toll-free number and the address of the NFIP web site. From January 2000 through September 2001, nearly 560,000 people visited the NFIP web site. The question is, how to marry the NFIP Leads Program with the NFIP web site. The solution?

### New Locator System

To make the NFIP Leads Program even more effective for the agents who sign up and the consumers who need the information, FIMA is developing a Locator System that is scheduled to be implemented this year. This system will allow consumers to go to the NFIP web site, type in the ZIP Code of the property they want insured, and get a list of insurance companies and

agencies that write National Flood Insurance in that area. The insurance agency information will be extracted from the NFIP Leads Program database from information provided by insurance agents who sign up or renew using the new NFIP Leads Program application.

### How the Locator System Works



### Success Is in the Numbers

For the Locator System to be really useful, the database must be large enough to cover thousands of ZIP Codes. If you are interested in having your insurance agency listed in this searchable database, and being included in the NFIP Leads Program, call 301-209-4904 (or 4905) for information and a copy of the new NFIP Leads Program application form.

Remember, even if you already participate in the Leads Program, you must complete and return the new application form to continue to be listed in the database for telephone referrals, as well as to be included in the new Locator System! 🌟

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## Repetitive Loss Strategy Update

*H. Joseph Coughlin, Jr., FIMA*

FEMA continues to promote the concept of targeting Repetitive Loss Properties (RLP) for separate insurance servicing and possible floodplain management risk reduction actions by state and local governments. More than 10,000 RLP policies met the more restrictive RLP definition of Repetitive Loss Target Group (RLTG) properties that meet at least one of the following criteria:

- Four or more losses, or
- Two or three losses where the total amount paid equals or exceeds the property value.

The RLTG properties were transferred to the Special Direct Facility (SDF), set up for such servicing in 2000. Those policies have completed their first annual renewal cycle under the SDF.

FEMA has been compiling information on such policies to help FIMA verify its underwriting and rating records and provide more useful statistics to state and local governments. This information is available to FEMA regional offices to assist state and local govern-

ments with their decisions on targeting these properties as part of their loss reduction efforts on properties at greatest risk of flooding.

The flooding associated with Tropical Storm Allison, which devastated much of Houston and east Texas in June 2001, provided the first large-scale opportunity to apply the Repetitive Loss Strategy. As of September 30, 2001, a preliminary total of 1,600 properties was to be included in the flood loss reduction grant packages that are being developed by the State of Texas in conjunction with about 14 local governments in this area. These packages will be funded through FEMA's Hazard Mitigation Grant Program (HMGP) and Flood Mitigation Assistance (FMA) Program for almost \$90 million. The state will match 25 percent of that contribution. Of the properties included in these packages, about 300 are RLPs and 100 are RLTG policies.

Because of the state's significant contribution, the state and local governments will determine which properties they wish to target for loss reduction actions. Since they are interested in addressing entire

areas of their communities subject to repeated flooding, both RLPs and RLTG properties may be targeted. In the east Houston area, most of the targeted properties will be bought out and either demolished or moved out of the Special Flood Hazard Area. The land will be turned over to local government, and preserved as open space.

Participation in these loss reduction buyout programs is voluntary on the part of the property owners.

FEMA will continue to review results to determine how the RLP Strategy is working and what modifications, if any, may be needed to assist in carrying out its goals. ■

*H. Joseph Coughlin, Jr., Assistant to the Administrator of FIMA, is responsible for overseeing the NFIP's Repetitive Loss Program. Since 1970, Coughlin has held a variety of positions at FIMA including special and executive assistant to several Administrators. He has worked with all aspects of the NFIP during this time, including the insurance, floodplain management, and risk identification aspects of the Program.*

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## Condo Flood Forum

Tropical storms and hurricanes have created some of the worst flooding disasters in U.S. history. In Florida alone, 12 major hurricanes and tropical storms have made landfall since 1995, resulting in back-to-

back Presidential Disaster Declarations and more than 68,000 flood losses. Along the Atlantic Coast of Florida, a typical condominium unit can be valued from \$80,000 to \$200,000 or more, depending on its location. However, recent NFIP

reports show that the amount of flood insurance building coverage carried by condominium associations in this area averages only \$500,000 for all of the units in a condominium building as well as all of its common elements.

Underinsurance was one of several topics addressed at the NFIP's first Condominium Flood Forum, held in Plantation, Florida, on March 21. Condo association members, members of condo association boards of directors, and representatives of condo management companies attended the Forum, as

did insurance agents, lenders, and other interested citizens. Local flood risks, recent changes in the NFIP, insurance liability, and requirements for flood insurance coverage were addressed in the morning session. The afternoon session was devoted to a workshop for insurance agents interested in

writing flood insurance coverage on condominium associations.

The Condo Flood Forum is a pilot project of the NFIP. After reviewing the outcome of the March Forum, the NFIP may hold additional Condo Flood Forums in other areas. 🌐

## Training Courses Offered

FEMA's Emergency Management Institute (EMI) in Emmitsburg, Maryland, conducts courses on floodplain management and the Community Rating System (CRS). 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, contact the training office of your State emergency management agency or call EMI at 800-238-3358.

### Course Tips

Five CRS points are awarded to the community under Section 431.m, Building Code and Staffing, if the local official responsible for floodplain permits graduates from the course Managing Floodplain Development through the NFIP.

The Digital Hazard Data course provides good training for incorporating flood data into a community's geographic information system (GIS), which is credited under Activity 440 (Flood Data Maintenance).

The new Residential Coastal Construction course trains participants with FEMA's expanded *Coastal Construction Manual*, completely rewritten since the 1985 edition. The new manual expands the discussion of planning, siting, hazard identification, erosion, and other issues that should be considered to create sustainable coastal communities. This course is intended for engineers, architects, and building code officials. Floodplain management, hazard mitigation, and planning officials with building science knowledge may also apply. Graduating from this course is worth five points.

In addition to the courses held at EMI's Emmitsburg campus, several FEMA regions have "field deployed" the Managing Flood-

plain Development Through the NFIP course. Contact your FEMA Regional Office or State NFIP Coordinator for information about training in your area. See Appendices A and H of the *CRS Coordinator's Manual* for contact information. This manual is accessible online ([www.fema.gov/nfip/crs.htm](http://www.fema.gov/nfip/crs.htm)).

### Home Study

EMI manages a variety of home or independent study courses. IS-9 is the home study version of Managing Floodplain Development Through the NFIP. More information on IS-9 and instructions on how to apply for it can be found on FEMA's website ([www.fema.gov/emi/is9.htm](http://www.fema.gov/emi/is9.htm)). 🌐

### CRS Courses at EMI

Following is the schedule for EMI's week-long floodplain management and CRS classes for the rest of 2002.

Course Title	Dates
The Community Rating System	July 29–August 2
Digital Hazard Data	August 26–30
Residential Coastal Construction	September 9–13
Managing Floodplain Development Through the NFIP	October 22–26

## Adding Waterproof Veneer

While local, State, and Federal agencies, as well as volunteer organizations, have become increasingly adept at responding to floods, an unmet challenge involves applying advances in building science to prevent or minimize future flood damage.

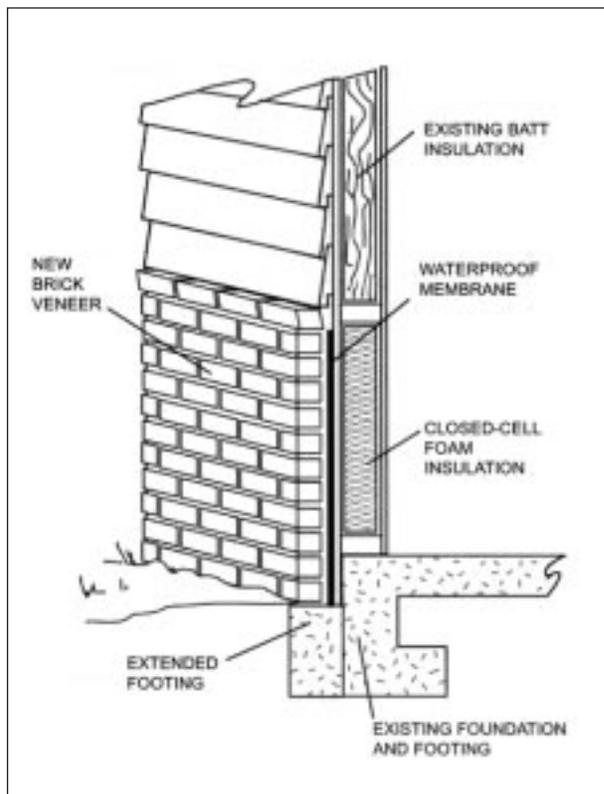
FEMA has released a CD-ROM that documents case studies of mitigation successes, including examples of financing strategies, technical resources, and points of contact to help communities promote mitigation by demonstrating the rewards of taking action. One section of the CD focuses on ways to protect homes and businesses from flood damage. The following is adapted from the “waterproof veneer” portion of the Mitigation Resources for Success CD (FEMA-372), 2001).

### Are You or Your Clients at Risk?

If you aren't sure whether a house is at risk from flooding, check with your local floodplain manager, building official, city engineer, or planning and zoning administrator. They can tell you whether the building is in a flood hazard area. Also, they usually can explain how to protect property from flooding.

### What Can Be Done

Flood protection can involve a variety of changes to property—changes that can vary in complexity and cost. Some changes can be made by a homeowner. But complicated or large-scale changes and those that affect the structure of a house or its electrical wiring and plumbing should be carried out only by a licensed contractor. One example of flood protection is adding a waterproof veneer to the exterior walls of your house. This is something that only a contractor should do.



### Add a Waterproof Veneer to Exterior Walls

Even in areas where flood waters are less than 2 feet deep, a house can be severely damaged if water

reaches the interior. The damage to walls and floors can be expensive to repair, and the house may be uninhabitable while repairs are under way.

One way to protect your house from shallow flooding is to add a waterproof veneer to the exterior walls and seal all openings, including doors, to prevent the entry of water. As shown in the figure, the veneer can consist of a layer of brick backed by a waterproof membrane. Before the veneer is applied, the old siding is replaced with exterior grade plywood sheathing. If necessary, the foundation footing is extended to support the brick. Also, because the wall will be exposed to flood water, changes are made to the interior walls so that they will resist moisture damage. In the area below the flood level, standard batt insulation is replaced with washable closed-cell foam insulation, and any wood blocking added inside the wall cavity is made of exterior grade lumber.

### Tips

Keep these points in mind when planning to have a waterproof veneer added to the exterior walls of a house.

- Adding a waterproof veneer is appropriate in areas where the flood depth is less than 2 feet. When flood depths exceed 2 feet, the pressure on waterproofed walls increases greatly, usually beyond the strength of the walls. If greater flood depths are expected, consult with a licensed civil or structural engineer before using this method.

- Changes to the foundation must be done by a licensed contractor, who will ensure that the work is done correctly and according to all applicable codes. This is important for safety.
- If the house is being remodeled or repaired, consider having the veneer added as part of the remodeling or repair work. It will probably be cheaper to combine these projects than to carry them out separately.
- If the house has brick walls, you can still use this method. The new brick veneer and waterproof membrane are added over the existing brick.

- If the house is flooded by groundwater entering through the floor, this method will not be effective.

### Estimated Cost

If a contractor adds a waterproof brick veneer to a house, it can cost about \$10 per square foot of exterior wall. For example, a 3-foot-high brick veneer on a house measuring 60 feet by 30 feet would cover about 540 square feet and would cost about \$5,400. This figure does not include the cost of sealing doors and other openings or extending the foundation.

### Other Sources of Information

To obtain copies of these and other FEMA documents, call the FEMA Distribution Center at 800-480-2520. Information also is available on FEMA's web site ([www.fema.gov](http://www.fema.gov)).

- Repairing Your Flooded Home, FEMA-234, 1992
- Homeowners Guide to Retrofitting, FEMA-312, 1986

## Questions and Answers

### What does the term "depreciation" mean in the NFIP?

The NFIP does not publish a depreciation schedule. It does, however, expect that claims adjusters will adhere to any depreciation guidelines set by their WYO companies. The most important factor in determining the depreciation rate of personal property and household goods is good judgment since depreciation varies with usage.

When making a depreciation determination, there are a few general rules that apply:

- All depreciation should be figured to the nearest dollar.
- No more than 80 percent of an item should be depreciated if it

is still usable for its intended purpose, since all items have some value despite their age.

- Remember that a recent major repair may add to an otherwise depreciated value.

### What is a Cobra Zone and do I need antivenom to write that policy?

It's not really a Cobra Zone, but a "CBRA" (Coastal Barriers Resources Act) Zone. Actually, the zone should be called a "CBRS" (the "S" is for System), but "CBRA" gets more attention. Basically it means that, if a homeowner's property is in a coastal area,



North Carolina National Estuarine Reserve (photo by NOAA)

the insurance producer has more than usual to do before writing a flood policy.

Congress recognized the vulnerability of coastal barriers to development by passing the Coastal Barrier Resources Act (CBRA) in 1982. By restricting Federal expenditures and financial assistance, which have the effect of encouraging development of coastal barriers, Congress aimed to minimize

the loss of human life, wasteful expenditure of Federal revenues, and damage to fish, wildlife, and other natural resources associated with coastal barriers along the

Atlantic and Gulf of Mexico coasts. The CBRA, while not prohibiting privately financed development, prohibits most new Federal finan-



Otter Island, South Carolina (photo by NOAA)

cial assistance, including flood insurance, within a designated Coastal Barrier Resources System (CBRS).

In 1990, Congress passed the Coastal Barrier Improvement Act (CBIA). The CBIA tripled the size of the System established by the CBRA. The CBIA also prohibits the issuance of new Federal flood insurance within “Otherwise Protected Areas” (OPAs) for buildings constructed after November 16, 1991, unless the building is used in a manner consistent with the purpose for which the area is protected. OPAs generally are used for activities such as fish and wildlife research and refuges.

What does an agent need to do? First, check the list of CBRS communities in the NFIP

*Flood Insurance Manual*, CBRS section, to see if the community contains any identified coastal barriers or OPAs. Next, as always, review the community map panel to see if the property is located in a CBRS area or OPA. CBRS areas are clearly noted on the map with both words and shading. A listing of

map panels with CBRS areas is also available on the NFIP website ([www.fema.gov/nfip](http://www.fema.gov/nfip)). Simply go into the web site, select “Coastal Barriers Resources System” from the drop-down list under “Quick Links” at the top of the page. Then click on “GO,” select your state from the next screen, and click on the community you want to research. Remember that the web site link is a list of communities and maps provided for information and notification purposes only—you will still need to review the flood map.

### What does it mean if my community is on “probation”?

NFIP flood insurance may be written only in communities that have been designated as participating in the NFIP by FEMA. In order to “participate” in this Federal Program, the community agrees to perform mitigation activities in compliance with NFIP floodplain management criteria. A community may be designated as on probation by the FEMA



Weeks Bay, Alabama (photo by NOAA)

Regional Director as a result of non-compliance with those criteria. During the 1-year probation (this term may be extended) a

\$50 surcharge is applied to all NFIP policies, including the Preferred Risk Policy.

Probation is the formal notification by FEMA to a community that its floodplain management program does not meet the minimum NFIP criteria. NFIP flood insurance may be written in a community on pro-

bation. FEMA is authorized under Federal regulations to impose probation. A community can be placed on probation 90 days after FEMA provides written notice to community officials that it has failed to adequately enforce the local floodplain management ordinance. Probation generally is imposed only after FEMA has consulted with the community and has not been able to resolve specific program deficiencies. FEMA Regional Mitigation personnel are available to assist communities in ending their probation.

### What does it mean if my community is on “suspension”?

A community may be suspended from the National Flood Insurance Program (NFIP) when it fails to adopt an adequate floodplain management ordinance that meets the NFIP requirements. Additionally, suspension of a participating community (usually after a period of probation) occurs when it fails to enforce the adopted floodplain management ordinance. Communities that do not enforce local ordinances can be placed on probation. This is done only after FEMA has assisted the community to meet the minimum NFIP criteria. In each case, the community is provided written notice of the impending suspension and is granted a period of time to comply with the NFIP requirements. Suspension is imposed by FEMA. If suspended, the community becomes non-participating and flood insurance policies cannot be written or renewed. Policies in force at the time of suspension continue in force for the policy term. Three-year policies remain in force until the next annual anniversary date of the policy. 🌿

## 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 endorse any product or company. Web site addresses may have changed prior to publication of this edition.

### Publications

*Mitigation Success Stories—2000* is a compendium of examples that showcase natural hazard mitigation activities and publicize the success of such measures across the U.S. This publication is available in hard copy from the Association of State Floodplain Managers at:

ASFPM Publications  
2809 Fish Hatchery Road, Suite 204  
Madison, WI 53713-3120  
or by calling 608-274-0123 or sending a

fax to 608-274-0696. The cost is \$25.00 for ASFPM nonmembers. An electronic version of this publication is available free online ([www.floods.org](http://www.floods.org)).

### CD-ROM



### Mitigation Resources for Success CD

This CD-ROM was designed to meet the needs of a broad audience. Anyone concerned with building for a safer future will find useful information, publications, technical fact sheets, photographs, case studies, and federal and state mitigation program contacts. The “Mitigation Works” section contains quotes supporting hazard mitigation from national, state, local, and private sector leaders that can be used in publications, brochures, and presentations. The “Case Studies” section can be used as a part of educational, training and marketing presentations. See page 22 for an excerpt from this CD. Copies can be ordered through the FEMA Distribution Center at 800-480-2520. Request FEMA item 372. 🌐

## Definition

### REPLACEMENT COST VALUE (RCV)

Confused about the difference between ACV and RCV? When an insured piece of property is damaged by flood and must be replaced with a similar item, its Replacement Cost Value (RCV) is the price that would be charged if the insured went shopping to buy a comparable item today. RCV is defined in the NFIP *Flood Insurance Manual* as:

**“The cost to replace property with the same kind of material and construction without deduction for depreciation.”**

In most cases, the NFIP pays the ACV, according to the guidelines in the policy. Be sure to check the Dwelling Form, General Property Form, and RCBAF for specific coverage details.

# JUST AROUND THE BEND

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

STATE/EVENT	CITY	DATE	STATE/EVENT	CITY	DATE
<b>ARIZONA</b> ASFPM Annual Conference	Phoenix	June 23-28	<b>LOUISIANA</b> NAIC Fall Meeting	New Orleans	September 9-12
<b>CALIFORNIA</b> Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar	Sacramento San Luis Obispo Santa Barbara Orange Santa Rosa	June 10 July 18 July 19 August 15 September 25	<b>MARYLAND</b> Agent Workshop Lender Seminar Agent Workshop Lender Seminar	Lanham Lanham Lanham Lanham	June 12 June 13 September 18 September 19
<b>COLORADO</b> Agent and Lender Seminar AWRA Specialty Conference Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar	Golden Keystone Golden Golden Golden	June 19 July 1-3 July 17 August 21 September 11	<b>MICHIGAN</b> Lender Seminar Lender Seminar Lender Seminar	Saginaw Lansing St. Joseph	July 9 July 10 July 11
<b>FLORIDA</b> Dam Safety 2002	Tampa	September 8-11	<b>MINNESOTA</b> Lender Seminar	Edina	September 18
<b>GEORGIA</b> Agent Workshop Lender Seminar Agent Workshop Lender Seminar Agent Workshop Lender Seminar	Marietta Marrietta Dunwoody Dunwoody Brunswick Brunswick	July 8 July 9 July 11 July 12 July 25 July 26	<b>MISSOURI</b> Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar	Springfield Blue Springs Bethany	June 4 June 5 June 6
<b>ILLINOIS</b> Lender Seminar Lender Seminar Lender Seminar Agent Workshop Agent Workshop Agent Workshop	Springfield Rockford Schaumburg Rockford Bannockburn Hoffman Estates	August 13 August 14 August 20 October 22 October 23 October 24	<b>MONTANA</b> Agent and Lender Seminar	Missoula	September 18
<b>INDIANA</b> Lender Seminar Lender Seminar Lender Seminar	Terre Haute Ft. Wayne Indianapolis	July 23 July 24 July 25	<b>NEBRASKA</b> Agent and Lender Seminar Agent and Lender Seminar	Grand Island Lexington North Platte Omaha Columbus Lincoln	August 6 August 7 August 8 August 20 August 21 August 22
<b>IOWA</b> Agent and Lender Seminar Agent and Lender Seminar Agent and Lender Seminar	Sioux City Mason City Marion	June 11 June 12 June 13	<b>NEVADA</b> Agent and Lender Seminar	Reno	July 11
<b>KANSAS</b> Agent Workshop Agent Workshop Lender Seminar Lender Seminar Lender Seminar Agent and Lender Seminar Agent Workshop Agent Workshop Agent and Lender Seminar	Topeka Wichita Hays Wichita Lawrence Salina Hayes Liberal Overland Park	June 18 June 19 July 9 July 10 July 11 July 23 July 24 July 25 August 27	<b>NEW JERSEY</b> Lender Seminar Agent Workshop Agent Workshop Lender Seminar Agent Workshop	Iselin Iselin Iselin Iselin Iselin	June 26 June 27 September 25 September 26 December 18
			<b>NEW YORK</b> Agent Workshop Agent Workshop Agent Workshop Agent Workshop Agent Workshop	New York City New York City Queens Long Island Long Island	June 21 July 12 October 10 October 11 October 14
			<b>OHIO</b> Lender Seminar Lender Seminar Lender Seminar Agent Workshop Agent Workshop Agent Workshop	Dayton Perrysburg Reynoldsburg Canton Youngstown Cambridge	June 26 June 25 June 27 September 10 September 11 September 12

# NATIONAL FLOOD INSURANCE PROGRAM

[www.fema.gov/nfip](http://www.fema.gov/nfip)

# IMPORTANT TELEPHONE NUMBERS

STATE/EVENT	CITY	DATE
<b>OREGON</b>		
Agent Workshop	Eugene	June 25
Lender Seminar	Eugene	June 26
Agent Workshop	Seaside	June 27
Lender Seminar	Seaside	June 28
Agent Workshop	Roseburg	July 23
Lender Seminar	Roseburg	July 24
Agent Workshop	White City	July 25
Lender Seminar	White City	July 26
<b>PENNSYLVANIA</b>		
NAIC Summer Meeting	Philadelphia	June 8-12
Agent Workshop	Harrisburg	August 22
Agent Workshop	King of Prussia	August 27
Agent Workshop	Pittsburgh	August 29
AWRA Annual Conference	Philadelphia	November 3-7
<b>PUERTO RICO</b>		
Agent and Lender Seminar	Hato Rey	June 4
<b>SOUTH CAROLINA</b>		
Agent Workshop	Georgetown	June 25
Lender Seminar	Georgetown	June 26
<b>SOUTH DAKOTA</b>		
Agent and Lender Seminar	Rapid City	August 6
Agent and Lender Seminar	Rapid City	August 7
Agent and Lender Seminar	Pierre	August 8
Agent and Lender Seminar	Sioux Falls	August 9
<b>TEXAS</b>		
SITE Annual Meeting	San Antonio	June 8-12
Agent and Lender Seminar	Galveston	July 16
Agent and Lender Seminar	Rosenberg	July 18
<b>VIRGIN ISLANDS</b>		
Agent and Lender Seminars	St. Thomas	June 6
<b>VIRGINIA</b>		
Agent Workshop	Eastern Shore	June 14
Agent Workshop	Roanoke	June 18
Lender Seminar	Richmond	June 24
<b>WEST VIRGINIA</b>		
Agent Workshop	Princeton	June 5
<b>WISCONSIN</b>		
Lender Seminar	Green Bay	June 11
Lender Seminar	Madison	June 12
Lender Seminar	Milwaukee	June 13
<b>WYOMING</b>		
Agent Workshop	Jackson Hole	June 12

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

ASFPM	American Society of Floodplain Managers
AWRA	American Water Resources Association
NAIC	National Association of Insurance Commissioners
SITE	Society of Insurance Trainers and Educators

Watermark.

## REGIONAL OFFICES TELEPHONE NUMBERS

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

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

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

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

## NFIP TELEPHONE NUMBERS

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

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**NATIONAL FLOOD INSURANCE PROGRAM**

**P.O. Box 710**

**Lanham, MD 20703-0710**

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