

NATIONAL FLOOD INSURANCE PROGRAM



2000 Stakeholder's Report

FEDERAL INSURANCE ADMINISTRATION

NFIP Financial Highlights

As of September 30 Each Year
(Dollar Amounts in Thousands)

	Fiscal Year 1996	Fiscal Year 1997	Fiscal Year 1998	Fiscal Year 1999	Fiscal Year 2000
TOTAL REVENUE (Earned Premium and Federal Policy Fee)	\$972,927	\$1,090,653	\$1,278,950	\$1,415,834	\$1,475,195
TOTAL EXPENSES (Underwriting, Loss, Administrative, and Other Expenses)	\$1,509,345	\$1,207,862	\$1,279,549	\$1,284,031	\$887,208
NET INCOME (LOSS)	(\$536,418)	(\$117,209)	(\$599)	\$131,803	\$587,987

In the last 10 years, the Federal Emergency Management Agency (FEMA) has spent \$27 billion from the Disaster Relief Fund to help people repair and rebuild their communities after disasters have struck. Other government agencies have spent billions more in disaster recovery expenses. Insurance companies have spent additional billions in claims payments, businesses have lost revenues or closed permanently, and employees have lost jobs. Families have lost their homes, their belongings, and sometimes, their loved ones.

Flooding is the most common natural disaster, costing more in damages and loss of life than any other natural disaster. The National Flood Insurance Program (NFIP) was created by Congress in 1968 to reduce the escalating costs of disaster assistance while helping Americans get back on their feet after a flood. The NFIP makes available Federally backed flood insurance in communities that adopt and enforce floodplain management ordinances to reduce future flood losses. In the last 10 years, the NFIP has paid more than \$6.7 billion on incurred losses and has had a significant impact on the sustainability of floodplain development.

On September 30, 2000, there were 19,117 communities participating in the NFIP and nearly 4.3 million policies in force for homeowners, renters, and business owners across the United States and its territories of Guam, Puerto Rico, and the Virgin Islands.

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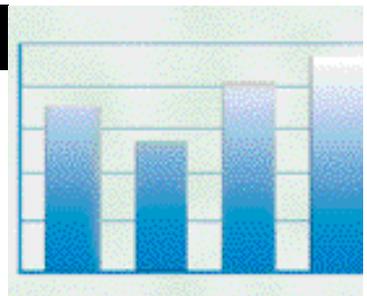
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Dear NFIP Stakeholder,

I am proud to be the new Director of the Federal Emergency Management Agency (FEMA). FEMA prides itself on having the responsibility and opportunity to provide assistance to individuals and families when they need help the most. In public service, there can be no higher calling.

The National Flood Insurance Program is a very successful component of FEMA, serving as an example of how the Federal government is able to work effectively with partners in the private insurance and lending industries, as well as State and local governments to help protect people with National Flood Insurance and prevent flood losses.

Floods can happen anytime, anywhere. During the last 2 years, floods have occurred in every State in this country. Very few communities are safe from the effects of flooding, so it is important that we continue working together to make sure people protect themselves before the water starts to rise. As more people assume responsibility for their own flood protection by purchasing National Flood Insurance, fewer will need the assistance of the Federal government after a flood.

I look forward to meeting and working with you over the next few years to make this Program an even greater success.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe M. Allbaugh".

Joe M. Allbaugh
Director
Federal Emergency Management Agency



Dear NFIP Stakeholder,

I have been with the Federal Insurance Administration long enough to know that our program never slows down. Fiscal Year 2000 was no exception. Major efforts this year included implementing the repetitive loss strategy and rewriting the Standard Flood Insurance Policy. The Heinz Center delivered its report analyzing erosion issues and we began to address the recommendations which could have great significance for the NFIP in the future. We also published the Call for Issues report and began work on those issues with the highest priority. The new NFIP brand—Be Flood Alert—was introduced this year, providing the foundation for our campaign to communicate the value of the NFIP. And, significantly, a relatively low loss year allowed us to reduce our debt to the U.S. Treasury. From a high in Fiscal Year 2000 of \$745 million, we ended the year bringing the debt down to \$345 million, the lowest level since November 1995.

One more key undertaking was our Blueprint for the Future. With valuable input from our stakeholders, we defined our vision. First, we see the NFIP as a Program that will efficiently deliver insurance products that are accessible, desired, and seamlessly provided to our customers and partners. Second, we see the NFIP as a Program where communities not only meet, but exceed, our floodplain management standards. Third, we see the NFIP as a Program that is financially sound both as an agent of change and as a long-term insurance solution.

Your support of the NFIP has been critical, and will remain so as we work to realize this vision. We look forward to continuing our partnerships with you as we move full speed ahead.

Sincerely,

A handwritten signature in black ink that reads "Howard Leikin". The signature is fluid and cursive.

Howard Leikin
Acting Administrator
Federal Insurance Administration

Dear NFIP Stakeholder,

In Fiscal Year 2000, the Mitigation Directorate continued to advocate actions to help Americans reduce the cost of flooding through improved risk assessment, public awareness, and local government initiatives. Recognizing the importance of risk assessment and flood map modernization, Congress authorized using up to \$15 million to modernize and update our flood maps. Through Cooperating Technical Partnerships we assist States and communities with conducting their own flood mapping. Additionally, we are digitizing our inventory of paper maps, and many now are available for purchase online.

Mitigation is most effective when embraced at the local level. The number of *Project Impact* communities has reached approximately 250, representing some 900 jurisdictions nationwide. We've begun to implement the Community Compliance and Floodplain Management Strategy to improve community compliance with the NFIP. Participating communities are encouraged to surpass NFIP requirements through incentives provided under the Community Rating System (CRS). During Fiscal Year 2000, the number of communities participating in the CRS and the level of classification have grown steadily.

The Mitigation Directorate also oversees several grant programs. To help communities use these funds to address the financial drain of repetitive flood loss properties, FEMA has provided data on these properties to State Hazard Mitigation Officers and State and local agencies.

The Mitigation Directorate is dedicated to reducing disaster losses. With the high degree of damage caused by flooding every year and the proven mitigation techniques to protect against flooding, we will continue to pursue effective means of building disaster resistance at the community level.

Sincerely,

A handwritten signature in black ink that reads "Margaret E. Lawless". The signature is cursive and somewhat stylized.

Margaret E. Lawless
Acting Executive Associate Director for Mitigation
Mitigation Directorate



Protection

The Federal Insurance Administration (FIA) manages the NFIP's insurance mechanism that helps individuals and businesses recover financially from floods. FIA works in partnership with local communities and the insurance and lending industries to provide financial protection from flood losses nationwide.

PROGRAM ANALYSIS AND POLICY CHANGES

As issues are identified, FEMA task forces and work groups convene to consider coverage changes and make adaptations to the Program. Occasionally, in-depth studies and analyses are required to resolve problems.

Policy Rewrite

Making flood insurance easier to understand, market, and process always has been among FIA's primary goals. During Fiscal Year 2000, FEMA staff, working with individuals from private insurance companies, completed the process of rewriting the three Standard Flood Insurance Policy (SFIP) forms—the Dwelling Form, General Property Form, and Residential Condominium Building Association Policy.

FIA hired a contractor, Insurance Services Office (ISO), to help reformat the policy forms to resemble the standard homeowners policy used by the insurance industry and to put the policies into plain English. The redrafted SFIP was published for comment in the *Federal Register* on May 31, 2000. After the rulemaking comment period closed at the end of July, changes were made to the SFIP. A final rule was drafted, approved by the Office of Management and Budget, and published in the *Federal Register* with an effective date of December 31, 2000.

Repetitive Loss Strategy

Repetitive loss properties have a major, adverse financial impact on the NFIP. To address this problem, FIA and FEMA's Mitigation Directorate have worked together to identify the "worst" of these properties and to target them for mitigation action, e.g., buyout, relocation, elevation, etc.

In Fiscal Year 2000, FIA began implementing the strategy developed by FEMA's Repetitive Loss Strategy Task Force the year before. This

strategy targets two subsets of insured repetitive loss properties—those with two or three paid losses in which the cumulative flood insurance claim payments are equal to or greater than the building value, and those with four or more paid losses. Policies for properties in both of these subsets began being transferred from Write Your Own (WYO) insurance companies to the NFIP Special Direct Facility (SDF) on August 1, 2000. Use of the SDF allows FEMA greater control in gathering risk information, providing insurance, adjusting losses, and tracking offers of mitigation assistance. Policies in the targeted group can be renewed only through the SDF until appropriate mitigation action has been taken. Once this action has been taken, WYO companies again will be able to write coverage for these properties.

In a joint effort with the Mitigation Directorate, FIA ranked more than 11,000 target repetitive loss properties by state. This information was then provided to State officials so that they could focus mitigation funding on acquiring, relocating, or elevating these structures.

States With the Most Target Group Repetitive Loss Properties

State	Number of Properties	Percent of Target Group
Louisiana	2,993	29%
Texas	1,237	12%
New Jersey	1,061	10%
North Carolina	650	6%
Florida	602	6%
New York	537	5%



Subsidy Reduction Study

Buildings constructed in Special Flood Hazard Areas before a Flood Insurance Rate Map (FIRM) is issued, or before 1975, are exempt from the NFIP's mitigation requirements. In June 2000, FEMA released the study of the economic effects of eliminating the premium subsidy for Pre-FIRM structures completed under contract with Price Waterhouse Coopers.

The study examined the amount by which premium rates would increase if the Pre-FIRM subsidy were eliminated, the number and types of properties affected, the number of policyholders likely to cancel flood insurance if premium rates were increased, and the effects of increased premiums on land values and property taxes.

In Fiscal Year 2000, FIA developed a discussion document with a set of alternative recommendations for reducing the NFIP Pre-FIRM subsidy. To help refine these recommendations, they were presented in a series of meetings with interested internal and external stakeholder groups, including FEMA's Response and Recovery Directorate and Office of the General Counsel, the Association of State Floodplain Managers (ASFPM), the National Emergency Management Association, the Department of Housing and Urban Development, the Small Business Administration, Congressional staff, real estate sellers, and lenders. Concerns expressed by these stakeholders about how low-income property owners would maintain flood insurance coverage under the recommended subsidy reduction strategies have prompted FIA to initiate further research into the consequences of subsidy reduction.

Erosion Study

In 1997, FIA began working with the H. John Heinz, III, Center for Science, Economics, and the Environment on an 18-month study to determine the impact that the availability of flood insurance has had in encouraging new construction in coastal areas. This study focused on the relative costs and benefits of including erosion hazard zones on FIRMs as well as the economic effects of establishing erosion zones.

The Heinz Center and FEMA released the results of the Congressionally mandated study in June 2000. Results included a recommendation that Congress instruct FEMA to develop erosion hazard maps that display the location and extent of erosion. The study also recommended that FEMA develop erosion risk classifications that will be reflected in the flood insurance premium rate structure. By the end of the fiscal year, FIA developed modest initial rate changes in coastal high-hazard zones—to be implemented in May 2001—that reflect the findings from the erosion study but do not introduce changes in the risk classifications that would directly reflect erosion and require further Congressional authorization. In addition, FEMA has assembled an Erosion Zone Work Group to develop specific recommendations for mapping, floodplain regulations, and policy rating in these zones.

Call for Issues

Stakeholder input from FIA's 1998 "Call for Issues" initiative focused on: insurance, risk identification (mapping), and floodplain management (loss reduction). During the comment period, which ended in November 1998, 173 respondents identified almost 740 issues ranging from

simple clarifications to major changes in the way the NFIP operates. Input included suggestions about enhancing lender compliance, rethinking insurance coverage and rates, and offering increased technical guidance.

In May 2000, a "Call for Issues" Report was finalized and placed on the FEMA web site. The report provided the status of FEMA's responses to the 739 issues received from the respondents. Printed copies were sent to all respondents and were made available for other interested parties in August 2000.

NFIP Evaluation

In Fiscal Year 1999, FIA initiated a comprehensive effort to evaluate the results of the NFIP over its 30-year history. The purpose of this evaluation is to assess the efficiency and effectiveness of the NFIP and identify promising alternatives to current operations or opportunities for improvement. A by-product of the evaluation will be the development of an accessible base of information to facilitate research into the NFIP. The six areas of investigation suggest broad questions relating to the overall purpose and scope of the NFIP and narrower inquiries relating to specific program components and activities. They are: occupancy and use of floodplains, costs and consequences of flooding, insurance rating and indemnity functions, floodplain management and enforcement, hazard identification and risk assessment, and communication. Phase One, the research design, will be completed in June 2001. Phase Two, a 3-year effort that will address the areas of inquiry, will begin in Fiscal Year 2002.

Business Process Improvement

One of FIA's newest initiatives, the "Blueprint for the Future" business process improvement (BPI) project, was developed in Fiscal Year 2000 to provide a new vision for the NFIP as well as future goals and objectives and action plans to achieve them. The next phase of the BPI will focus on FIA's information technology requirements and capabilities and future concept of operations. In particular, the BPI will explore the Federal government's interaction with insurance companies and FIA's exchange of information with other NFIP stakeholders.

Claims and Underwriting Study

In 1998, FIA initiated an evaluation of the claims and underwriting processes of the NFIP. Designed to assess the underwriting and claims requirements, how well these requirements are being met, and the nature and adequacy of FIA's control over these processes, the study was conducted by Deloitte & Touche and completed in 1999. The study's final report includes recommendations for improving controls, management and oversight, file documentation, training and education, the adjusting processes, policy language, communications, and audits.

During Fiscal Year 2000, FIA continued to review the report and its recommendations to determine how best to improve the NFIP's claims and underwriting activities.



Policy Changes

Changes that are made to the flood insurance products offered by FIA through the NFIP are intended to simplify policy writing, enhance the effectiveness of coverage, and more accurately reflect the risks being underwritten.

Preferred Risk Policy Renewal

The Preferred Risk Policy (PRP) was created in 1989 in response to requests from insurance agents for a lower-cost policy for properties located in low-risk X Zones. The PRP was designed to be simple to understand and process. Because of this approach, the PRP has been very marketable and has been the fastest growing product of the NFIP, increasing by 78 percent since April 1997.

In 1997, FIA and the WYO companies reviewed underwriting experience. As a result, PRP eligibility rules were strengthened to assure more fully that only properties that are truly low-risk qualify. To help preserve the lower premium rates charged for PRP properties, policies that no longer are eligible have been identified and rewritten as Standard Flood Insurance Policies (SFIPs) with higher premium rates that more accurately reflect the flood risk. By rewriting these PRP policies as standard policies, the NFIP is able to maintain an affordable PRP premium for low-risk, single-family buildings located in areas outside Special Flood Hazard Areas (SFHAs), furthering the Program's goal of increasing the policy base and geographic spread.

Statistics reveal that the PRP book of business is continuing to grow. Between May 1998 and October 2000, the NFIP premium income on PRPs increased from \$131 million to \$160 million, an increase of 23 percent.



October 1999

Policy Changes

Highlights of the October 1999 Revisions to the NFIP *Flood Insurance Manual*:

The new FEMA Elevation Certificate (EC) and accompanying instructions were finalized and the use of the new certificate became mandatory on January 1, 2000.

The *Lowest Floor Guide* tables were added to the Manual's Application section to help agents rate more accurately.

Changes were made to some terminology that had been difficult to interpret. For example, the term "reference level" [of a building] was changed to "lowest floor" in the Application section and Building Drawing section of the Manual.





May 2000

Policy Changes

Highlights of the May 2000 Revisions to the NFIP *Flood Insurance Manual* and Other Program Documentation:

Rate revisions became effective on May 1, 2000, in the following areas:

- Significant changes were made to the Mortgage Portfolio Protection Program policy rates to make them more closely resemble the other NFIP policy rates.
- Changes were made to both Pre-FIRM and Post-FIRM rates for various occupancy types.
- Basic Limits thresholds were raised from \$135,000 to \$150,000 for Other Residential/ Non-Residential Buildings, from \$15,000 to \$20,000 for Residential Contents, and from \$115,000 to \$130,000 for Non-Residential Contents.

Limits for Increased Cost of Compliance (ICC) Coverage for flood losses occurring on or after May 1, 2000, were raised from \$15,000 to \$20,000. This amount is subject to the Standard Flood Insurance Policy limitations, restrictions, and exclusions. This change was covered under the liberalization clause of the Standard Flood Insurance Policy.

Required use of the new Elevation Certificate was changed from January 1 to October 1, 2000.

With the cooperation of the WYO companies, the insurance servicing of some 11,000 policies identified as repetitive losses began

being transferred to a centralized facility called the Special Direct Facility (SDF). Use of centralized servicing permits better oversight of claims, and the coordination of claims and mitigation offers for repetitive loss buildings.

New monthly Transaction Record Reporting and Processing (TRRP) Plan requirements were made for WYO companies:

- Quick Claim Reporting became a new requirement to ensure that WYO companies report loss information immediately, as it is received into their claims processing systems. Quick Claim Reporting provides loss information to FEMA regions and local communities that need to quickly track the latest flood losses for potential building permit activity and to review potential mitigation action prior to the start of reconstruction and repair.
- Other new TRRP requirements included the Principal Residence Indicator (which allows the NFIP to determine whether a property is the policyholder's principal home or a vacation or other residence) and reporting of the Expense Constant (the flat charge added to all flood insurance policies to cover the Federal government's processing costs). To enable WYO companies to identify properties that are ineligible for flood insurance because they are located in a protected area, the Community Master File was modified to include an indicator that notes when a community map panel contains a Coastal Barrier Resources Area (CBRA) or an Otherwise Protected Area (OPA).

COMMUNICATION

FIA communicates the NFIP's flood risk and flood protection messages to the general public and to Program stakeholders through its Cover America II advertising and public awareness efforts and through a wide variety of educational programs and technical assistance materials.

Cover America II

In 1995, FIA initiated its Cover America campaign to increase awareness of flood insurance and to motivate people to take action either by responding directly to the NFIP or by contacting their own insurance agent. Through the Co-op Advertising Program and free public awareness materials, insurance companies and agents can tie in their own flood insurance marketing efforts with those of the national Cover America campaign.

At the beginning of Fiscal Year 2000, FIA began the Cover America II campaign by introducing the new NFIP brand in advertising, co-op advertising, and public relations efforts. Cover America II materials now bear a new web address—www.floodalert.fema.gov—which takes visitors to an animated version of the new NFIP brand and a link to the NFIP web site.

Advertising

Advertising efforts included commercials on national television; print ads targeting consumers, insurance agents, and lenders; and trademark listings using the new brand in Yellow Pages directories.



Throughout the year, more than 2,800 30-second commercials aired on national cable stations and network news programs, and the 15-second commercial, used only for special events, aired 13 times.

NFIP commercials aired on these programs:

- *ABC Monday Night Football*
- *Macy's Thanksgiving Day Parade*
- *CBS Thanksgiving Day Parade*
- *NFL Football on Fox*
- *"Who Wants to Be a Millionaire?"*
- *American Music Awards*
- *NFC pre-game show and game*
- *Season finale of "Spin City"*
- *Finale of "Survivor"*

NFIP commercials aired on these cable channels:

- *A&E* ● *Bloomberg* ● *CNBC* ● *CNN* ● *Discovery* ● *ESPN* ● *FOXNews* ● *Headline News* ● *History Channel* ● *Learning Channel* ● *MSNBC* ● *TBS* ● *TNT* ● *USA Network* ● *Travel Channel* ● *Weather Channel*

NFIP commercials aired during network news programs on the following:

- *ABC* ● *CBS* ● *NBC*



New consumer print ads joined the television advertising in January 2000, and new ads targeting insurance agents and lenders were added later in the fiscal year. These new NFIP ads appeared in 25 consumer magazines, 10 insurance agent magazines, and 7 lender magazines.



Yellow Pages advertising also continued during the year. Both the NFIP logo and toll-free number were listed in 417 directories in 109 markets with a population of nearly 127 million. The NFIP listing also was added to the BigYellow Internet Directory, now known as Superpages.com.



NFIP print ads appeared in these consumer publications:

- *American Heritage*
- *American Homestyle & Gardening*
- *American Woodworker*
- *Better Homes and Gardens, Home Plan Ideas*
- *Better Homes and Gardens, "Best of" Home Plan Ideas*
- *Condé Nast Traveler*
- *Country Gardens*
- *Country Home*
- *Country Living*
- *Extra Equity*
- *Family Handyman*
- *Metro Magazine*
- *Midwest Living*
- *Money*
- *National Geographic*
- *Newsweek*
- *Old House Journal*
- *Preservation*
- *Smart Money*
- *Southern Living*
- *This Old House*
- *Time*
- *Today's Homeowner*
- *Traditional Home*
- *U.S. News & World Report*

NFIP print ads appeared in the following trade magazines:

- *American Agent and Broker*
- *Best's Review Property and Casualty/Life Health Edition*
- *Business Insurance*
- *CPCU Journal*
- *Independent Agent*
- *National Underwriter*
- *Professional Agent*
- *Rough Notes*

NFIP print ads appeared in the following state and regional agent magazines:

- *Insurance Journal*
- *Insurance Journal (Texas)*

NFIP print ads appeared in the following lender magazines:

- *ABA Banking Journal*
- *Bank Director*
- *Banking Strategies*
- *Credit Union Magazine*
- *Financial Services Marketing*
- *Mortgage Servicing News*
- *U.S. Banker*

Co-op Advertising Program

Cover America II

During Fiscal Year 2000, the NFIP Co-op Advertising Program helped to bring Cover America II's national message to local areas. Through the NFIP Co-op Advertising Program, WYO companies and insurance agents can save up to 50 percent of their flood insurance advertising costs. Between January 1996 and September 2000:

- Nearly 1,900 WYO companies and insurance agents participated in the Co-op Advertising Program.
- WYO companies and insurance agents ran more than 9,000 flood insurance ads.
- FIA paid more than \$2 million in reimbursements to Co-op Advertising Program participants.

Public Relations

Cover America II public relations activities increased during Fiscal Year 2000. Television and radio public service announcements (PSAs) as well as articles for consumers were produced and distributed, media tours were conducted, and an informational package was mailed to all members of the National Association of Insurance Commissioners. Between November 1999 and the end of September 2000, there were 8,732 news media placements—including newspaper articles and television and radio broadcasts—as a result of national public relations efforts. Because of these efforts, the NFIP message was on television, radio, and in newspapers more than 142 million times.

Public Service Announcements

A television PSA produced in Spring 2000 featured TV weathercaster Al Roker providing information about how to prepare for and recover from floods. After the PSA was distributed in June, 56 television stations in 49 markets across the United States reported airing it, giving an estimated audience of 34 million viewers the opportunity to see the PSA.

A series of radio PSAs called "The 'Be Flood Alert' News Minute" was distributed to radio stations in hurricane-prone states in July 2000. These PSAs featured experts who provided information about flood risk and prevention, insurance purchase and retention, FEMA's *Project Impact: Building Disaster Resistant Communities* initiative, and what to do before, during, and after a flood. The PSAs were aired more than 3,400 times by more than 30 stations in 31 cities. This series was played to an estimated audience of more than 17.7 million people.

Media Tour

At the end of May, an interview with then Federal Insurance Administrator Jo Ann Howard discussing the 2000 Hurricane Season was featured in a satellite television and radio media tour with stations across the country. By the end of August there were 340 television broadcasts of the interview to an estimated audience of 5.9 million people. In addition, there were 824 radio broadcasts to an estimated audience of 14.6 million people.



New Consumer Article

In March 2000, a consumer article titled "Water, Water Everywhere: Test Your Flood IQ" was released to newspapers across the country. By the end of the fiscal year, the article had been placed more than 1,000 times in 23 states. As many as 72 million people had the opportunity to read this consumer awareness piece.

Results

From October 1, 1995, through September 30, 2000, more than 760,000 people contacted the NFIP for more information as a result of the Cover America I and II campaigns. Almost 600,000 of these contacts were telephone calls. Of those calls, nearly 107,000 (18 percent) were referred to an insurance agent. In follow-up calls with consumers who were referred to an agent, approximately 30 percent stated that they had purchased a flood insurance policy as a result.

During Fiscal Year 2000, an analysis was conducted of the "return on investment" in the Cover America campaigns—using data from 1994 to 1999—to determine the impact NFIP advertising has had on policy growth. The analysis showed that nearly 21 percent of all new policy sales could be attributed to NFIP advertising. Flood events accounted for approximately 12 percent of new policy sales. A number of unidentified elements, considered the baseline of growth, accounted for the remaining 67 percent of policy sales. According to the analysis, advertising has had the greatest impact on increasing flood insurance policy sales in communities that have low to medium risk of flood.



Conferences

Each year FIA hosts or participates in dozens of conferences that address flooding issues.

The National Flood Conference

This annual conference is held to educate members of the NFIP's constituencies about the benefits of flood insurance and to motivate them to promote the Program. The National Flood Conference is attended by representatives from the insurance industry; lending institutions; and Federal, State, and local government agencies. Claims adjusters, flood zone determination company representatives, appraisers, real estate agents, and others also attend. Participation has swelled from 125 registrants at the first National Flood Conference in 1983 to almost 900 in 2000.

A general session featuring prominent speakers opened each day of the 2000 National Flood Conference. General sessions were followed by dozens of technical workshops where conferees gathered in smaller groups to participate in panel discussions. On the conference's final evening, 14 stakeholders and their organizations were recognized at the Program's Awards Banquet for extraordinary efforts on behalf of the NFIP.



National Flood Conference

May 7-10, 2000
Austin, Texas
899 attendees

Flood Forums and Video Conferences

Interactive, day-long video conferences and flood forums are conducted in different parts of the country to expand and reinforce NFIP partnerships while providing opportunities to discuss flooding issues with local, regional, and national public officials and flood experts. Often, these forums and video conferences are cosponsored by local stakeholder organizations.

Forums and Video Conferences

Conferences

Alabama

"Water Runs Down Hill" video conference was held for Realtors in Mobile

Florida

"After the Storm" video conference was held in Tallahassee

New York

NFIP and FEMA Region II Offices cosponsored a flood forum in Long Island

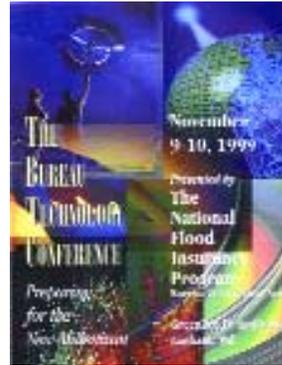
Oklahoma

NFIP and FEMA Region IV Offices cosponsored a flood forum with the City of Tulsa



Partners in Planning Conference

Each year, the emergency management and claims adjusting communities in hurricane-prone states collaborate with FIA in presenting the Partners in Planning Conference. This conference is designed to strengthen the alliances between the NFIP, the insurance industry, and State and local emergency managers. Another conference goal is to coordinate disaster response and recovery after a major flood or hurricane in the Gulf Coast states.



Bureau Technology Conference

November 9-10, 1999
Lanham, Maryland
111 attendees



Partners in Planning Conference

November 17, 1999
Biloxi, Mississippi
Almost 150 attendees

NFIP Presence at Other Conferences

The NFIP often provides speakers to participate in conferences attended by insurance agents, lenders, public officials, and others concerned with issues of flood protection and mitigation.

Speaker Participation

Conferences

FIA Administrator

During Fiscal Year 2000, then Federal Insurance Administrator Jo Ann Howard gave 24 speeches at events held in nine states and Canada. Examples of these were:

- Meeting of the National Emergency Management Association held in Washington, DC, in February
- U.S./Canada Consultative Group Meeting held in Ottawa, Canada, in August

FIA Staff and Other NFIP Representatives

Conferences at which FIA staff and other NFIP representatives spoke included:

- IIAA Education Convocation held in Palm Springs, California
- 17th Eastern Agent Conference sponsored by the IIAA of North Carolina in Raleigh, North Carolina
- FEMA Region IV State Coordinator's Annual Meeting held in Biloxi, Mississippi
- Flood Policy Retention Conference for WYO companies held in Chicago, Illinois

NFIP Bureau Technology Conference

Each year, the NFIP Bureau and Statistical Agent hosts a training conference attended by representatives from WYO companies, flood zone determination companies, and other groups. Topics presented at the Bureau Technology Conference held in Fiscal Year 2000 included the new Elevation Certificate, the Condominium Inspection Program, the Repetitive Loss Strategy, and Marketing Tips for WYO companies.

Booth Exhibited

Conferences

During the fiscal year, the Cover America II booth was redesigned and exhibited at 14 insurance and lending industry, State and local government, and other stakeholder-sponsored conferences.

Connecticut

Connecticut Independent Insurance Agent Mid-Year Conference held in Plantsville

District of Columbia

Annual *Project Impact* Summit

Florida

National Association of Realtors Conference held in Orlando

Kansas

National Association of Insurance Women Conference held in Kansas City

Louisiana

Hurricane Awareness Fair held in Mandeville

Missouri

Missouri Association of Insurance Agents Annual Conference held in Branson

New Jersey

Mortgage Bankers Association Regional Conference held in Atlantic City

North Carolina

North Carolina League of Municipalities Annual Conference held in Raleigh

North Carolina Governor's Hurricane Conference held in Sunset Beach

Pennsylvania

Flood Victim Workshop sponsored by the Pennsylvania Department of Insurance held in Eastwick

South Carolina

Project Impact Mitigation Expos held in Bluffton, Myrtle Beach, and Charleston

Texas

Association of State Floodplain Managers National Conference held in Austin





Training and Education

Those who are on the front lines of determining flood risks and communicating the need for flood protection to consumers in their communities—insurance agents, lenders, and public officials—are provided with assistance about how to market and sell flood insurance as well as how to process flood insurance claims.

The NFIP uses its 10 Regional Offices and 1 satellite office to present hundreds of training courses across the country for insurance agents, lenders, and WYO companies. In addition, the NFIP Regional Offices support the flood response efforts of FEMA's Regional Offices after a disaster takes place.

Agent and Lender Training

Agent workshops and lender seminars were held in all 50 states plus Puerto Rico and the Virgin Islands during Fiscal Year 2000.

In February 2000 the NFIP held its first Distance Learning Seminar, cosponsored by the Professional Insurance Agents of Illinois. The basic NFIP agent workshop was beamed by satellite to

participants gathered at five community colleges throughout Illinois. Five hours of Continuing Education credit was given to participating Illinois agents. In September the "Florida at Risk" video-conference was broadcast from the Florida State University campus in Tallahassee to 10 downsites throughout the state.

Claims Adjuster Training

The NFIP offers training to claims adjusters each year to provide important updated coverage information. Emphasis also is placed on elevated buildings, substantial damage, and the Increased Cost of Compliance coverage.

Claims Presentations

Training

- 23 seminars
- Held in Alabama, California, Florida, Georgia, Illinois, Louisiana, Maryland, Massachusetts, Missouri, New Jersey, New York, North Carolina, Oregon, South Carolina, Texas, Virginia, and West Virginia
- 2,309 attendees

Agent and Lender Training

Training

Agents

- 415 workshops
- 301 (72 percent) sponsored by WYO companies or trade associations
- 13,924 total attendance

Lenders

- 117 seminars
- 62 (52 percent) sponsored by banks, credit unions, mortgage companies, or professional associations
- 1,635 total attendance

Post-Flood Training

When a large flood takes place, NFIP representatives often travel to the flood site to provide training to agents, lenders, and public officials involved in recovery efforts.

As a result of Hurricane Floyd in mid-September 1999, NFIP Regional Office staff assisted at the Disaster Field Office in Raleigh, North Carolina, and provided post-flood training and technical support at the Disaster Field Office in Piscataway, New Jersey, from October through November 1999. During December, more than 1,000 agents, lenders, and public officials attend-

ed the six NFIP Post-Flood Workshops held in North Carolina to brief insurance agents, lenders, and public officials about flood insurance claims and policy processing for Hurricane Floyd.

Elevation Certificate Workshops

During Fiscal Year 2000, great emphasis was placed on helping insurance agents understand the new Elevation Certificate (EC). The basic NFIP agent workshop presented throughout the United States was redesigned to include instruction on how to use the new EC to properly rate an elevated building. In addition, the first module in a mastery series of web-based NFIP training for insurance agents was designed and produced to provide in-depth training about the new EC.

ICC Claims Workshops

In 1997, the NFIP implemented a Standard Flood Insurance Policy coverage—the Increased Cost of Compliance (ICC) coverage—to assist policyholders required by community ordinances to elevate, floodproof, demolish, or relocate flood-damaged homes. These mitigation options allow policyholders who have experienced repetitive or substantial flood damage to bring their buildings into compliance with their community's floodplain management ordinances.

ICC Claims Workshops are offered to give claims adjusters the opportunity to learn about the eligibility and underwriting requirements of ICC claims as well as the details of adjusting an ICC claim.

ICC Claims Workshops

In-
training

- 8 workshops
- Held in Alabama, Florida, Maryland, Missouri, New Jersey, Puerto Rico, South Carolina, and Texas
- 575 attendees

In-House Training

During the year, WYO companies and claims adjustment firms periodically request onsite NFIP claims seminars in addition to the NFIP's regularly scheduled claims adjuster presentations.

In-House Training

Training

WYO-Sponsored

- 8 training sessions
- Held in Arizona, Florida, Maryland, Puerto Rico, and Texas

Claims Adjuster Firm-Sponsored

- 13 training sessions
- Held in Alabama, Louisiana, Montana, Nebraska, Nevada, and North Carolina





Electronic and Print Media

FIA uses cutting-edge technology such as the Internet and CD-ROMs as well as video tape and a wide array of print media to communicate the NFIP messages of flood risk and flood protection.

The NFIP Web Site

FIA began to track web site visitors in January 2000. From January through September 2000, FIA received more than 286,000 visitors to the NFIP web site. The "Ask the Expert" web page continued to generate many questions during the fiscal year. At this section alone, more than 1,300 inquiries were received during the fiscal year—975 from consumers, 130 from insurance representatives, more than 195 from lending institutions, and the remainder from others.

During Fiscal Year 2000 a new web address was activated to reinforce the new NFIP "Be Flood Alert" brand. The new address—www.floodalert.fema.gov—takes visitors to a new splash page with an animated version of the NFIP logo and a link to the NFIP home page www.fema.gov/nfip. Visitors can download several versions of the new logo and graphic standards for its use.

In Summer 2000, the NFIP's web site became one of the first in the Federal government to become accessible to the visually impaired. Users equipped with a web browser that can produce audio interpretations of text may now listen to any of the fema.gov/nfip web pages.

Video and CD-ROM Production

During Fiscal Year 2000, a news video entitled "Eye on Flood" was produced to air at the National Flood Conference and then made available to WYO companies and other stakeholders. The 20-minute video contained several short news stories, an update about Hurricane Floyd, and information about changes to the NFIP.

"People Helping People," a 15-minute video highlighting FIA's role in the NFIP, was produced during Fiscal Year 2000 and made available to WYO companies and other stakeholders in February.

More than 300 copies of the Basic Agent Tutorial CD were distributed to WYO companies, community officials, insurance agents and agencies, and insurance trade associations during the fiscal year. This 45-minute interactive video CD guides agents new to the NFIP through tutorials that include demonstrating how to handle the most commonly asked questions about flood insurance from their customers.



Publications

The NFIP provides a wide variety of Program documentation to support training and awareness initiatives throughout the country. Annual products include updates to system documentation for the WYO companies, brochures and fact sheets about the NFIP's products and services, and training materials for agents and adjusters.

Regular revisions and updates of publications are prompted by changes in the Program. For example, the Program's most important resource, the *Flood Insurance Manual*, underwent a major rewrite during the fiscal year to reflect underwriting and "Plain English Initiative" changes in the new SFIPs. The *Adjuster Claims Manual*, an important resource used by claims adjusters, was rewritten for the same reasons. Numerous other documents that guide the operation of the WYO portion of the NFIP are revised periodically.

Guidance Documents

Electronic and Print Media

Agent and Adjuster Manuals

- *NFIP Flood Insurance Manual*
- *Adjuster Claims Manual*

WYO Operation Publications

- *Financial Control Plan Requirements and Procedures*
- *Transaction Record Reporting and Processing (TRRP) Plan*
- *Edit Specifications Document*
- *Specific Rating Guidelines*
- *Operational Overview*

Among the new publications developed during Fiscal Year 2000 was the *Insurance Agents' Lowest Floor Guide*, a simplified version of the instructions for the new Elevation Certificate. Also developed during the fiscal year was the final language and format of the new Standard Flood Insurance Policies (SFIPs). New in 2000 were *Top Ten Fact Sheets* for State Legislators, Realtors, and Insurance Commissioners.

Additional Publications

Electronic and Print Media

Updated Brochures

- *The Worst Guest List*
An annual flyer that lists the names reserved for tropical storms during the current hurricane season.
- *Flood: Are You Protected?*
A brochure for agents to give to their clients that highlights several of the most important facts about flooding and coverage options.
- *The Choice is Yours*
A brochure that lists the WYO companies currently writing flood insurance.

News Publications

- *Watermark*
A newsletter that includes feature articles about recent Program changes, clarification of procedures, and information about new initiatives. *Watermark* also contains a series of regular columns providing Program updates, marketing tips, and flood insurance training information.
- *National Flood Conference News Sheet*
A daily news publication distributed to attendees each morning of the 2000 National Flood Conference.



STORM AND CLAIM SUMMARY

Floods are the most prevalent natural catastrophe. Although Fiscal Year 2000 did not produce as many costly storms as did each of the previous four fiscal years, more than \$300 million was paid in claims submitted for flood losses during the year.

Event	States	Paid Losses/ Total Payments*
<p>Hurricane Irene</p> <p>The first major flood of the fiscal year occurred when Hurricane Irene, the ninth named hurricane of the season, hit the Atlantic Coast on October 15, 1999, and caused flooding from Florida to New Jersey—an area that was still recovering from the devastating effects of Hurricane Floyd, which hit in September. A Presidential Disaster Declaration was made for Florida, which received the brunt of the storm.</p>	<p>Florida, North Carolina, South Carolina, Virginia</p>	<p>14,195</p> <p>\$120,228,885</p>
<p>Tropical Storm Katrina and Hurricane Lenny</p> <p>Tropical Storm Katrina had weakened to a tropical depression before it reached Florida at the beginning of November 1999. Although this storm brought heavy precipitation, few NFIP losses occurred. The six claims that were paid to cover damage from this storm resulted in only \$15,654 in payments.</p> <p>Two weeks later, Hurricane Lenny, a Category IV hurricane with up to 150 mph winds and severe rainfall, passed by the Virgin Islands and Puerto Rico. Widespread flooding was reported in both U.S. Territories.</p>	<p>Florida, Puerto Rico, Virgin Islands</p>	<p>199</p> <p>\$8,180,391</p>
<p>Pineapple Express Storms</p> <p>Every year, the West Coast of the United States is hit by a series of fall and winter storms dubbed the "Pineapple Express" because these weather systems originate near the Hawaiian Islands. The first "Pineapple Express" storm soaked Oregon and Washington over Thanksgiving in late November 1999, and a second storm brought heavy precipitation primarily to Washington two weeks later. California was subjected to a series of three additional Pacific storms in late January and February 2000.</p>	<p>California, Oregon, Washington</p>	<p>388</p> <p>\$6,726,434</p>
<p>Winter Storm</p> <p>A strong low-pressure system moved from the Midwest into the Ohio Valley in mid-February, bringing heavy rain and causing severe flooding for more than a week. Presidential Disaster Declarations were made for Kentucky, Ohio, and West Virginia.</p>	<p>Indiana, Kentucky, Ohio, Pennsylvania, West Virginia</p>	<p>756</p> <p>\$7,622,000</p>

* Loss data as of January 31, 2001

- Spring Storms
- Fall Storms
- Summer Storms
- Winter Storms

Event	States	Paid Losses/ Total Payments*
<h3>Spring Storms</h3> <p>A month later, severe weather converged on the Southern Plains before moving into the Southeast and dissipating. Hit hardest was Alabama, which received a Presidential Disaster Declaration. Just a few days later, another series of spring storms moved out of the Rockies and into the Southern Plains states, bringing severe thunderstorms and flooding to a region already saturated by rain.</p>	Alabama, Louisiana, Texas	151 \$2,309,834
<h3>Spring Storms</h3> <p>Spring rains and warming temperatures caused flooding in the Northeastern United States in late March and through much of April as runoff from snowmelt backed up against ice jams on rivers in New England. A Presidential Disaster Declaration was made to help Maine residents recover from the flooding that resulted from this series of storms.</p>	Connecticut, Delaware, Maine, Massachusetts, New Jersey, New York, Ohio, Pennsylvania, Vermont	131 \$1,519,976
<h3>Spring Storms</h3> <p>An intense storm system brought heavy rains and widespread flash flooding to the lower Mississippi and Tennessee Valleys and to Texas during the first week of April. Moderate to major flooding occurred along rivers in Mississippi, Louisiana, and Tennessee. Three days later, a slow-moving Pacific front, in combination with low-level moisture from the Gulf of Mexico, brought severe thunderstorms to the lower Mississippi River Basin and Eastern Texas before drifting east into Louisiana and Mississippi.</p>	Alabama, Georgia, Louisiana, Mississippi, Texas	311 \$3,014,299
<h3>Spring Storm</h3> <p>At the end of April, an upper-level storm moved slowly across the Southern Plains and Northern Texas, bringing severe weather and spawning heavy local downpours for almost 10 days. Most heavily hit were Oklahoma and Missouri, where hundreds of evacuations took place. A Presidential Disaster Declaration was made in Missouri to help residents begin recovery efforts.</p>	Louisiana, Missouri, Oklahoma, Texas	515 \$10,794,811
<h3>Summer Storms</h3> <p>From mid-May until the end of the first week of June, a series of severe thunderstorms caused havoc in the Midwest, Northeastern Texas, the Tennessee Valley, and the Carolinas. Presidential Disaster Declarations were made for Minnesota, Tennessee, and Wisconsin.</p>	Florida, Illinois, Iowa, Louisiana, Minnesota, North Carolina, Tennessee, Texas, Virginia, Wisconsin	588 \$9,752,833

* Loss data as of January 31, 2001



Event	States	Paid Losses/ Total Payments*
<p>Summer Storms</p> <p>June was one of the stormiest months in Fiscal Year 2000. For much of the month, severe weather stretched from Texas and the Southern Plains to the Midwest and across the Southern Great Lakes states. Illinois, Missouri, North Dakota, and Texas experienced the heaviest flooding. A Presidential Disaster Declaration was made to help North Dakota disaster relief efforts.</p>	Arkansas, Georgia, Illinois, Indiana, Kansas, Kentucky, Michigan, Minnesota, Missouri, New York, North Carolina, North Dakota, Oklahoma, Pennsylvania, Texas	487 \$8,409,589
<p>Southwest Monsoons</p> <p>The Southwest Monsoons—a series of summer storms that sweep over the Southwestern United States from June until September—did relatively little damage during Fiscal Year 2000.</p>	Arizona, California, Colorado, Nevada, New Mexico	31 \$282,359
<p>Summer Storms</p> <p>During the first week in July, a slow-moving storm system traveled out of the Northern Rockies and eastward into the Plains, bringing a series of torrential downpours to Minnesota and Missouri before moving into the Ohio River Valley.</p> <p>As these thunderstorms moved into the Northeast in mid-July, they produced heavy rainfall in New York and Vermont, where a Presidential Disaster Declaration was made. Simultaneously, a series of thunderstorms moved up the East Coast from Florida, bringing drought relief but causing flooding up the Eastern Seaboard.</p>	Connecticut, Delaware, Florida, Illinois, Indiana, Iowa, Kentucky, Maryland, Massachusetts, Minnesota, Missouri, Nebraska, New Jersey, New York, South Carolina, Vermont, Wisconsin	293 \$3,552,459
<p>Summer Storm</p> <p>While fires burned out of control in the West at the end of July, a low-pressure system brought more moisture to the Mid-Atlantic states before moving northward into New England. Within the next few days, persistent rains continued along the entire Eastern Seaboard, causing flooding from Florida to New York. Particularly hard hit were Pennsylvania and Ohio, where a Presidential Disaster Declaration was made to assist flood recovery efforts.</p>	Florida, Georgia, Kentucky, Maryland, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Virginia, West Virginia	446 \$7,170,078

* Loss data as of January 31, 2001

Event	States	Paid Losses/ Total Payments*
<p>Summer Storms</p> <p>In mid-August, powerful thunderstorms again pounded the Eastern states. More than half of the claims submitted from these storms came from New Jersey, where a Presidential Disaster Declaration was made.</p>	Connecticut, New Jersey, New York, Pennsylvania, Virginia, West Virginia	<p>252</p> <p>\$4,813,450</p>
<p>Hurricane Debbie</p> <p>The hurricane season began in earnest during the last 10 days of August when Hurricane Debbie brushed the northern side of Puerto Rico and the U.S. Virgin Islands. Damage was minimal.</p>	Puerto Rico	<p>30</p> <p>\$165,254</p>
<p>Summer Storms and Tropical Storm Florence</p> <p>From August 24 until the end of the fiscal year, a number of Atlantic Coast storms brought heavy rains to the Southeastern and Mid-Atlantic states. A Labor Day weekend storm caused flooding from Florida to New York. Several days later, thunderstorms associated with Tropical Storm Florence brought more precipitation to already saturated ground from Florida to the Carolinas.</p>	Florida, Georgia, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Virginia, West Virginia	<p>174</p> <p>\$2,567,555</p>
<p>Tropical Storm Gordon</p> <p>Puerto Rico received heavy precipitation the same weekend that Tropical Storm Gordon made landfall in Southern Georgia on September 17 after soaking Florida on its way north. Tropical Storm Helene followed close on Gordon's heels, flooding Florida and the Carolinas with even more rain. Cumulative damage in Florida from the three tropical storms—Florence, Gordon, and Helene—was so severe that a Presidential Disaster Declaration was made to assist in recovery efforts there.</p>	Florida, Georgia, North Carolina, Puerto Rico, South Carolina	<p>325</p> <p>\$2,923,216</p>

* Loss data as of January 31, 2001



Fiscal Year 2000 Claims Totals by State

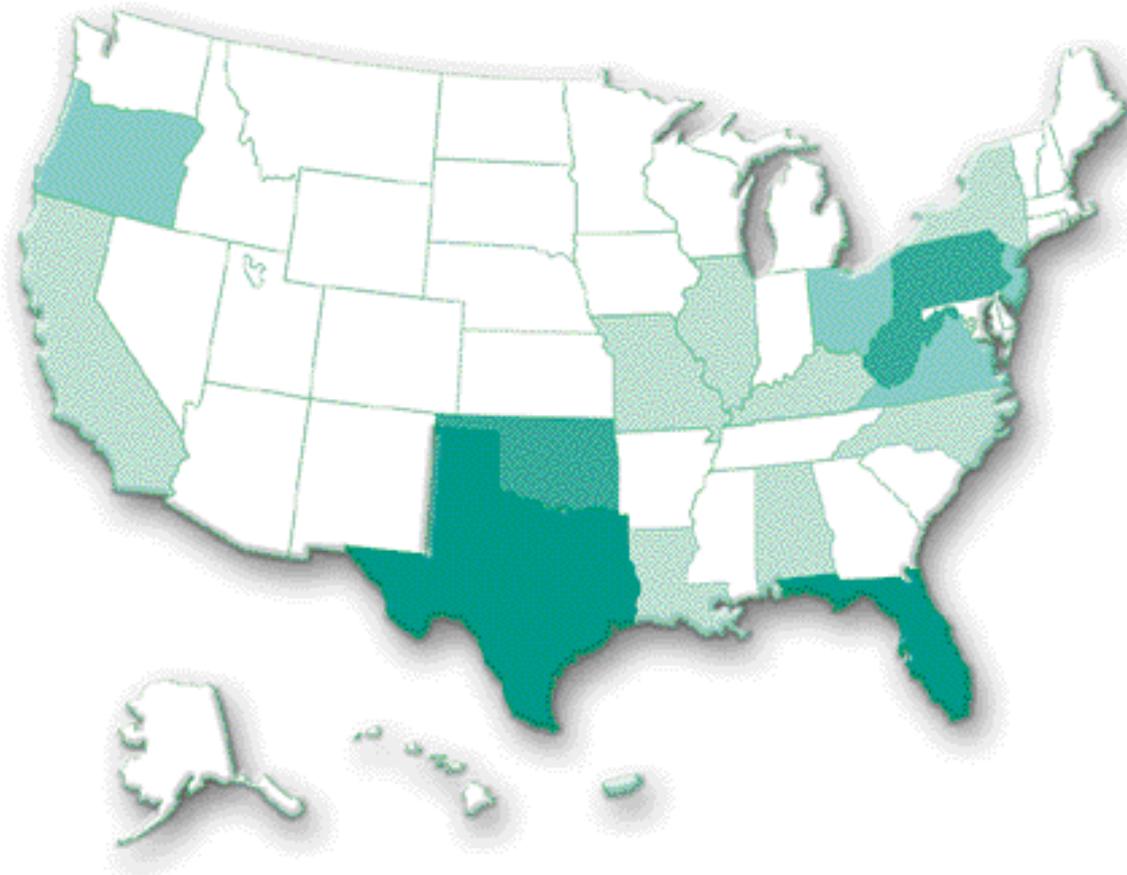
(Data drawn from NFIP Bureau and Statistical Agent September 30, 2000 reports)

States	Total Paid Losses	Total Payments on Closed Losses
Alabama	164	\$2,380,108
Alaska	3	\$30,993
Arizona	5	\$26,797
Arkansas	26	\$399,350
California	171	\$1,143,586
Colorado	9	\$68,189
Connecticut	73	\$657,411
Delaware	20	\$458,535
District of Columbia	0	\$0
Florida	14,211	\$118,387,961
Georgia	81	\$955,714
Guam	0	\$0
Hawaii	6	\$60,443
Idaho	1	\$1,851
Illinois	161	\$1,445,273
Indiana	43	\$275,116
Iowa	19	\$272,091
Kansas	5	\$11,511
Kentucky	189	\$1,955,886
Louisiana	190	\$1,378,916
Maine	12	\$34,116
Maryland	17	\$101,578
Massachusetts	35	\$120,429
Michigan	47	\$319,734
Minnesota	177	\$2,032,407
Mississippi	66	\$502,642
Missouri	186	\$5,110,050
Montana	0	\$0
Nebraska	5	\$18,762
Nevada	0	\$0
New Hampshire	9	\$110,609
New Jersey	229	\$1,935,922
New Mexico	5	\$11,600
New York	194	\$2,365,919
North Carolina	189	\$2,062,102
North Dakota	33	\$460,801
Ohio	214	\$1,899,080

2000 CLAIMS

States	Total Paid Losses	Total Payments on Closed Losses
Oklahoma	349	\$6,739,068
Oregon	213	\$4,535,732
Pennsylvania	355	\$4,235,040
Puerto Rico	143	\$1,254,386
Rhode Island	3	\$25,760
South Carolina	78	\$775,980
South Dakota	2	\$53,075
Tennessee	87	\$1,086,660
Texas	697	\$11,492,554
Utah	0	\$0
Vermont	13	\$110,137
Virgin Islands	172	\$7,979,862
Virginia	216	\$1,994,926
Washington	63	\$1,260,772
West Virginia	371	\$3,377,884
Wisconsin	69	\$427,359
Wyoming	1	\$570
Total	19,627	\$192,345,243

- Fewer than 100
- 100-199
- 200-299
- 300-399
- 400 or More





Prevention

FEMA's Mitigation Directorate was established in 1993 to identify the nation's hazards and the risks faced by local communities; to develop or improve strategies to mitigate those risks; to provide financial and technical assistance for applying mitigation techniques before and after disasters strike; and to support development of incentives to make mitigation a priority.

COMMUNITY INVOLVEMENT

The Mitigation Directorate administers programs that are designed to change the way that Americans prepare for and respond to flooding and other disasters.

Project Impact

FEMA's mitigation strategy focuses on establishing partnerships to develop disaster-resistant communities and institutions through *Project Impact*. This initiative was launched in November 1997 with seven pilot communities across the country. By the end of Fiscal Year 2000, the number of communities participating in *Project Impact* had increased to 249.

Guidance, Training, and Technical Assistance

Guidance, training, and technical assistance are used to develop disaster resistance within *Project Impact* communities. In December 1999, more than 1,400 representatives of local, State, and Federal organizations attended workshops and peer focus groups at the *Project Impact* Summit.

During the last fiscal year, hundreds of individuals from participating communities and their state governments attended consensus-building courses sponsored by *Project Impact* that were designed to equip them with tools and technical guidance. Complimentary contingency-planning software for assessing vulnerability of public facilities was provided to 60 *Project Impact* communities.

Business Partnerships

FEMA recognizes that Federal resources must be leveraged with those of the private sector as well as those of States and localities to build disaster-resistant communities.

National Partnerships

Project Impact

Project Impact's national business partners are instrumental in focusing attention on the initiative and communicating its importance to the public. Following is a list of businesses that became *Project Impact* partners during Fiscal Year 2000 and descriptions of some of the ways they provided support.

Compaq Computer Corporation

Compaq supported the *Project Impact* Summit in December 1999 and launched an advertising campaign that promoted the initiative and the importance of prevention.

Dewberry & Davis LLC

The Dewberry & Davis Disaster and Mitigation Services Team supported *Project Impact* by sharing its hazard mitigation knowledge and training through conference seminars and other programs.

Hurricanes 2000 dot Com

Hurricanes 2000 dot Com operates a web site that streamlines complex weather information generated by the National Hurricane Center to produce simple, accessible, timely hurricane reports on the Internet. The organization now has added a link from its web site to that of *Project Impact*.

The International Code Council

The Council is supporting the development, maintenance, adoption, and enforcement of new international building and construction codes that will reduce losses caused by natural hazards. This support includes funding for these measures.

The Portland Cement Association

The Association continued to work with FEMA to develop construction plans that mitigate seismic and wind hazards.

Science Applications International Corporation: Telcordia Technologies

Telcordia Technologies—providers of operations support systems and network software—conducted a home pilot test of their community notification system in Deerfield Beach, Florida, the nation's first *Project Impact* community. The system alerts residents to imminent disaster and provides emergency communications after the disaster strikes.



Local Partnerships

Project Impact

Many local businesses, associations, and other organizations actively support *Project Impact*. These include local Chambers of Commerce, construction and home repair businesses, real estate associations, insurance and financial institutions, engineering and technical consulting companies, local media, health care organizations, and non-profit organizations.

Each year, the number of local *Project Impact* partners grows. By the close of Fiscal Year 2000, almost 2,600 local businesses across the United States had been recruited as partners in creating disaster-resistant communities.

Results

Project Impact's successes increase each year. During Fiscal Year 2000, eight participating communities reported progress above the baselines established in their first year. Following are some of the accomplishments reported by these eight communities.

Results

Project Impact

62 acquisition and relocation projects to remove structures from harm's way were either in progress or completed.

9 elevation projects to reduce structural damage were initiated or completed.

1,023 structures experienced reduced risks through construction of flood detention basins, removal of fuel from wild land and urban interface areas, and retrofitting of buildings.

2 critical facilities were retrofitted.

2 public facilities were retrofitted.



Community Rating System

The Community Rating System (CRS) is a joint initiative of FIA and the Mitigation Directorate that was implemented in 1990 to recognize and encourage local floodplain management activities that exceed NFIP minimum standards. Under the CRS, flood insurance premium rates are reduced for residents in communities that instigate activities that meet the CRS goals of reducing flood losses, facilitating accurate insurance rating, and promoting awareness of flood insurance.

There are ten CRS classes. Class 1 requires the most credit points and provides the largest premium reduction. Class 10 provides no premium reduction. The CRS recognizes 18 creditable activities, organized under four categories: Public Information, Mapping and Regulation, Flood Damage Reduction, and Flood Preparedness. By the end of the fiscal year, most CRS communities had earned a rating of Class 8 or 9. One community—Tulsa, Oklahoma—achieved a Class 3 rating.

Community Classifications (as of September 30, 2000)

Class	Number of Communities	Percentage of Communities
Class 9	431	47%
Class 8	352	38%
Class 7	110	12%
Class 6	27	3%
Class 5	5	0
Class 4	0	0
Class 3	1	0
Class 2	0	0
Class 1	0	0
Total	926	100%

During Fiscal Year 2000 the CRS recruited 37 communities, recertified 906 communities, made 32 community modifications, and conducted 272 cycle visits. The CRS *Biennial Report to Congress* was completed during the fiscal year and was presented to Congress in December 2000.



Synergy Between the CRS and *Project Impact*

To provide extra support for communities working to become more disaster resistant, the CRS targets *Project Impact* communities by offering specialized training and technical assistance. For example, a day-long CRS workshop attended by several *Project Impact* community representatives was held in November 1999 in Cranston, Rhode Island. In addition, CRS specialists participated in public group meetings and community visits and exhibited the CRS booth at several other events promoting the *Project Impact* initiative.

Supporting *Project Impact*

CRS

California

CRS presentation was given at a *Project Impact* workshop held in San Francisco.

Florida

Introductory meeting was held with the *Project Impact* community of the City of Pensacola.

Kansas

CRS presentation was given at a *Project Impact* workshop held in Johnson County.

Massachusetts

CRS presentation was given at a *Project Impact* workshop held in Falmouth.

Mississippi

Community Assistance visit was made to the City of Pascagoula.

New York

CRS presentation was given at a *Project Impact* workshop held in Buffalo.



CRS Workshops

CRS workshops and comprehensive floodplain management workshops provide support to local jurisdictions that are not *Project Impact* communities. During the last fiscal year, several workshops were held every month except February. In some cases, workshops were held in the same city twice during the year.

Intensive Training

Week-long training courses about the CRS were conducted at FEMA's Emergency Management Institute (EMI) in Emmitsburg, Maryland, in November 1999 and in April and July 2000. The first week-long, field-deployed CRS training course—identical to that taught at EMI—was presented in May 2000, in Biloxi, Mississippi.

CRS Booth

The CRS exhibits a booth to present information about the system while providing visitors with the opportunity to discuss participation in the system with floodplain management experts. The booth was displayed at the American Planning Association conference in New York City in April 2000; at the Association of State Floodplain Managers annual conference held in June in Austin, Texas; and at the American Planning Association annual meeting held in September in Cincinnati, Ohio.

CRS Advisory Meetings

Throughout the fiscal year, CRS specialists participated in informational and coordination meetings hosted by prospective and participating communities. Meeting sites included Bothell, Washington; Biloxi, Mississippi; Boston, Massachusetts; Denver and Breckenridge, Colorado; Chicago, Illinois; Ft. Myers Beach, Martin County, and Sanford, Florida; Twin Falls, Pocatello, Boise, Lewiston, and Coeur d'Alene, Idaho; Louisville, Kentucky; Plainfield, New Jersey; Providence, Rhode Island; and Washington, DC.

Workshops

CRS	State	City
	Arizona	Phoenix and Yuma
	California	Los Angeles, Sacramento, and San Francisco
	Florida	Tallahassee and Tampa
	Kentucky	Lexington
	Maine	Bangor and Brewer
	Missouri	Jefferson City
	Nevada	Reno
	New Hampshire	Bristol, Dover, Lebanon, and Nashua
	New York	Clarence and Oneida
	North Carolina	Atlantic Beach and Nags Head
	Ohio	Columbus

CRS Participation in State Floodplain and Stormwater Management Association Conferences

Several States have formed associations for coordinating and expanding floodplain and stormwater management activities. Each year, CRS specialists conduct workshops and technical sessions at the conferences and workshops these associations sponsor. In Fiscal Year 2000, CRS representatives participated in eight conferences held by state floodplain and stormwater management associations.





PERFORMANCE AND COMPLIANCE

More than 19,000 communities participate in the NFIP. The Mitigation Directorate and FEMA's Regional Offices continue to develop innovative approaches to ensure community performance and compliance.

Managing Community Involvement

Among the strategies implemented during Fiscal Year 2000 were projects that included improving coordination between State and Federal agencies, providing States access to FEMA's Community Information System database, increasing community education and outreach, streamlining probation and suspension procedures, and creating a home-study training course titled "Managing Floodplain Development through the NFIP."

Communities that do not yet participate in the NFIP are educated about the benefits of the Program and encouraged to enroll. FEMA's office staff focuses on working with nonparticipating communities after disasters, when people are most receptive to learning about NFIP mitigation measures and insurance options. After Hurricane Floyd, FEMA worked with North Carolina State and local officials to enroll 25 communities in the NFIP.

NFIP Community Compliance and Floodplain Management Strategy

In Fiscal Year 2000, the Mitigation Directorate developed and began to implement the NFIP Community Compliance and Floodplain Management Strategy. This strategy is founded on improving communication and coordination among Federal, State, and local governments; providing clear and accessible technical information and training; improving marketing of floodplain management success stories; and directing resources where the need is greatest.

Certified Floodplain Managers Program

The Mitigation Directorate continued its support for the Association of State Floodplain Managers' Certified Floodplain Manager (CFM) Program during the last fiscal year. The primary goals of the CFM Program are to reduce the nation's flood losses and to protect and enhance floodplains by improving the knowledge, prominence, and abilities of floodplain managers in the United States. There are currently 279 certified floodplain managers.

The Mitigation Directorate strongly encourages states to develop statewide CFM programs. Thus far, Arkansas, Illinois, New Mexico,

Oklahoma, and Texas have developed statewide CFM programs.

Floodplain Management Forum

FEMA hosted a Floodplain Management Forum on June 8, 2000, in Washington, DC. The goals of the forum were to identify strategies to protect and restore floodplains, improve flood hazard identification, reduce flood risks, and encourage communities to foster sustainable development. Forum participants—a diverse group with expertise in floodplain management and flood insurance—made a number of recommendations for achieving these goals. The Mitigation Directorate and FIA developed and have begun to implement initiatives that address forum recommendations.





MITIGATION GRANT PROGRAMS

The Mitigation Directorate manages several programs that provide financial assistance to States and communities for mitigation activities. These grants provide funding for mitigation planning, project implementation, and floodplain management.

Flood Mitigation Assistance (FMA) Program

FMA is a State-administered, cost-share program through which States and communities receive grants for flood mitigation planning, technical assistance, and flood mitigation projects. FMA provides \$20 million in grants each year for activities that will reduce the risk of flood damage to structures insured under the NFIP. Eligible project types include elevation, acquisition and demolition, and relocation of NFIP-insured structures. FMA's highest priority is to mitigate damages to insured structures that have been repetitively flooded. In total, 105 planning, project, and technical assistance grants were awarded in Fiscal Year 2000.

Project Grants

Flood Mitigation Assistance Program

Delaware

\$6,630 FMA funds and \$5,230 State and local matching funds were awarded to Sussex County to elevate two NFIP-insured structures. The properties were affected by multiple flooding sources including the Atlantic Ocean, inland bays, and several creeks and rivers.

Louisiana

\$445,000 FMA funds and \$148,334 State and local matching funds were used in Ouachita Parish for the acquisition of five NFIP-insured structures. The properties were located along the Ouachita River. The benefit/cost ratio for the project was 1.624.

New York

\$47,099 FMA funds and \$159,033 matching funds from homeowners were used in the Town of Hanover to elevate eight NFIP-insured structures. The benefit/cost ratio for the project was 2.910.

North Carolina

\$15,000 of FMA funds and \$5,000 State and local matching funds were awarded as a planning grant for Onslow County to develop a local hazard mitigation plan.

Texas

\$1,037,790 FMA funds and \$345,930 State and local matching funds were awarded to Harris County for the acquisition of ten NFIP-insured structures located in the Cypress Lake area. The benefit/cost ratio for the project was 1.305.

Washington

\$17,500 FMA funds and \$5,833 State and local matching funds were awarded as a planning grant for the City of Sullivan to develop a local flood mitigation plan.

Community Assistance Program (CAP)

The CAP is a financial assistance program that directly supports the flood loss reduction objectives of the NFIP. Approximately \$5 million is allocated each year to States and territories to provide assistance to communities that participate in the NFIP. The program identifies, resolves, and even prevents floodplain management problems before they require enforcement action. States have used CAP funds to update recorded inventories of historical and currently insured repetitive loss structures, provide technical assistance to communities, offer training and workshops for communities, encourage participation in the NFIP, and promote communication of mitigation success stories.

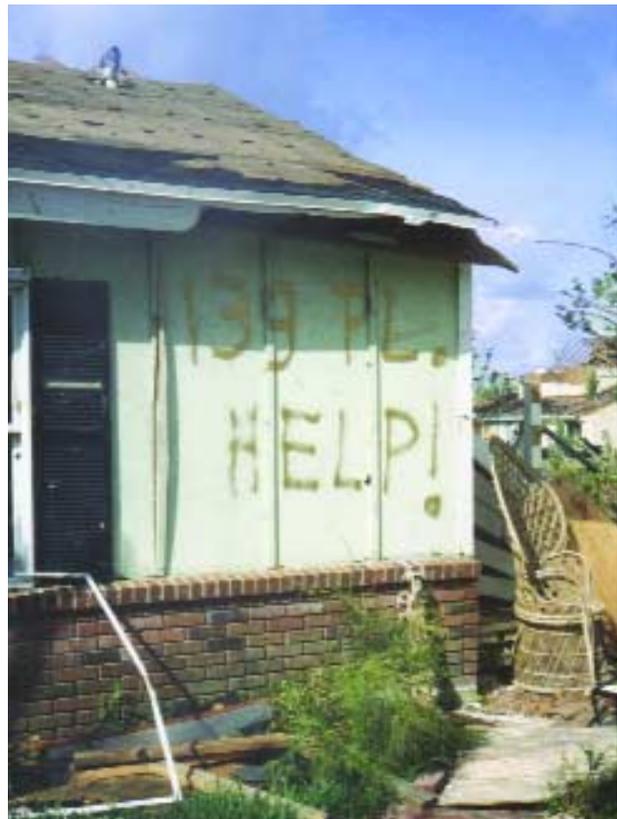
Hazard Mitigation Grant Program (HMGP)

The HMGP provides grants to States and local governments to implement long-term hazard mitigation measures after a major disaster declaration. FEMA can fund up to 75 percent of the eligible costs of each project.

FEMA has encouraged States to use HMGP funds to mitigate against damages to repetitive loss properties. In Fiscal Year 2000, data was provided to State Hazard Mitigation Officers and State and local agencies to facilitate identification of repetitive loss properties so that they can be targeted in local and regional mitigation plans and projects.

To expedite project approval and distribution of HMGP funds, FEMA created a concept called Managing States, in which States are given greater autonomy for deciding a project's scope of work, conducting environmental reviews, and evaluating cost effectiveness. The Managing State arrangement was piloted in three states.

The *Property Acquisition Handbook for Local Communities*, the *Property Acquisition Toolkit*, and the *HMGP Desk Reference* were published in Fiscal Year 2000 to assist States and communities in more effectively implementing and managing HMGP-funded measures. In addition, a new training course, *Managing the HMGP for States*, was developed to provide States with detailed instructions about navigating the complete project cycle, from concept to completion.





HAZARD IDENTIFICATION AND TECHNICAL ASSISTANCE PROGRAMS

The Mitigation Directorate's hazard identification and technical assistance programs provide the foundation for risk assessment and hazard identification, and assist in implementing mitigation activities.

Flood Map Modernization

FEMA's Flood Insurance Rate Maps (FIRMs) identify the nation's flood hazards. The approximately 100,000 map panels produced through FEMA's Flood Hazard Mapping Program are valuable resources to insurance agents and companies, lenders, property owners, flood zone determination firms, and real estate professionals. In addition, floodplain managers, community planners, surveyors, engineers, and disaster and emergency preparedness officials use the flood maps for floodplain management, mitigation, risk assessment, disaster preparedness, and response and recovery.

Needs Assessment

FEMA is implementing a 7-year modernization plan to update its aging flood map inventory. By the end of Fiscal Year 2000, the Association of State Floodplain Managers and all of the approximately 17,500 mapped NFIP communities had been contacted to request information about local mapping needs. In addition, a pilot project to elicit mapping needs was initiated with the Lower Colorado River Authority; the Harris County, Texas, Flood Control District; and the State NFIP Coordinators for Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia. FEMA completed the programming and testing of an enhanced

version of the Mapping Needs Update Support System database in Fiscal Year 2000.

Cooperating Technical Partners (CTP)

Through the CTP initiative, more resources are available for flood hazard data collection and mapping efforts nationwide. In Fiscal Year 2000, FEMA entered into 62 CTP agreements with local, State, and regional agencies. For example, North Carolina signed a CTP agreement to conduct a flood hazard restudy of the entire state. The resulting data will be used to update North Carolina's Flood Insurance Rate Maps. The State appropriated \$23 million to fund this effort, and FEMA will contribute approximately \$10 million. In addition, 20 other Federal departments and agencies agreed to provide technical assistance and data for this effort.

Digital Flood Insurance Rate Maps (DFIRMs)

When flood maps are converted to a digital format, users are able to access a database of engineering reference materials—such as hydrologic and hydraulic models, flood profiles, floodway data tables, photos of bridges and culverts, and digital Elevation Certificates. During the fiscal year, draft graphic specifications for the DFIRM were completed. The first DFIRM was designed and produced for Pike County, Pennsylvania, and production began on a second DFIRM for Dade County, Missouri.

Flood Hazard Mapping Web Site

FEMA's Flood Hazard Mapping web site—www.fema.gov/mit/tsd—provides visitors with information about mapping developments. In Fiscal Year 2000, an online subscription service was developed for implementation in the next fiscal year. The service notifies subscribers of updates to the web site.



Training and Outreach

During Fiscal Year 2000, the Mitigation Directorate continued to develop partnerships and to provide its constituencies with the knowledge, training, and tools needed to build sustainable, disaster-resistant communities.

Sustainability and Planning

In October 1999, the Mitigation Directorate's Planning Branch launched FEMA's first Hazard Mitigation Planning Fellowships. The purposes of the fellowships are to foster integration of hazard mitigation principles into the graduate-level curricula of urban, regional, and environmental planning schools; encourage continued use of planning policies, tools, and techniques in reducing the impact of natural hazards in the United States; and explore how FEMA can best integrate planning principles and approaches into its mitigation initiatives.

In addition, the Planning Branch continued the efforts it began in 1998 to incorporate elements of sustainable development into pre-disaster hazard mitigation planning and post-disaster recovery. The Planning Branch also began developing a web-based sustainability resource center. This center is being designed to provide training on sustainable recovery and mitigation planning. Completed in the last fiscal year was a two-volume set of publications about sustainability.



Planning Branch Publishes Two-Volume Set in Fiscal Year 2000

Planning for a Sustainable Future: The Link Between Hazard Mitigation and Livability is the first of two publications that promote the vital connection between disaster resistance and livability. It focuses on a vision of sustainable communities and shows the reader how disaster prevention planning before a disaster strikes and/or planned recovery after a disaster can serve as a catalyst for creating more sustainable communities throughout the nation. This is a full-color booklet intended for a general audience.

Rebuilding for a More Sustainable Future: An Operational Framework, the second publication, develops the themes covered in *Planning for a Sustainable Future* into detailed practical guidance for use during post-disaster recovery. This guidebook is intended for staff from FEMA and State agencies who work directly with communities after a disaster. It also is intended to show officials and citizens of affected communities how the decisions they make and the actions they take as part of their recovery can ultimately result in a more sustainable community.

Outreach and Marketing Strategy

In Fiscal Year 2000, the Mitigation Directorate began developing a strategy for marketing mitigation programs to ensure their effective use at the national, regional, State, and community levels. Development of partnerships with governmental, academic, non-profit, and business entities to facilitate mitigation activities at all levels also continued during the fiscal year.

Included in the other marketing and outreach accomplishments of Fiscal Year 2000 were development of a CD-ROM, *Mitigation Success Stories*, for distribution to Federal, State, and local governments as well as individuals; negotiation of Memorandums of Understanding with other Federal agencies to foster mitigation and *Project Impact* initiatives; and creation of numerous public-private partnerships designed to encourage businesses to help their communities become disaster resistant.

Floodplain Management Training Strategy

During Fiscal Year 2000, the Mitigation Directorate began development of a long-term Floodplain Management Training Strategy. This strategy includes evaluating the knowledge and skills for a local floodplain manager to implement sound floodplain management and land use, prepare a curriculum plan outlining the training audiences and their needs, and develop training courses for that curriculum.

Floodplain Management Training Courses

The Emergency Management Institute (EMI), located in Emmitsburg, Maryland, is a FEMA facility that provides training designed to minimize the impact of disasters on the American public. Attendees of EMI courses represent Federal, State, and local governments, volunteer organizations, and the private sector.

Floodplain Management Training Courses Offered at EMI in Fiscal Year 2000

- Digital Hazards Data
- Managing Floodplain Development Through the NFIP/NFIP/Community Rating System
- Retrofitting Flood-prone Residential Structures
- Residential Coastal Construction

Building Sciences

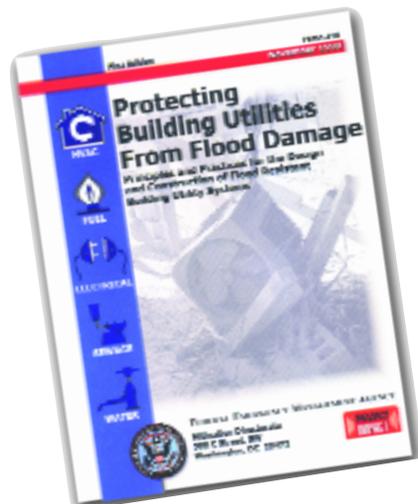
The Mitigation Directorate's building sciences focus covers technical, engineering, codes, and standards issues. These include monitoring the disaster-resistance provisions of the International Codes, participating in the creation of the new National Fire Protection Association (NFPA) 500 Building Code, participating in the development and monitoring of the standards for documents such as the American Society of Civil Engineers (ASCE) 7 (on design loads) and ASCE 24 (on flood-resistant construction) as well as other standards, and developing flood- and wind-related guidance documents for use by design professionals, builders, regulators, and the public.

Adopting the International Building Codes

The first complete set of the International Codes was completed with the publication of the International Building Code and the International Residential Code in spring 2000. The eight codes published in 2000 addressed structural, mechanical, plumbing, zoning, property maintenance, private sewage disposal, and fuel gas aspects of construction for residences and other buildings.

Building Code Publications Produced in Fiscal Year 2000

Protecting Building Utilities from Flood Damage
Coastal Construction Manual





Technical Assistance Contracts

The Wind and Water Technical Assistance Program (WAWTAP) provides ad hoc, short-term assistance to reduce hurricane wind and flood damage. This program was designed to enhance a State or local community's resistance to hazards related to flood and wind damage from hurricanes. Administered under the Hazard Mitigation Technical Assistance Program, WAWTAP assistance cannot be used for actions that are covered under the States/Territories Performance Partnership Agreement.

Technical assistance under the WAWTAP is available for use by all states and U.S. territories that participate in the Hurricane Program or the NFIP. This assistance is provided at no cost to the requesting State or community, subject to the availability of funding. Examples of projects that can be executed under WAWTAP are hurricane and flood mitigation planning assistance, technical guidance in developing flood and wind retrofit measures, study and analysis of storm phenomena, and training associated with flood and wind mitigation.



National Dam Safety Program

On October 12, 1996, President Clinton signed into law the Water Resources Development Act of 1996 establishing the National Dam Safety Program and naming the Director of FEMA as its coordinator. The National Dam Safety Program provides research, training, and financial assistance to help States improve the safety of their dams.

Fiscal Year 2000 marked the first time that all 50 states and Puerto Rico participated in the State Grant Assistance Program. FEMA is providing \$4 million to the states through Fiscal Year 2002 to use for programs that strengthen inspection and classification, provide dam safety training and equipment, and develop emergency plans for dam safety.

The first National Dam Safety Awareness Day was held May 31, 2000, to coincide with the 111th anniversary of the Johnstown Flood in Pennsylvania. State governors issued proclamations to mark the day. Other National Dam Safety Program accomplishments during the last fiscal year included the creation of a new web page and production of a CD-ROM about the Seepage Monitoring System. The latter is an interactive tool that enables dam owners and operators to store instrument data on a personal computer and plot the data for evaluation, thereby improving the safety of their dams.





Hundreds of individuals and organizations contribute their expertise and resources to the NFIP. It is these hardworking stakeholders who have made this Program as effective and accessible as it is today.

STAKEHOLDER SUPPORT

Several organizations and committees contribute ideas for improving the flood insurance product and make recommendations about NFIP operational issues affecting insurance agents and Write Your Own (WYO) companies, lenders, and public officials.

Institute for Business and Home Safety (IBHS) Flood Committee

Since the beginning of the WYO Program in 1983, the Flood Committee established through the organization now known as the Institute for Business and Home Safety (IBHS) has been a primary coordinating vehicle between FIA and the WYO companies. Of the 91 IBHS members, 33 are insurance companies that actively participate in the WYO Program. During Fiscal Year 2000, 13 of these WYO companies were represented on the IBHS Flood Committee. This committee meets three times each year.



Corise Morrison
 Chair of the IBHS Flood Committee
 Executive Director, Insurance Plans, USAA

Accomplishments

IBHS Flood Committee

During Fiscal Year 2000, IBHS Flood Committee members:

Supported FIA in making increased consumer protection the overriding goal when evaluating strategic changes to the NFIP.

Provided FIA with insurance industry input on the transfer of targeted repetitive loss policies to the NFIP's Special Direct Facility. Committee members assisted FIA in drafting adequate transfer procedures for agents and companies, as well as communication pieces for policyholders.

Provided detailed feedback to FIA about the policy coverage changes developed during Fiscal Year 2000 (effective on December 31, 2000). Committee members stressed the need for adequate notification and training for agents and company personnel to prevent confusion for policyholders.



Accomplishments

FIPNC

During Fiscal Year 2000, FIPNC members:

Took part in planning, moderating, and presenting portions of the National Flood Conference.

Participated in the Cover America II campaign by engaging in brainstorming sessions with FIA and the advertising contractor to develop ideas for flood advertisements, participating in interviews that provided sound bites used in public service announcements, and providing feedback regarding the development of the new NFIP brand.

Distributed flood information to insurance agents using the publications of member trade associations.

Participated in the rewrite of the Standard Flood Insurance Policy.

Provided feedback about the new Elevation Certificate (EC) and its training requirements for insurance agents. Assisted in the development of the *Lowest Floor Guide*, which was published to help agents better understand and use the new EC.

Contributed several articles that emphasized agent issues and concerns to the NFIP's *Watermark* publication.

Flood Insurance Producers National Committee (FIPNC)

FIPNC was created in 1982 to provide FIA with input from flood insurance agents and brokers and to disseminate information quickly to the agent community via the member associations.

FIPNC is made up of one voting member from each of three producer trade organizations: the Independent Insurance Agents of America (IIAA), the National Association of Professional Insurance Agents (PIA), and the Coalition of Exclusive Agents Association (CEAA). Other participants actively involved in all FIPNC meetings include representatives from the Association of State Floodplain Managers, the National Lenders Insurance Council, the IBHS Flood Committee, the WYO Marketing Committee, FIA, the NFIP Bureau and Statistical Agent, and the NFIP Servicing Agent. FIPNC meets three times each year.



Rita Hollada
Chair of FIPNC
Vice President of The Insurance Professionals, Inc.

WYO Marketing Committee

The WYO Marketing Committee was formed in 1989 to provide FIA and the WYO companies with a forum in which to exchange marketing ideas and provide marketing expertise to the Federal government to increase flood insurance policy growth.

Fifteen members of the Marketing Committee are drawn from WYO companies that have flood policy bases ranging from very large to medium and small. The members represent a cross-section of companies that sell direct, or have captive, independent, or general agents. Other WYO Marketing Committee participants include representatives from FIA, FIPNC, and the IBHS Flood Committee. The Marketing Committee meets three times each year.

Accomplishments

WYO Marketing Committee

During Fiscal Year 2000, WYO Marketing Committee members:

Provided written feedback to FIA's request about how to use the NFIP web site more effectively to market flood insurance.

Reviewed the document titled *Marketing Guidelines for WYO Companies for 2000-2001*.

Formed a subcommittee to give direction in the development of the "Flood Alert Agent" program.

Provided feedback regarding different NFIP training modules that were being designed and instituted by FIA.

Analyzed "Call For Issues" suggestions relating to marketing and provided recommendations to FIA.



Bruce Bender
 Chair of the WYO Marketing Committee
 Senior Vice President, American Bankers/American
 Reliable Insurance Companies



WYO Standards Committee

The WYO Standards Committee was formed in 1984 to monitor and evaluate WYO company performance under the Financial Assistance/Subsidy Arrangement and make recommendations regarding WYO operations to the FIA Administrator. The Committee is made up of 12 members: six are appointed from the WYO companies; one is a representative of FEMA's Office of Financial Management; one—who is not directly involved in the WYO Program—is designated by the Federal Insurance Administrator; and four are from FIA. This committee meets three times each year.



Mickey Nugent
Chair of the WYO Standards Committee
Vice President, Operations, Southern Farm Bureau
Casualty Insurance Company

Community Rating System (CRS) Task Force

The CRS was implemented in 1990 to recognize and encourage community floodplain management activities that exceed NFIP minimum standards. The CRS Task Force—established to advise FEMA and FIA regarding the CRS—is made up of representatives from FIA, the Mitigation Directorate, FEMA's Regional Offices, the Association of State Floodplain Managers, local governments, the National Oceanic and Atmospheric Administration, State emergency management agencies, the National Association of Storm and Flood Management Agencies, WYO insurance companies, and the NFIP Bureau and Statistical Agent, with assistance from the Insurance Services Office and floodplain management experts in private practice.

Implementation of Task Force recommendations, and the day-to-day running of the CRS, is accomplished by FEMA and FIA staff; the 20 CRS field specialists who deal directly with communities; floodplain management professionals who provide their expertise; and the NFIP Bureau and Statistical Agent, which provides much of the data for analysis purposes.

The Task Force meets three times a year. The timing of meetings is dictated by the schedule for introducing CRS changes at the beginning of the following year. Meeting locations are spread evenly among the 10 FEMA Regional Offices to make it convenient for FEMA Regional staff, State coordinators, and particularly community representatives to directly provide the Task Force with their insights and experience with CRS, and to give nonmembers the opportunity to see how the CRS operates.

Accomplishments

CRS Task Force

During Fiscal Year 2000, CRS Task Force members provided advice on the following:

2002 CRS changes such as recognizing structural projects.

Several projects to better market the CRS by targeting specific groups such as high policy count communities and repetitive loss communities.

Updating the entire country's repetitive loss list (instead of just the annual CRS community update).

The National Flood Insurance Program Community Rating System Biennial Report to Congress.

Establishing a CRS presence on the FEMA web site and developing a CRS mailbox for receiving information and answering questions about the system.



Richard Decker
Chair of the CRS Task Force

Former President, Automobile Insurance Plans Service Office



ANNUAL AWARDS

At the National Flood Conference each year, FIA recognizes the outstanding achievements of its stakeholders—the insurance agents and companies, lenders, state and local officials, and others who work hard to provide flood insurance and reduce flood damage. Below are the award winners honored at the 2000 National Flood Conference held in Austin, Texas, for their accomplishments during the previous fiscal year, from October 1, 1998, through September 30, 1999.



Accepting the Agency of the Year Award are (left to right) Beth Gismondi of Gismondi Insurance Associates, Larry Patrick of AAA Insurance Agency, and Dennis Miller of Heli H. Miller Insurance Agency.

Agency of the Year Awards

Three insurance agencies that have displayed innovative marketing strategies, increased their flood portfolios, and actively promoted flood awareness are given the annual Agency of the Year Awards. These three insurance agencies were recognized at the 2000 National Flood Conference for their extraordinary efforts in promoting and servicing flood insurance during Fiscal Year 1999.

AAA Insurance Agency
Gismondi Insurance Associates
Heli H. Miller Insurance Agency

The Hartford Fire Insurance Company
First Community Insurance Company
Auto Club South Insurance Company
IGF Insurance Company
Fidelity and Deposit Group

Administrator's Club Awards

Within each of five size categories, WYO companies that achieve the highest percentage of growth for the previous Arrangement Year qualify for the Administrator's Club.

Administrator's Club Trophy

Of the five WYO companies that receive Administrator's Club Awards, the company that experienced the highest percentage of overall growth, and had more than 2,500 new policies for the prior Arrangement Year, is awarded the Administrator's Club Trophy.

IGF Insurance Company

Administrator's Quill Award

The Administrator's Quill Award recognizes the WYO company that achieved the greatest overall growth among WYO companies during the preceding Arrangement Year. Growth is defined as the increase in the number of new flood insurance policies minus the number of rewritten policies.

The Hartford Fire Insurance Company

Public Awareness Materials Awards

Each year, National Flood Conference participants have the opportunity to vote for their favorites among the public awareness materials that NFIP partners developed to promote flood insurance in the previous year. More than 190 items were entered in the 2000 Public Awareness Materials Contest.

Best Printed Marketing Material
Best Training Material

The Seibels Bruce Group, Inc.

Best Web Site

Omaha Property and Casualty Insurance Company

Best Advertising Material

United Surety and Indemnity Company



Donald L. Collins Partnership Award

Every year an award is presented to an NFIP partner who has created strong connections between the Program and its stakeholders. The Partnership Award is named for Donald L. Collins, a dedicated FIA executive who spent more than 20 years building close relationships with the NFIP's partners before he passed away in 1995.



In 2000, the Donald L. Collins Partnership Award was presented to David Minier, Director of Management Services for VISA U.S.A., Inc. VISA entered into an agreement with FEMA at the beginning of 1999 to promote the use of VISA credit cards for buying NFIP flood insurance. For every policy purchased with a VISA card from January through December 1999, VISA agreed to donate 25 cents to *Project Impact*, with a minimum total donation of \$30,000. By the end of December 1999, VISA donated \$15,000 to *Project Impact* Communities of the Year—Tulsa, Oklahoma, and Berkeley, California.

Roy T. Short Memorial Award

The National Lender Insurance Council (NLIC) presents the Roy T. Short Memorial Award to honor innovative and inspiring people who have rendered the best service to lenders attempting to comply with Federal regulations while protecting investors from flood losses.



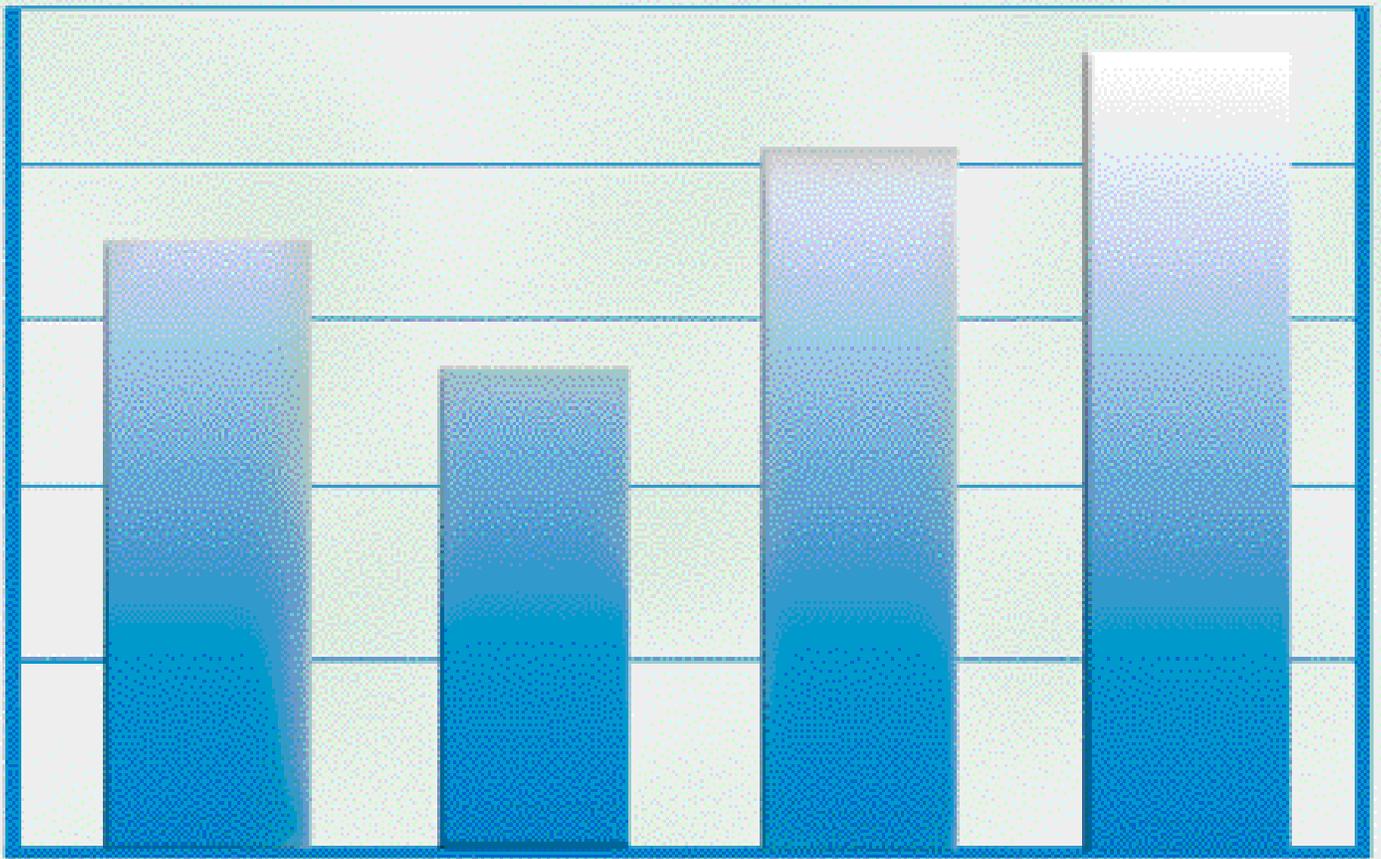
This award commemorates the vision and leadership of Roy T. Short, former Vice President of Bank United and one of the originators and former members of the NLIC, who passed away in 1997.

The 2000 Roy T. Short Memorial Award was given to Lena Thompson, Lender Compliance Officer for the Federal Insurance Administration, in recognition of her efforts to improve communication between the NFIP's public and private

SIGNED AND ACTIVE WRITE YOUR OWN (WYO) COMPANIES

The following 90 companies signed the Financial Assistance/Subsidy Arrangement for 1999-2000 to participate in the WYO Program:

Allstate Insurance Company	National Grange Mutual Insurance Company
American Bankers Insurance Company of Florida	National Insurance Company
American Colonial Insurance Company, Inc.	National Lloyds Insurance Company
American Commerce Insurance Company	Nationwide Mutual Fire Insurance Company
American Family Mutual Insurance Company	New Hampshire Insurance Company
American National Property & Casualty Company	New Jersey Re-Insurance Company
American Reliable Insurance Company	New York Central Mutual Fire Insurance Company
American Strategic Insurance Corporation	North Sea Insurance Company
Aries Insurance Company, The	Old Guard Insurance Company
Audubon Insurance Company	Omaha Property & Casualty Insurance Company
Auto Club Group Insurance Company	Omega Insurance Company
Auto Club South Insurance Company	Pan American Insurance Company
Auto-Owners Insurance Company	Patrons Mutual Insurance Company of Connecticut
Baldwin Mutual Insurance Company, Inc.	Patterson Insurance Company
Bankers Insurance Company	Philadelphia Contributionship Insurance Company, The
Brethren Mutual Insurance Company, The	Pioneer Insurance Company
California State Automobile Association, Inter Insurance Bureau	Preferred Mutual Insurance Company
Capital City Insurance Company, Inc.	Prudential Property & Casualty Insurance Company
Century-National Insurance Company	Redland Insurance Company
Citizens Insurance Company of America	Residence Mutual Insurance Company
Cooperativa de Seguros Multiples de Puerto Rico	Security Insurance Company of Hartford
Delta Lloyds Insurance Company of Houston, Texas	Seguros Triple-S, Inc.
Everett Cash Mutual Insurance Company	Selective Insurance Company of America
Fidelity & Deposit Company of Maryland	Service Insurance Company
Fire Insurance Exchange	Sierra Pacific Insurance Company
First Community Insurance Company	South Carolina Insurance Company
First Insurance Company of Hawaii, Ltd.	Southern Farm Bureau Casualty Insurance Company
Florida Family Mutual Insurance Company	Standard Guaranty Insurance Company
Florida Select Insurance Company	State Capital Insurance Company
Fortune Insurance Company	State Farm Fire & Casualty Company
Great Pacific Insurance Company	Travelers Property Casualty Insurance Company
Hanover Insurance Company	Union American Insurance Company
Harleysville Mutual Insurance Company	Union Mutual Fire Insurance Company
Hartford Fire Insurance Company	United Ohio Insurance Company
Hartford Underwriters Insurance Company	United Property & Casualty Insurance Company, Inc.
Holyoke Mutual Insurance Company in Salem	United Surety & Indemnity Company
IGF Insurance Company	Universal Insurance Company
Indemnity Insurance Company of North America	USAA General Indemnity Company
INTEGRAND Assurance Company	U.S. Security Insurance Company, Inc.
Island Insurance Company, Ltd.	Utica First Insurance Company
Liberty Mutual Fire Insurance Company	Vesta Fire Insurance Corporation
Middlesex Mutual Assurance Company	Vesta Insurance Corporation
Millville Mutual Insurance Company	White Hall Mutual Insurance Company
Mobile USA Insurance Company, Inc.	Windsor-Mount Joy Mutual Insurance Company
Mountain States Insurance Company	ZC Insurance Company



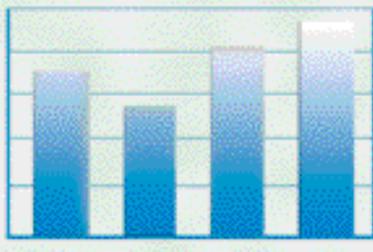
Statistical Profiles

The data presented in these tables and graphs are drawn from monthly reports prepared by the Federal Insurance Administration and the NFIP Bureau and Statistical Agent. All statistical profiles reflect fiscal-year-end data as of September 30, 2000.

INCOME AND EXPENSES

AS OF SEPTEMBER 30 EACH YEAR
(Dollar Amounts in Thousands)

	Fiscal Year 1996	Fiscal Year 1997	Fiscal Year 1998	Fiscal Year 1999	Fiscal Year 2000
INCOME					
Earned Premium	\$893,269	\$1,003,993	\$1,188,218	\$1,322,543	\$1,374,740
Federal Policy Fee and Other Revenue	\$79,658	\$86,660	\$90,732	\$93,291	\$100,455
TOTAL INCOME	\$972,927	\$1,090,653	\$1,278,950	\$1,415,834	\$1,475,195
EXPENSES					
Underwriting Expenses	\$336,470	\$335,655	\$431,297	\$451,888	\$481,987
Loss and Loss Adjustment Expenses	\$1,078,503	\$735,017	\$718,780	\$714,210	\$302,473
Other Expenses	\$27,256	\$52,173	\$48,520	\$38,472	\$26,603
Floodplain Management Expenses	\$52,885	\$66,241	\$61,129	\$58,448	\$53,325
Salaries and Expenses	\$14,231	\$18,776	\$19,823	\$21,013	\$22,820
TOTAL EXPENSES	\$1,509,345	\$1,207,862	\$1,279,549	\$1,284,031	\$887,208
NET INCOME (LOSS)					
NET INCOME (LOSS)	(\$536,418)	(\$117,209)	(\$599)	\$131,803	\$587,987



Fiscal Year 2000 Policy and Loss Distribution

DISTRIBUTION BY OCCUPANCY TYPE

	As of Sept. 30, 2000		
	Policies in Force	Premiums for Policies in Force*	Insurance in Force
Single-Family	2,939,821	\$1,203,026,095	\$402,154,782,700
2- to 4-Family	161,316	\$68,038,206	\$18,089,081,100
Other Residential	976,105	\$180,001,917	\$81,092,565,600
Non-Residential	192,452	\$213,904,706	\$46,754,627,500
Total by Occupancy Types	4,269,694	\$1,664,970,924	\$548,091,056,900

* Includes Federal Policy Fee

DISTRIBUTION BY ZONE

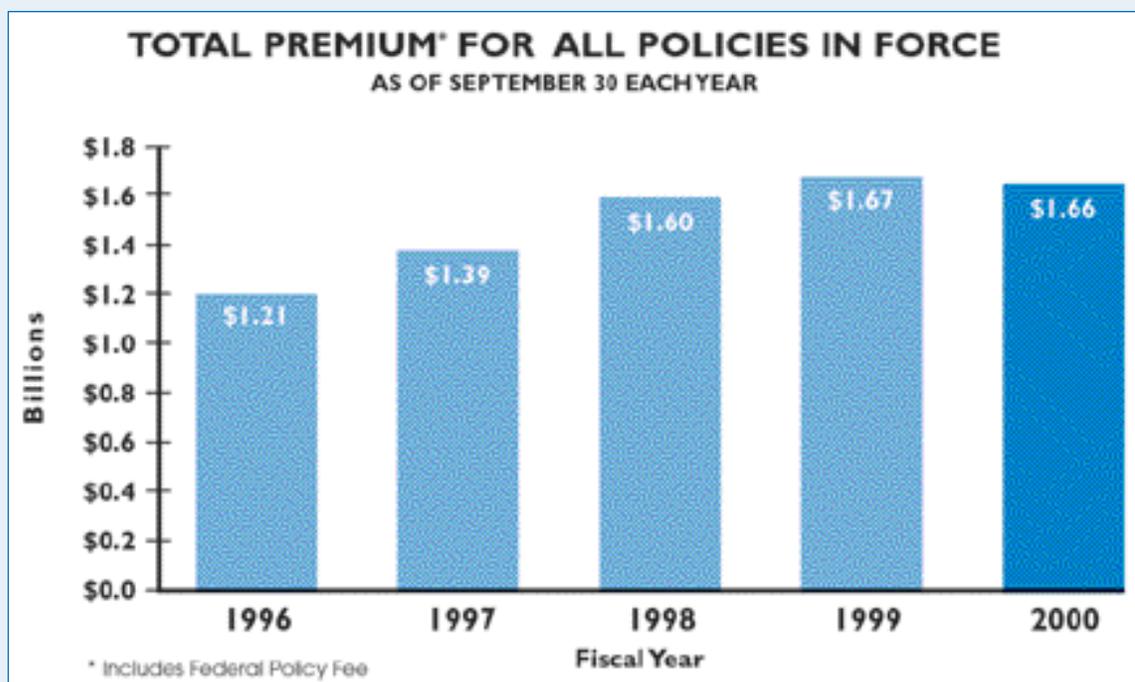
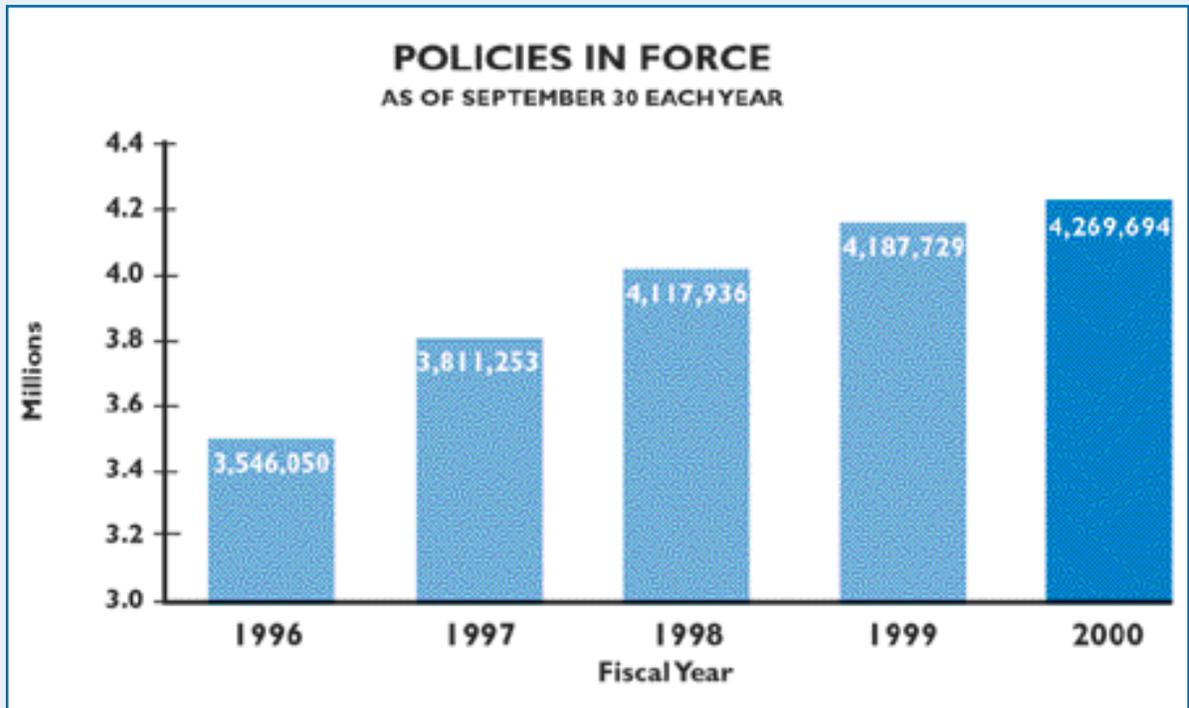
	As of Sept. 30, 2000		
	Policies in Force	Premiums for Policies in Force*	Insurance in Force
A Zones	2,910,182	\$1,207,033,436	\$355,508,654,200
V Zones	83,781	\$72,187,269	\$10,571,907,500
B, C, and X Zones	1,270,235	\$382,588,126	\$181,455,529,700
Other (Emergency Program, D Zones, etc.)	5,496	\$3,162,093	\$54,965,500
Total by Zones	4,269,694	\$1,664,970,924	\$548,091,056,900

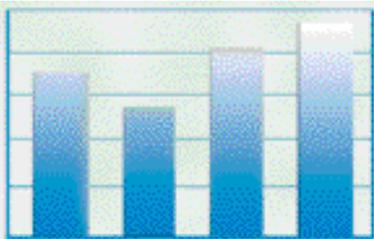
* Includes Federal Policy Fee

DISTRIBUTION FOR SPECIAL NFIP POLICIES

	As of Sept. 30, 2000		
	Policies in Force	Premiums for Policies in Force*	Insurance in Force
RCBAP (Residential Condominium Building Association Policy)	823,340	\$114,932,756	\$66,717,573,500
PRP (Preferred Risk Policy)	684,670	\$160,086,647	\$111,987,045,500
MPPP (Mortgage Portfolio Protection Program)	7,863	\$6,240,907	\$343,534,000

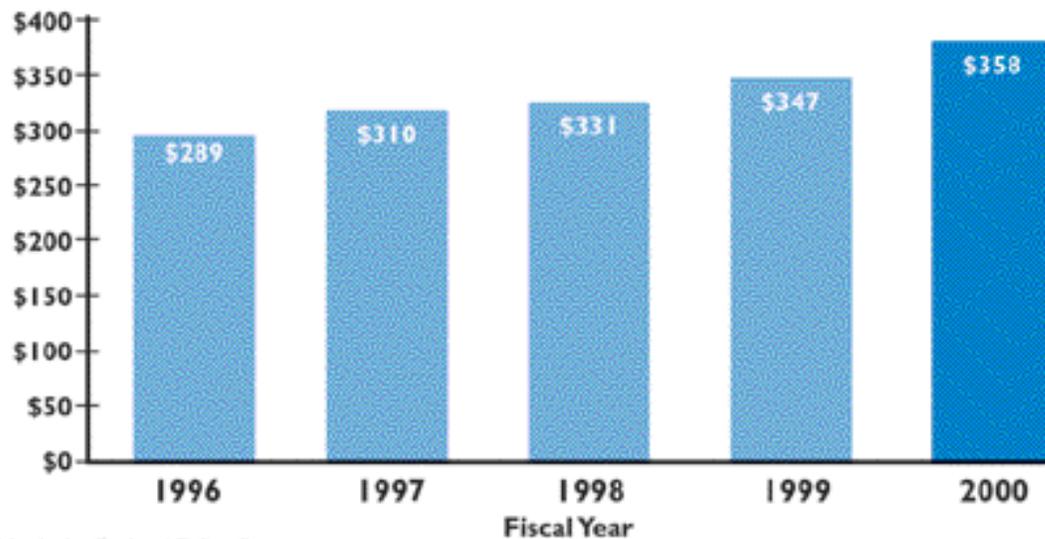
* Includes Federal Policy Fee





AVERAGE ANNUALIZED PREMIUM*

AS OF SEPTEMBER 30 EACH YEAR

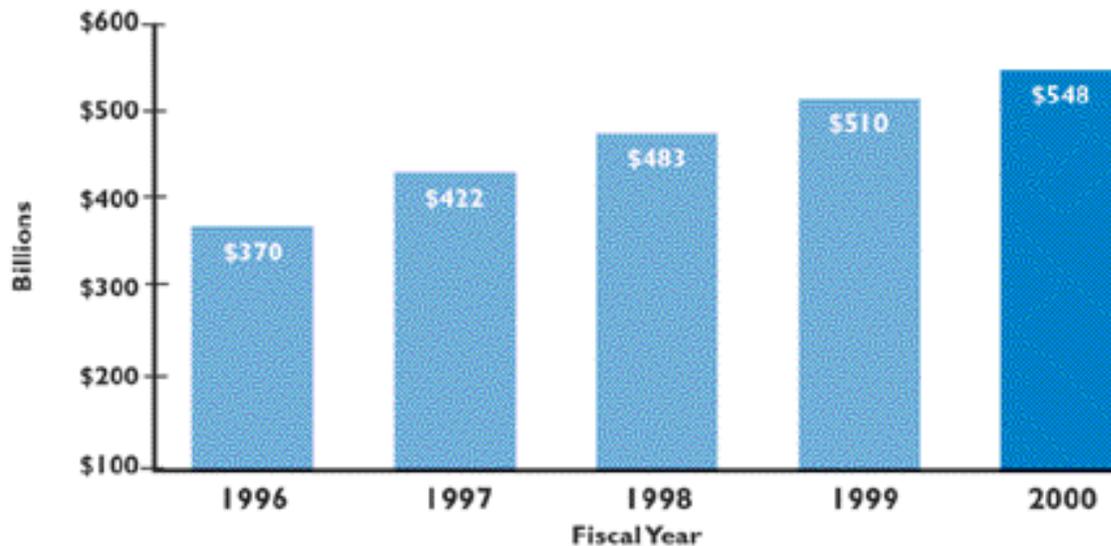


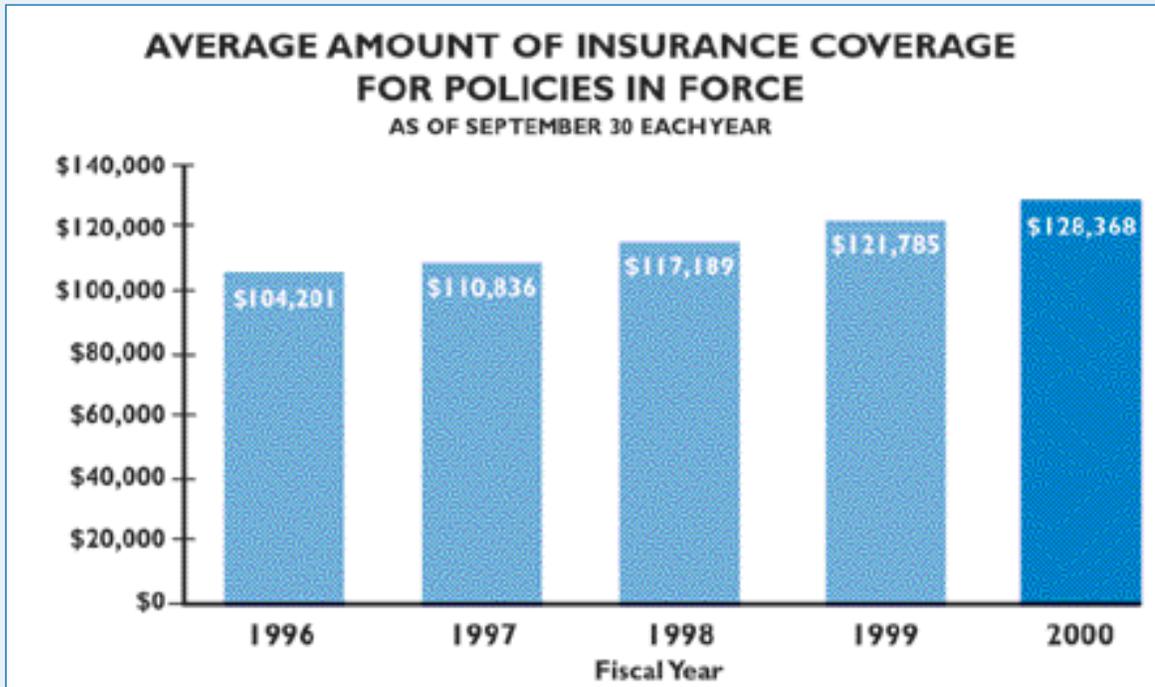
* Includes Federal Policy Fee

Average annualized premiums adjust the premium of 3-year policies to the premium that would have been charged on those policies if they had been written as a 1-year term.

TOTAL AMOUNT OF INSURANCE IN FORCE

AS OF SEPTEMBER 30 EACH YEAR







National Flood Insurance Program

The 2000 Stakeholder's Report was produced by the Federal Insurance Administration.

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Additional photographs provided by Photodisc, Bozell Worldwide, Inc., and the FEMA Photo Library.

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NFIP Online

To access information about the NFIP and its products and services, visit the NFIP web site at www.floodalert.fema.gov.

Federal Insurance Administration

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NFIP Bureau and Statistical Agent

7700 Hubble Drive
Lanham, MD 20706

Regions	FEMA Regional Offices	NFIP Bureau & Statistical Agent Offices
Region I Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	617-223-9561	781-848-1908
Region II New Jersey, New York	212-225-7200	732-603-3875
Caribbean Office Puerto Rico, Virgin Islands	787-296-3500	281-829-6880
Region III Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia	215-931-5500	856-489-4003
Region IV Alabama, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee	770-220-5400	770-396-9117
Florida Office	770-220-5400	813-975-7451
Region V Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin	312-408-5500	630-577-1407
Region VI Arkansas, Louisiana, New Mexico, Oklahoma, Texas	940-898-5127	281-829-6880
Region VII Iowa, Kansas, Missouri, Nebraska	816-283-7002	913-780-4238
Region VIII Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming	303-235-4830	303-275-3475
Region IX Arizona, California, Guam, Hawaii, Nevada	415-923-7177	916-780-7889
Region X Alaska, Idaho, Oregon, Washington	425-487-4678	425-488-5820



“Life is not waterproof—Be flood alert.”



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