



NATIONAL FLOOD INSURANCE PROGRAM

Bureau and Statistical Agent

W-02065

MEMORANDUM TO: Write Your Own (WYO) Principal Coordinators
and NFIP Servicing Agent

FROM: WYO Clearinghouse

DATE: September 19, 2002

SUBJECT: Press Release about Hurricane Floyd "Hazard Amnesia"

Attached is a FEMA press release about the third anniversary of Hurricane Floyd, urging NFIP policyholders to keep their coverage in force. This press release is part of a continuing effort by FEMA to remind the public about the wisdom of buying and renewing flood insurance.

Please distribute this information as appropriate to others in your organization.

Attachment

cc: Vendors, IBHS, FIPNC, WYO Marketing Committee, Government Technical Representative

Suggested Routing: Marketing, Underwriting

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Federal Emergency Management Agency

NEWS

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Release No.: 02-145
Release Date:
September 18, 2002

FEMA WARNS FLOOD INSURANCE POLICYHOLDERS AGAINST "HAZARD AMNESIA" COMPLACENCY

WASHINGTON – On the third anniversary of Hurricane Floyd, a storm that came ashore in North Carolina but caused disastrous flooding all along the eastern seaboard from Florida to Maine, officials of the Federal Emergency Management Agency (FEMA) who administer the National Flood Insurance Program (NFIP) are urging property owners to be sure to renew their policies and not be fooled into thinking such a devastating event can't happen again.

"The floods from Floyd were so widespread that disaster declarations were issued for twelve other states in addition to North Carolina," FEMA Director Joe M. Allbaugh said. "Residents of at-risk communities cannot afford to fall victim to 'hazard amnesia' just because it's been a while since the last emergency. Purchasing flood insurance and maintaining that coverage is the best way to stay prepared."

This concern was echoed by Anthony S. Lowe, the Administrator of FEMA's Federal Insurance and Mitigation Administration, who said, "As often happens immediately following a major flood event, the number of flood insurance policies in force increased significantly after Hurricane Floyd because of the media attention focused on the widespread flooding and the requirement that victims in high flood-risk areas who receive federal disaster loans and grants must purchase flood insurance.

"But our experience has shown many of those new policies are not renewed after the first year or two if no new floods occur," he said. "People tend to forget how bad it was or think that something that bad couldn't possibly occur in the same place again. But they are sadly mistaken. These big flood events *will* happen again.

"And even more important," Lowe said, "having flood insurance coverage will enable people to recover more quickly and completely than those who must depend on government disaster assistance, which is limited--usually in the form of a loan that must be repaid, with interest--and is only available following a Presidential disaster declaration."

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FLOOD INSURANCE COMPLACENCY – Add ONE

Lowe pointed out that people need to protect themselves with flood insurance regardless of where they live, even if they are located *outside* the high-risk zones, called Special Flood Hazard Areas, where flood insurance is required.

“Floyd--and there will be other Floyds in the future--flooded many wide areas far outside these designated high-risk zones,” he said. “On average, 25 percent of all of our flood insurance claims come from property owners in areas outside Special Flood Hazard Areas. We can’t always predict where floods will occur. But we can promise you that they *will* occur.”

The NFIP makes federally backed flood insurance available to homeowners, renters and business owners in communities that adopt and enforce floodplain management ordinances to reduce future flood losses by regulating new construction. Claims and operating expenses are funded by policyholder premiums, not taxpayer dollars. Currently, nearly 4.4 million flood insurance policies are in force in nearly 20,000 participating communities, representing \$614 billion worth of coverage.

Information about flood insurance is available at www.fema.gov/nfip or by calling 1-800-427-9662.

More information is available on FEMA’s For the Media site, at www.fema.gov/media. Radio actualities are available from the FEMA Radio Network (1-800-323-5248).