

substantially improved on or after the effective date for the initial Flood Insurance Rate Map (FIRM) for the community, or after December 31, 1974, whichever is later, so that the risks associated with buildings in flood-prone areas are borne by those located in such areas and not by the taxpayers at large. In accordance with Pub. L. 93-234, the purchase of flood insurance is mandatory when Federal or federally related financial assistance is being provided for acquisition or construction of buildings located, or to be located, within FEMA-identified special flood hazard areas of communities that are participating in the NFIP.

Collection of Information

Title: National Flood Insurance Program Policy Forms.

Type of Information Collection: Revision of a currently approved collection.

OMB Number: 3067-0022.

Forms: FEMA Form 81-16, Flood Insurance Application; FEMA Form 81-17, Cancellation/Nullification Request; FEMA Form 81-18, General Change Endorsement; Request for Policy Processing and Renewal Information Letter (RPPRI Letter); FEMA Form 81-25, V-Zone Risk Factor Rating; FEMA Form 81-67, Preferred Risk Application; and the Renewal Premium Notice.

Abstract: In order to provide for the availability of policies for flood

insurance, policies are marketed through the facilities of licensed insurance agents or brokers in the various States. Applications from agents or brokers are forwarded to a servicing company designated as fiscal agent by Federal Insurance Administration (FIA). Upon receipt and examination of the application and required premium, the servicing company issues the appropriate Federal flood insurance policy.

Affected Public: Individuals or households; Business or other for-profit; Not-for-profit institutions; Farms; Federal Government; State, Local or Tribal Government.

Estimated Total Annual Burden Hours:

FEMA NFIP policy form	Number of responses	Per form burden hours	Total burden hours
81-16 Flood Insurance Application	20,000	12 min	4,000 hrs.
81-67 Preferred Risk Application	5,000	15 min	1,000 hrs.
81-17 Cancellation	8,000	7.5 min	1,000 hrs.
81-18 Endorsement	75,000	9 min	11,250 hrs.
RPPRI Letters (to obtain missing information required for the applications, endorsements, and renewals)			
81-25 V-Zone Risk Factor Rating Form	50	6 hours	300 hrs.
Renewal Premium Notice	146,000	3 min	7,300 hrs.
Coastal Construction Manual—CD Version	50	30 min	25 hrs.
Total	254,100	24,875 hrs.

Because this format is used to obtain information requested but missing on, and required to process, applications, endorsements and renewals, its burden hours are not counted separately, but are included in burden hour totals for those forms.

Estimated Cost: The average annual estimated dollar cost to the respondent applying for or renewing an NFIP policy is \$55.50. This is the average commission amount paid by the NFIP to the insurance agent who completes the paperwork in conjunction with the applicant and submits it on his/her behalf to the NFIP. The NFIP pays the insurance agent 15 percent of the annual premium paid by the applicant. The average annual premium for flood insurance written through the NFIP is \$370.

In addition, flood insurance applicants who opt to submit the V-Zone Risk Factor Rating Form certified by a licensed engineer or architect may incur an additional cost of approximately \$720 per insured structure. The V-Zone Risk Factor Rating Form is used by the NFIP to evaluate the building site condition, support system, and general building details to determine if rate discount is warranted. The NFIP offers insurance rate discount from 5 to 40 percent if the design and construction of the building exceeds the NFIP minimum

requirements. In the past year, applicants submitting the V-Zone Risk Factor rating Form received an average of 20 percent discount on their annual premium. Based on this average percentage premium discount, property owners were able to recoup the additional cost within a one to two year period.

The total annual cost to all respondents is approximately \$9,526,500, which is the sum of \$9,490,500 for policy applications and renewals and \$36,000 for V-Zone Risk Factor Rating.

The projected Operating Expenses (not including claims and claim adjustment expenses) of the NFIP are estimated at approximately \$6,800,000 for fiscal year 2003. This amount includes all administrative expenses such as processing flood applications, endorsements, cancellations, and customer service.

Comments: Written comments are solicited to (a) evaluate whether the proposed data collection is necessary for the proper performance of the agency, including whether the information shall

have practical utility; (b) evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (c) evaluate the accuracy of the estimated costs to respondents to provide the information to the agency; (d) enhance the quality, utility, and clarity of the information to be collected; and (e) minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses. Comments should be received within 60 days of the date of this notice.

ADDRESSES: Interested persons should submit written comments to Muriel B. Anderson, Chief, Records Management Branch, Information Resources Management Division, Information Technology Services Directorate, Federal Emergency Management