

April 16, 2009

Supporting Statement for Paperwork Reduction Act Submissions

OMB Control Number: 1660 - 0006

Title: National Flood Insurance Program Policy Forms

Form Number(s): FEMA Forms 086-0-1, 086-0-2, 086-0-3, 086-0-4, and 086-0-5

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information. Provide a detailed description of the nature and source of the information to be collected.

The National Flood Insurance Program (NFIP) is authorized by Public Law 90-448 (1968) and expanded by Public Law 93-234 (1973). The National Flood Insurance Act of 1968 requires that the Federal Emergency Management Agency (FEMA) provide flood insurance at full actuarial rates reflecting the complete flood risk to structures built or 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. These actuarial rates are based on the degree of the flood risk reflected on the FIRM and take into account a number of different factors including flood risk zone, elevation of the lowest floor above or below the Base Flood Elevation (the elevation of the 100-year frequency flood), type of building, number of floors, basements, enclosures, and so forth. However, an alternative rating method is available for buildings built before the effective date of the FIRM for the community, or before December 31, 1974, whichever is later. Such buildings qualify for Pre-FIRM rates, which are subsidized rates that vary by the category of building.

In return, communities enact and administer construction safeguards to ensure that new construction in the flood plain will be built to eliminate or minimize future flood damage. In accordance with Public Law 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, which are participating in the NFIP.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection. Provide a detailed description of: how the information will be shared, if applicable, and for what programmatic purpose.

In order to provide for the continued widespread availability of policies for flood insurance, policies will continue to be 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 FEMA. Upon receipt and examination of the application and required premium, the servicing company will issue the appropriate Federal flood insurance policy.

The following FEMA forms are used to collect the information needed for NFIP policies to be issued and to accommodate the changing insurance needs of policyholders:

FEMA Form 086-0-1, Flood Insurance Application - This form, which has two parts, is used to obtain building and/or contents coverage for dwellings and general property. The form is also used to apply for a Residential Condominium Building Association Policy (RCBAP), which provides flood insurance coverage on a single policy for all residential condo units in a condominium building.

Part 1 of the application provides basic information concerning building type and occupancy, location and type of contents, date of construction or substantial improvement, amounts of coverage desired, flood zone, community number, and so forth, necessary for any NFIP policy to be issued.

Part 2 of the application, which needs to be completed by only about 25 percent of the applicants, provides detailed underwriting information for risks located in Special Flood Hazard Areas (SFHA) which are to be rated based on information pertaining to building elevations, enclosure construction and size (if any), use of any enclosed area, types of machinery and/or equipment located in any enclosed area, and so forth. The information provided in Part 2 expands on the information provided on the Elevation Certificate and Part 1 of the Application Form. (Part 2 of the Application cannot be used in lieu of an elevation certificate.)

FEMA Form 086-0-2, Flood Insurance Cancellation/Nullification Request Form - The form is signed by the insured (except for reason of non-payment of premium or ineligibility for coverage) and submitted by the insured's agent to effect either a cancellation or nullification of a NFIP policy.

FEMA Form 086-0-3, Flood Insurance General Change Endorsement - This form is used to amend existing policy data shown on the policy Declarations Page. Following receipt and processing of the endorsement form, a Revised Declarations Page showing the requested changes is generated and sent to the insured, agent and mortgagee (if applicable).

FEMA Form 086-0-4, V-Zone Risk Factor Rating Form and Instructions - This form provides certified information concerning the building site, the building support system and other construction details, related to the building's resistance to wind and wave action, which is used to determine the risk's eligibility for lower flood insurance rates because of superior ability to withstand the force of coastal flooding wave action.

FEMA Form 086-0-5, Flood Insurance Preferred Risk Application - This form is a simplified application used to obtain flood insurance coverage for risk's located in B, C and X Zones (zones designated as being moderately to minimally at risk from flooding) at lower premiums.

Renewal Premium Notice - This advises that the policy is about to expire and informs the payor that the premium required must be submitted to renew the policy for the coverage option selected.

Instructions on how to complete these forms are included in the Flood Insurance Manual published by FEMA and can be found on the FEMA website at <http://www.fema.gov/business/nfip/manual200810.shtm>.

Note: A Request for Policy Processing and Renewal Information Letter (RPPRI Letter) is sent to the producer/agent when an application, endorsement, or renewal cannot be processed because of missing or incorrect information. Upon receipt by the NFIP of the additional or corrected information, the application, endorsement, or renewal is processed. Because this format is used to obtain information requested but omitted, or in error, on the applications, endorsements, or renewals, its burden hours are not counted separately, but are included in the burden hour totals of the applications, endorsements, and renewals.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

Electronic (text file) version of Flood Insurance Policy Forms have been developed and used in lieu of the paper forms. These forms can be found on the FEMA website at <http://docnet.fema.gov>. FEMA's Mitigation Directorate is committed to preparing the National Flood Insurance Program (NFIP) for more efficient and effective operations that incorporate the most appropriate Information Technology (IT) capabilities. The NFIP IT strategy recognizes the impact of current and emerging technology trends, directions, and e-business approaches. In order to meet these requirements, the Mitigation Directorate has conducted an information technology assessment and developed an IT Concept of Operations (CONOPS), which will take advantage of internet based technology solutions to handle electronic collection. This will allow the Mitigation Directorate to minimize

reduce overall burden and improve the ability to process the information in a timely manner.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

There is no duplication since only one form is required per structure to obtain flood insurance. The insurance agent representing the applicant must complete the form in order to calculate the premium. In most cases, the insurance agent will use the information previously provided by the applicant to obtain other hazards insurance (e.g.; fire, wind, earthquake, etc.) on the same property. Information on each risk is unique and not available from sources other than the property owner. Therefore, there is no duplication of information.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize.

This information collection does not have an impact on small businesses or other small entities.

6. Describe the consequence to Federal/FEMA program or policy activities if the collection of information is not conducted, or is conducted less frequently as well as any technical or legal obstacles to reducing burden.

Without this collection, the NFIP could not operate and could not provide necessary flood insurance coverage to property owners in communities participating in the NFIP. The information requested on the form is used to establish coverage mandated by law.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

This information collection is conducted in a manner consistent with the guidelines in 5CFR 1320.5(d) (2).

(a) Requiring respondents to report information to the agency more often than quarterly.

(b) Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

(c) Requiring respondents to submit more than an original and two copies of any document.

(d) Requiring respondents to retain records, other than health,

medical, government contract, grant-in-aid, or tax records for more than three years.

(e) In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.

(f) Requiring the use of a statistical data classification that has not been reviewed and approved by OMB.

(g) That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.

(h) Requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

8. Federal Register Notice:

a. Provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

A 60-day Federal Register Notice inviting public comments was published on February 17, 2009, Volume 74, Number 30, pp. 7459. No comments were received. See attached copy of the published notice included in this package.

b. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

The Flood Insurance Producer National Committee (FIPNC), which is made up of non-government professionals involved with the NFIP, meets regularly with government officials from FEMA's Mitigation Directorate to discuss any aspects of the NFIP that are of concern to them. This information collection, including the forms used, is open to FIPNC as a subject of discussion if it so chooses. It is the Mitigation Directorate's practice to solicit comments from this group and other NFIP stakeholders before any changes are made to the NFIP Policy Forms.

In addition, the NFIP program personnel frequently discuss the NFIP Policy Forms at meetings with other involved users; e.g., insurance agents, insurance company officials, mortgage lenders, surveyors, engineers, and others.

In June 2008 an NFIP Policy Forms Workgroup was formed to review the policy forms and make suggestions for their improvement. The workgroup consisted of Mitigation Directorate staff, insurance agents, insurance company officials, surveyors, mortgage lenders, and others. The changes to the NFIP Policy Forms 81-16 (Application), 81-18 (Endorsement), and 81-67 (Preferred Risk Application) in this submission are the direct result of the efforts of this workgroup.

c. Describe consultations with representatives of those from whom information is to be obtained or those who must compile records. Consultation should occur at least once every three years, even if the collection of information activities is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

Mitigation Directorate program personnel discuss the V-Zone Risk Factor Rating Form at meetings with involved users; e.g., engineers, architects. The Mitigation Directorate worked very closely with the engineers and architects during the development process. In addition, approximately 10 engineers and architects in different parts of the United States were involved in reviewing the form.

In June 2008 an NFIP Policy Forms Workgroup was formed to review the policy forms and make suggestions for their improvement. The workgroup consisted of Mitigation Directorate staff, insurance agents, insurance company officials, surveyors, mortgage lenders, and others. The changes recommended and adopted by the workgroup are reflected in the revisions of the NFIP Policy Forms 81-16 (Application), 81-18 (Endorsement), and 81-67 (Preferred Risk Application), which are submitted for approval with this submission. These changes do not change the paperwork burden associated with the forms as there is no significant net change to the information required to be collected on the form, i.e., some items have been added, others have been removed.

These changes do not change the paperwork burden associated with the forms as there is no significant net change to the information required to be collected on the form, i.e., some items have been added, some removed, some revised for clarification. The changes in the information requested reflect changes in NFIP rating categories and rates. The information requested is required to ensure that the policy is correctly rated and issued. Information items no longer needed have been removed.

These changes are not the result of changes in Regulations. FEMA periodically reviews its coverage and loss experience and adjust rates accordingly to make the NFIP more fiscally sound and to make the flood insurance rates more reflective of the risk. This action is consistent with underwriting activities and action in the private sector where

rates are modified based on underwriting concerns, the financial condition of the company and other insurance considerations.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

FEMA does not provide payments or gifts to respondents in exchange for a benefit sought.

10. Describe any assurance of confidentiality provided to respondents. Present the basis for the assurance in statute, regulation, or agency policy.

FEMA does not disclose the information collected except to the servicing office acting as the government's fiscal agent, to routine users, to the insured's agent of record, and mortgagee listed on the flood insurance policy. The NFIP computer system security plan complies with the Computer Security Act, OMB Circulars A-123, A-127, and A-130. The NFIP Servicing Agent computer system has a protection and control of the data maintained in the system. A System of Records Notice (SORN) dated January 23, 2002, volume 67, number 15, pages 31994-3195 has been done. A Privacy Threshold Analysis needs will be completed and reviewed by the Privacy Office.

11. Provide additional justification for any question of a sensitive nature (such as sexual behavior and attitudes, religious beliefs and other matters that are commonly considered private). This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There are no questions of a sensitive nature necessary required from respondents.

12. Provide estimates of the hour burden of the collection of information. The statement should:

a. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated for each collection instrument (separately list each instrument and describe information as requested). Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desired. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

FEMA Form 086-0-1 is completed by an estimated 5,859 property owners. The average burden per response is 12 minutes and the total annual burden hours are 1,171.8.

FEMA Form 086-0-2 is completed by an estimated 2,958 property owners. The average burden per response is 7.5 minutes and the total annual burden hours are 369.75.

FEMA Form 086-0-3 is completed by an estimated 19,920 property owners. The average burden per response is 9 minutes and the total annual burden hours are 2.988.

FEMA Form 086-0-5 is completed by an estimated 1,090 property owners. The average burden per response is 8 minutes and the total annual burden hours are 145.33.

FEMA Form 086-0-4 is completed by an estimated 20 surveyors/engineers. The average burden per response is 6.5 hours and the total annual burden hours are 130.

The Renewal Premium Notice is completed by an estimated 93,514 property owners. The average burden per response is 3 minutes and the total annual burden hours are 4,675.7.

b. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.

c. Provide an estimate of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost to the respondents of contracting out or paying outside parties for information collection activities should not be included here. Instead this cost should be included in Item 13.

Type of Respondent	Form Name / Form Number	No. of Respondents	No. of Responses per Respondent	Avg. Burden per Response (in hours)	Total Annual Burden (in hours)	Avg. Hourly Wage Rate	Total Annual Respondent Cost
Individual and Household, Business or other for profit, Not-for-profit institutions, Farms, State, Local or Tribal Government (Property	Flood Insurance Application / FEMA Form 086-0-1	5,859	1	.2 Hours (12 Minutes)	1,171.8 Hours (70,308 Minutes)	\$19.56	\$22,920.41

Owner)							
Individual and Household, Business or other for profit, Not-for-profit institutions, Farms, State, Local or Tribal Government (Property Owner)	Flood Insurance Cancellation / Nullification Request Form / FEMA Form 086-0-2	2,958	1	.125 Hours (7.5 Minutes)	369.75 Hours (22,185 Minutes)	\$19.56	\$7,232.31
Individual and Household, Business or other for profit, Not-for-profit institutions, Farms, State, Local or Tribal Government (Property Owner)	Flood Insurance General Change Endorsement / FEMA Form 086-0-3	19,920	1	.15 Hours (9 Minutes)	2,988 Hours (179,280 Minutes)	\$19.56	\$58,445.28
Individual and Household, Business or other for profit, Not-for-profit institutions, Farms, State, Local or Tribal Government (Property Owner)	Flood Insurance Preferred Risk Policy Application / FEMA Form 086-0-5	1,090	1	.133 Hours (8 Minutes)	145.33 Hours (8,720 Minutes)	\$19.56	\$2,842.72
Individual and Household, Business or other for profit, Not-for-profit institutions, Farms, State, Local or Tribal Government	Renewal Premium Notice / No Form	93,514	1	.05 Hours (3 Minutes)	4,675.7 Hours (280,542 Minutes)	\$19.56	\$91,456.69

(Property Owner)							
Business or other for profit (Surveyors)	V-Zone Risk Factor Rating Form and Instructions / FEMA Form 086-0-4 (including reference to the Coastal Construction Manual CD)	20	1	6.5 Hours (390 Minutes)	130 Hours (7,800 minutes)	\$33.11	\$4,304.30
Total		123,361			9,480.58		\$187,201.71

According to the U.S. Department of Labor, Bureau of Labor Statistics website (www.bls.gov) the wage rate category for property owners of various occupations, is estimated to be \$19.56 per hour; therefore, the estimated burden hour cost to respondent property owners is estimated to be \$182,897.41 annually.

According to the U.S. Department of Labor, Bureau of Labor Statistics website (www.bls.gov) the wage rate category for Architects and Engineers is estimated to be \$33.11 per hour; therefore, the estimated burden hour cost to respondent property owners is estimated to be \$4,304.30 annually.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. (Do not include the cost of any hour burden shown in Items 12 and 14.)

The cost estimates should be split into two components:

a. Operation and Maintenance and purchase of services component. These estimates should take into account cost associated with generating, maintaining, and disclosing or providing information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred.

b. Capital and Start-up-Cost should include, among other items, preparations for collecting information such as purchasing computers and software, monitoring sampling, drilling and testing equipment, and record storage facilities.

Annual Cost Burden to Respondents or Record-keepers

Data Collection Activity/Instrument	*Annual Capital Start-Up Cost (investments in overhead, equipment and other one-time expenditures)	*Annual Operations and Maintenance Cost (such as recordkeeping, technical/professional services, etc.)	Annual Non-Labor Cost (expenditures on training, travel and other resources)	Total Annual Cost to Respondents
V-Zone Risk Factor Rating Form FEMA 81-25 (including reference to the Coastal Construction Manual CD)	0	\$13,000	0	\$13,000
Premium Cost to Respondents (19,920 policies x \$320 average cost per premium)	0	\$6,374,400		\$6,374,400
Total	0	\$6,387,400	0	\$6,387,400

The cost to the respondent (e.g., applicants for flood insurance for whose building the V-Zone Risk Factor Rating Form FEMA 086-0-4 is being completed) is estimated to be a fee of \$650 charged (6.5 hrs. x \$100/hr.) to the applicant by the private sector professional (architect/engineer) completing the V-Zone Risk Factor Rating Form. This estimated cost to the respondent is based on verbal reports by applicants/policyholders and insurance agents incidental to FEMA’s normal course of business. The annual cost to 20 respondents x an average cost of \$650 per V-Zone Risk Factor Rating Form is estimated to be approximately \$13,000. Each policy is charged an estimated average premium for insurance of \$320, and the total number of policies renewed each year is 19,920, for a total of \$6,374,400. The total cost to respondents is estimated to be \$6,387,400 annually. NOTE: The prior associated cost for the purchasing of services to complete the V-Zone Risk Factor Rating of \$720 x 22,300 respondents (\$16,056,000) were inaccurate as all respondents did not actually need to complete that form. The actual burden is now correctly calculated at \$13,000.

14. Provide estimates of annualized cost to the federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing and support staff), and any other expense that would have been incurred without this collection of information. You may also aggregate cost estimates for Items 12, 13, and 14 in a single table.

ANNUALIZED COST TO THE FEDERAL GOVERNMENT

Item	Cost (\$)
Contract Costs [processing policy forms and customer service] See Note 1 below	\$6,500,000.
Staff Salaries [One GS-14 estimated annual salary \$116,000; spending approximately 2% of time with NFIP forms] See Note 2 below	\$ 2,320.
Facilities [cost of storage area for forms] See Note 3 below	\$ 600.
Printing (34,750 forms printed annually x \$0.069 rounded) See Note 4 below	\$ 2,408.
Postage [18,773 x \$0.80] See Note 5 below	\$ 15,018.
Total	\$ 6,520,346.

Note 1: The contract costs for NFIP is estimated to be \$6,500,000 for fiscal year 2008. This amount includes all administrative expenses such as processing flood applications, endorsements, cancellations, and customer service.

Note 2: It is estimated that one GS-14 spend approximately 2% of his/her time analyzing NFIP forms to see if any changes are needed and responding to program changes and program experiences.

Note 3: The annual warehouse storage cost associated with the five NFIP Policy Forms is \$600. This is based on a cost of \$10 per month per form for twelve months, or \$10 per month times 5 forms times 12 months.

Note 4: The annualized printing cost of the NFIP Policy Forms is calculated to be \$2,408, which is determined based on the 2008 printing cost for each form as follows:

Form Numbers	Number of Forms Printed	Cost of Printing Forms
FEMA Form 086-0-1	7,000	\$350
FEMA Form 086-0-2	6,000	\$300
FEMA Form 086-0-3	10,000	\$630
FEMA Form 086-0-4*	6,750	\$878
FEMA Form 086-0-5	5,000	\$250
Total	34,750	\$2,408
*Form 81-25 was last printed in 2007. The numbers used for the 2008 figure for Form 81-25 is half of the number printed in 2007 and half of that printing cost.		

The printing cost per form is the cost of the forms \$2,408 *divided by* 34,750 forms, which equals \$0.069295 rounded to \$0.069.

Note 5: The annualized mailing cost associated with the five NFIP Policy Forms is estimated to be approximately \$15,018.40. This is based on an average per form mailing cost of \$0.80 times the number of forms mailed. The FY2008 mailing cost for each of the five forms as follows:

Form Number	Number of Forms Mailed	Cost of Mailing
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FEMA Form 086-0-1	4,553	\$3,642.40
FEMA Form 086-0-2	6,939	5,551.20
FEMA Form 086-0-3	4,084	3,267.20
FEMA Form 086-0-4	228	182.40
FEMA Form 086-0-5	2,969	2,375.20
Total	18,773	\$15,018.40

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I in a narrative form. Present the itemized changes in hour burden and cost burden according to program changes or adjustments in Table 5. Denote a program increase as a positive number, and a program decrease as a negative number.

A "Program increase" is an additional burden resulting from an federal government regulatory action or directive. (e.g., an increase in sample size or coverage, amount of information, reporting frequency, or expanded use of an existing form). This also includes previously in-use and unapproved information collections discovered during the ICB process, or during the fiscal year, which will be in use during the next fiscal year.

A "Program decrease", is a reduction in burden because of: (1) the discontinuation of an information collection; or (2) a change in an existing information collection by a Federal agency (e.g., the use of sampling (or smaller samples), a decrease in the amount of information requested (fewer questions), or a decrease in reporting frequency).

"Adjustment" denotes a change in burden hours due to factors over which the government has no control, such as population growth, or in factors which do not affect what information the government collects or changes in the methods used to estimate burden or correction of errors in burden estimates.

Itemized Changes in Annual Burden Hours						
Data collection Activity/Instrument	Program Change (hours currently on OMB Inventory)	Program Change (New)	Difference	Adjustment (hours currently on OMB Inventory)	Adjustment (New)	Difference
Flood Insurance Application / FEMA Form 086-0-1				1,880	1,171.8	-708.2
Flood Insurance Cancellation / Nullification Request Form / FEMA Form 086-0-2				850	369.75	-480.25
Flood Insurance General Change Endorsement / FEMA Form 086-0-3				12,510	2,988	-9,522

V-Zone Risk Factor Rating Form and Instructions / FEMA Form 086-0-4 (including reference to the Coastal Construction Manual CD)				300	130	-170
Flood Insurance Preferred Risk Policy Application / FEMA Form 086-0-5				375	145.33	-229.67
Renewal Premium Notice				6,360	4,675.7	-1,684.3
Coastal Construction Manual CD Version				25	0	-25
Total(s)				22,300	9,480.58	-12,819.42

Explain: The paperwork burden associated with FEMA Form 086-0-5 (Preferred Risk Application) has been changed from 15 minutes per form to 8 minutes per form. This change is a correction of an error in the burden estimate. The correction is based on conversations with insurance agents whose comments and time estimates for completing Form 086-0-5 indicated that the burden is less than originally estimated. This burden hour change is not due to the change in the information requested on the form.

The decreases in the burden hours for the NFIP Policy Forms is due to fewer forms being submitted by property owners, i.e., fewer applications and renewal being submitted, etc. The decreases are not due to program changes or changes in the information collection.

The changes (recommended and adopted by the NFIP Policy Form workgroup, as explained above) to the NFIP Policy Forms 086-0-1 (Application), 086-0-3 (Endorsement), and 086-0-5 (Preferred Risk Application) do not change the paperwork burden associated with the forms as there is no significant net change to the information to be collected on the form.

FEMA Form 086-0-4 changes result from fewer forms being submitted, and the Coastal Construction Manual CD, which contains related information, has been added into this form's burden hours as it is used in conjunction with the form. The hours are removed from the Coastal Construction Manual CD Version calculation from the previous approval.

Itemized Changes in Annual Cost Burden						
Data collection Activity/Instrument	Program Change (cost currently on OMB Inventory)	Program Change (New)	Difference	Adjustment (cost currently on OMB Inventory)	Adjustment (New)	Difference

Flood Insurance Application / FEMA Form 086-0-1				\$29,704	\$22,920.41	-\$6,783.59
Flood Insurance Cancellation / Nullification Request Form / FEMA Form 086-0-2				\$13,430	\$7,232.31	-\$6,197.69
Flood Insurance General Change Endorsement / FEMA Form 086-0-3				\$197,658	\$58,445.28	-\$139,212.72
V-Zone Risk Factor Rating Form and Instructions / FEMA Form 086-0-4 (including reference to the Coastal Construction Manual CD)	\$30,000	0	-\$30,000	\$30,000	\$4,304.30	-26,695.70
Flood Insurance Preferred Risk Policy Application / FEMA Form 086-0-5				\$5,925	\$2,842.72	-\$3,082.28
Renewal Premium Notice				\$100,488	\$91,456.69	-\$9,031.31
Coastal Construction Manual CD Version	\$2,500	0	\$2,500	\$2,500	0	-\$2500.00
Total(s)	\$32,500	0	-\$32,500	\$377,205	\$187,201.71	-\$190,003.29

Explain: The change in the cost burden is due to (1) a decrease in the number of NFIP Policy Forms submitted by property owners, and (2) an increase in the category wage rate from \$15.80 to \$19.56. The Coastal Construction Manual CD, which contains related information was included in the previous Burden and Cost estimate separately but is now added into the burden for FEMA Form 086-0-4 as it is used in conjunction with that form.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

FEMA does not intend to employ the use of statistics or the publication thereof for this information collection.

17. If seeking approval not to display the expiration date for OMB approval of the information collection, explain reasons that display would be inappropriate.

FEMA will display the expiration date for OMB approval of this information collection.

**18. Explain each exception to the certification statement identified in Item 19
“Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.**

FEMA does not request an exception to the certification of this information collection.

B. Collections of Information Employing Statistical Methods.

THERE IS NO STATISTICAL METHODOLOGY INVOLVED IN THIS
COLLECTION.