

Common Procedures for Dispute Resolution Practices: Flood Determination Industry

It is commonplace for flood determinations to be questioned or challenged, whether due to other conflicting documentation, flood maps issues, or simply because it is not the desired result. Flood determination companies have developed procedures and employ dedicated teams of tenured specialists to address these disputes with the purpose of providing exemplary service and to attempt to confirm the flood zone based on the flood map.

Flood determination companies provide flood determinations for lenders for the purpose of the mandatory purchase requirement as well as for insurance companies and agents for rating flood insurance policies through the National Flood Insurance Program (NFIP). When disagreements occur, either because of a discrepancy between the lender's determination and the rating of the insurance policy, or for any other reason, the flood determination company's dispute resolution process can be initiated. It is important to note that there may be discrepancies between a lender's determination and an insurance policy due to grandfathering or the NFIP's Preferred Risk Policy Extension program, so there may not be a need to involve the flood determination company. In cases in which the determination itself is questioned, following is typical of the dispute resolution processes that companies will follow:

- When an individual disagrees with a flood determination, they should contact their lender (typically the loan servicing or insurance department) or insurance agent, depending on which determination is being disputed, and ask that the flood determination be reviewed by the company that produced it.
- Any available documentation in support of a different flood zone should be submitted with the request for review.
- The lender or insurance representative will contact its flood determination provider, supply the determination reference number and the documentation and ask for a review/recheck.
- The flood determination company will review the documentation, the recheck request, and the disputed determination. The findings will be returned to the client, either the lender or insurance representative. If the zone is revised, the flood determination company will provide an updated copy to the client.
- Beyond reviewing the flood zone on the flood map, flood determination companies often will provide additional services, such as working with other flood determination companies to attempt to reach a consensus, discussing the flood determination with other involved parties, and considering alternatives such as a Letter of Map Amendment through FEMA.

Flood determination companies embrace the dispute resolution process which ultimately benefits the company itself, its clients and others. Map issues are identified, system or process enhancements can be instituted, client relationships are solidified, and financial risk can be mitigated. The National Flood Determination Association (NFDA) shares this learned information among its membership and helps to improve best practices across the industry as a whole.