

i. If any files to be audited are unavailable, determine the reason for their absence. In undertaking this portion of the biennial audit, the Administrative Review Checklist (Exhibit B) below should be utilized.

Exhibit "B"—Administrative Review Checklist

Policy #:

Insured's Name:

State:

Date of loss:

Date paid:

Date reported:

Amt. of loss: \$

Bldg: \$

Contents: \$

Adjusting firm:

Examiner's name:

Comments:

1. Investigation and Adjustments

	Yes	No	N/A
A. Application of Coverage.			
(1) Insurable Interest? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Is loss from the flood peril? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Did loss occur within the policy term? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Does location and description of risk coincide with policy information? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) Were proper deductibles applied? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(6) Other insurance considered? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(7) Other losses? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Application of Sound Adjusting Practices:			
(1) Was adjuster's report accurate/complete? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Was an attorney used in the settlement? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Was a technical expert used in the settlement? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Documentation:			
(1) Are damages clearly identified? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Are damages flood related? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Are damages clearly and completely itemized and documented by the adjuster? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Was depreciation considered? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) Has subrogation been considered? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(6) Has salvage been properly handled? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(7) Was salvage timely? ....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Supervision:			
a. Assignments:			
(1) Are assignments made promptly? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Is insured contacted promptly? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Reserves:			
(1) Are initial reserves indicated on the first report? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Are they adequate? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Does final settlement compare favorably with last reserve established? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Diary Control:			
(1) Automatic? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Timely? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No	N/A
(3) Is file reviewed at diary date with examiner's comments? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Examiner Evaluation and Settlement Performances:			
(1) Is examiner directing adjuster when needed? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Are files documented? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Is adequate control maintained over in-house adjuster? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Is adequate control maintained over outside adjuster? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Salvage and subrogation:			
(1) Is salvage evaluated by salvors? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Is salvage disposed of promptly? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Are salvage returns adequate? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Is potential subrogation being promptly and properly investigated? ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) Are proper subrogation forms used? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(6) Are subrogation and salvage files properly opened, diaried, and referred (if appropriate)? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(7) Are recovery funds for subrogation and salvage being properly handled? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Suits:			
(1) Are suits properly identified? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Are suits being properly evaluated? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Are suits being referred to attorneys promptly? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Are attorneys being advised as to handling settlement or compromise? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) Are suits being properly controlled? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(6) Are suits files properly diaried? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(7)-(8) [Reserved].			
g. Other:			
(1) Was there other coverage by the WYO Company? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Were damages correctly apportioned? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Was a solo adjuster used? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Were there prior flood claims? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) Were prior damages repaired? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(6) Were prior claim files reviewed? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(7) Was a Congressional complaint letter in file? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(8) Was it responded to promptly? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(9) Is the statistical reporting correction file being properly managed? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. State Insurance Department Examination			
1. It is expected that audits of WYO companies by independent accountants and/or state insurance departments, aside from those conducted by the FIA or its designee, will include flood insurance activity. When such audits occur, a financial officer for the WYO Company will notify the FIA, identifying the auditing entity and providing a brief statement of the overall conclusions			

that relate to flood insurance and the insurer's financial condition, when available. In the case of an audit in progress, a brief statement on the scope of the audit should be provided to the FIA. A checklist will be utilized for this reporting and will be provided to WYO Companies by the FIA.

2. The WYO Companies will maintain on file the reports resulting from audits, subject to on-site inspection by the FIA or its designee. At the FIA's request, the WYO Company will submit a copy of the auditor's opinion, should one be available, summarizing the audit conclusion. "(Approved by the Office of Management and Budget under OMB control number 3067-0169)"

a. Certification Statement for Monthly Financial and Statistical Reconciliation Reports.

I have reviewed the accompanying financial and statistical reconciliation reports of XYZ Company as of \_\_\_\_\_. All information included in these statements is the representation of the XYZ Company.

Based on my review (with the exception of the matter(s) described in the following paragraphs, if applicable), I certify that I am not aware of any material modifications that should be made to the accompanying reports.

Signed \_\_\_\_\_  
(Responsible Financial Officer)

Date \_\_\_\_\_

B. Certification Statement for Monthly Statistical Transaction Report

I have reviewed the accompanying statistical transaction report control totals in conjunction with appropriate statistical reconciliation reports. All information included in these reports is the representation of the XYZ Company. "(Approved by the Office of Management and Budget under OMB control number 3067-0169)."

Signed \_\_\_\_\_  
(Responsible Reporting Officer)

Date \_\_\_\_\_  
(Catalog of Federal Domestic Assistance No. 83.100, "Flood Insurance")

Dated: September 20, 1996.

Spence W. Perry,

*Executive Administrator, Federal Insurance Administration.*

[FR Doc. 96-25088 Filed 9-30-96; 8:45 am]

BILLING CODE 6718-03-P

44 CFR Part 64

[Docket No. FEMA-7649]

List of Communities Eligible for the Sale of Flood Insurance

AGENCY: Federal Emergency Management Agency (FEMA).

ACTION: Final rule.

SUMMARY: This rule identifies communities participating in the National Flood Insurance Program (NFIP). These communities have applied to the program and have agreed

to enact certain floodplain management measures. The communities' participation in the program authorizes the sale of flood insurance to owners of property located in the communities listed.

**EFFECTIVE DATES:** The dates listed in the third column of the table.

**ADDRESSES:** Flood insurance policies for property located in the communities listed can be obtained from any licensed property insurance agent or broker serving the eligible community, or from the NFIP at: Post Office Box 6464, Rockville, MD 20849, (800) 638-6620.

**FOR FURTHER INFORMATION CONTACT:** Robert F. Shea, Jr., Division Director, Program Implementation Division, Mitigation Directorate, 500 C Street SW., room 417, Washington, DC 20472, (202) 646-3619.

**SUPPLEMENTARY INFORMATION:** The NFIP enables property owners to purchase flood insurance which is generally not otherwise available. In return, communities agree to adopt and administer local floodplain management measures aimed at protecting lives and new construction from future flooding. Since the communities on the attached list have recently entered the NFIP, subsidized flood insurance is now available for property in the community.

In addition, the Director of the Federal Emergency Management Agency has identified the special flood hazard areas in some of these communities by

publishing a Flood Hazard Boundary Map (FHBM) or Flood Insurance Rate Map (FIRM). The date of the flood map, if one has been published, is indicated in the fourth column of the table. In the communities listed where a flood map has been published, Section 102 of the Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4012(a), requires the purchase of flood insurance as a condition of Federal or federally related financial assistance for acquisition or construction of buildings in the special flood hazard areas shown on the map.

The Director finds that the delayed effective dates would be contrary to the public interest. The Director also finds that notice and public procedure under 5 U.S.C. 553(b) are impracticable and unnecessary.

**National Environmental Policy Act.** This rule is categorically excluded from the requirements of 44 CFR part 10, Environmental Considerations. No environmental impact assessment has been prepared.

**Regulatory Flexibility Act.** The Acting Associate Director certifies that this rule will not have a significant economic impact on a substantial number of small entities in accordance with the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, because the rule creates no additional burden, but lists those communities eligible for the sale of flood insurance.

**Regulatory Classification.** This final rule is not a significant regulatory action

under the criteria of section 3(f) of Executive Order 12866 of September 30, 1993, Regulatory Planning and Review, 58 FR 51735.

**Paperwork Reduction Act.** This rule does not involve any collection of information for purposes of the Paperwork Reduction Act, 44 U.S.C. 3501 *et seq.*

**Executive Order 12612, Federalism.** This rule involves no policies that have federalism implications under Executive Order 12612, Federalism, October 26, 1987, 3 CFR, 1987 Comp., p. 252.

**Executive Order 12778, Civil Justice Reform.** This rule meets the applicable standards of section 2(b)(2) of Executive Order 12778, October 25, 1991, 56 FR 55195, 3 CFR, 1991 Comp., p. 309.

List of Subjects in 44 CFR Part 64

Flood insurance, Floodplains.

Accordingly, 44 CFR part 64 is amended as follows:

#### PART 64—[AMENDED]

1. The authority citation for Part 64 continues to read as follows:

Authority: 42 U.S.C. 4001 *et seq.*, Reorganization Plan No. 3 of 1978, 3 CFR, 1978 Comp., p. 329; E.O. 12127, 44 FR 19367, 3 CFR, 1979 Comp., p. 376.

#### § 64.6 [Amended]

2. The tables published under the authority of § 64.6 are amended as follows:

State/location	Communi- ty No.	Effective date of eligibility	Current effective map date
<b>New Eligibles—Emergency Program</b>			
Nebraska: Winnebago Indian Tribe, Thurston County ...	315498	Aug. 6, 1996 .....	June 4, 1976.
Texas: Aubrey, city of, Denton County .....	480776	.....do .....	
Michigan: Martiny, township of, Mecosta County .....	260958	Aug. 23, 1996 .....	July 15, 1996.
Kentucky: Shelby County, unincorporated areas .....	210209	.....do .....	
<b>Reinstatements</b>			
Pennsylvania:			
Connellsville, township of, Fayette County .....	421623	Mar. 3, 1977, Emerg.; July 16, 1991, Reg.; July 16, 1991, Susp.; Aug. 7, 1996, Rein.	July 16, 1991.
Cheswick, borough of, Allegheny County .....	420022	July 30, 1975, Emerg.; June 18, 1980, Reg.; Oct. 4, 1995, Susp.; Aug. 7, 1996, Rein.	Oct. 4, 1995.
Masontown, borough of, Fayette County .....	422572	July 9, 1975, Emerg.; Sept. 4, 1991, Reg. Oct. 4, 1995, Susp.; Aug. 7, 1996, Rein.	February 2, 1995.
West Virginia: Reedsville, town of, Preston County .....	540269	Nov. 24, 1975, Emerg.; Aug. 1, 1987, Reg.; Aug. 1, 1987, Susp.; Aug. 7, 1996, Rein.	Aug. 1, 1987.
Pennsylvania:			
Forest Hills, borough of Allegheny County .....	420035	Oct. 15, 1973, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.; Oct. 14, 1986, Rein.; Oct. 4, 1995, Susp.; Aug. 13, 1996, Rein.	Oct. 4, 1995.
Lincoln, borough of, Allegheny County .....	420049	April 2, 1975, Emerg.; Sept. 28, 1979, Reg.; Oct. 4, 1995, Susp.; Aug. 13, 1996, Rein.	Do.
Mt. Lebanon, municipality of, Allegheny County .....	421272	Oct. 8, 1976, Emerg.; June 30, 1976, Reg.; Oct. 4, 1995, Susp.; Aug. 13, 1996, Rein.	Do.
New York: Triangle, town of, Broome County .....	360055	Aug. 11, 1976, Emerg.; July 20, 1984, Reg.; Nov. 4, 1992, Susp.; Aug. 13, 1996, Rein.	July 20, 1984.
Pennsylvania: Bradford Woods, borough of Allegheny County.	421262	Mar. 9, 1977, Emerg.; Nov. 6, 1981, Reg.; Oct. 4, 1995, Susp.; Aug. 21, 1996, Rein.	Oct. 4, 1995.

State/location	Community No.	Effective date of eligibility	Current effective map date
<b>Regular Program Conversions</b>			
<b>Region II</b>			
New York:			
Bolton, town of, Warren County .....	360869	Aug. 16, 1996, Suspension Withdrawn .....	Aug. 16, 1996.
Lake George, town of, Warren County .....	360876	.....do .....	Do.
Queensbury, town of, Warren County .....	360879	.....do .....	Do.
<b>Region V</b>			
Illinois: Centralia, city of, Marion and Clinton Counties .....	170453	.....do .....	Do.
Indiana: Seymour, city of, Jackson County .....	180099	.....do .....	Do.
Michigan:			
Coldwater, city of, Branch County .....	260813	.....do .....	Do.
Coldwater, township of, Branch County .....	260826	.....do .....	Do.
Wisconsin: Dunn County, unincorporated areas .....	550118	.....do .....	Do.
<b>Region VII</b>			
Missouri: Howard County, unincorporated areas .....	290162	.....do .....	Do.
<b>Region X</b>			
Washington:			
Ferry County, unincorporated areas .....	530041	.....do .....	Do.
Stevens County, unincorporated areas .....	530185	.....do .....	Do.

Code for reading third column: Emerg.;- Emergency; Reg.;- Regular; Rein.;- Reinstatement; Susp.;-Suspension; With.- Withdrawn.

(Catalog of Federal Domestic Assistance No. 83.100, "Flood Insurance.")

Issued: September 24, 1996.

Richard W. Krimm,

*Acting Associate Director, Mitigation Directorate.*

[FR Doc. 96-25090 Filed 9-30-96; 8:45 am]

BILLING CODE 6718-05-P

#### 44 CFR Part 64

[Docket No. FEMA-7650]

#### Suspension of Community Eligibility

**AGENCY:** Federal Emergency Management Agency, FEMA.

**ACTION:** Final rule.

**SUMMARY:** This rule identifies communities, where the sale of flood insurance has been authorized under the National Flood Insurance Program (NFIP), that are suspended on the effective dates listed within this rule because of noncompliance with the floodplain management requirements of the program. If the Federal Emergency Management Agency (FEMA) receives documentation that the community has adopted the required floodplain management measures prior to the effective suspension date given in this rule, the suspension will be withdrawn by publication in the Federal Register.

**EFFECTIVE DATE:** The effective date of each community's suspension is the third date ("Susp.") listed in the third column of the following tables.

**ADDRESSES:** If you wish to determine whether a particular community was suspended on the suspension date,

contact the appropriate FEMA Regional Office or the NFIP servicing contractor.

#### FOR FURTHER INFORMATION CONTACT:

Robert F. Shea Jr., Division Director, Program Implementation Division, Mitigation Directorate, 500 C Street, SW, Room 417, Washington, DC 20472, (202) 646-3619.

**SUPPLEMENTARY INFORMATION:** The NFIP enables property owners to purchase flood insurance which is generally not otherwise available. In return, communities agree to adopt and administer local floodplain management aimed at protecting lives and new construction from future flooding. Section 1315 of the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4022, prohibits flood insurance coverage as authorized under the National Flood Insurance Program, 42 U.S.C. 4001 *et seq.*, unless an appropriate public body adopts adequate floodplain management measures with effective enforcement measures. The communities listed in this document no longer meet that statutory requirement for compliance with program regulations, 44 CFR part 59 *et seq.* Accordingly, the communities will be suspended on the effective date in the third column. As of that date, flood insurance will no longer be available in the community. However, some of these communities may adopt and submit the required documentation of legally enforceable floodplain management measures after this rule is published but prior to the actual suspension date. These communities will not be suspended and will continue their eligibility for the sale of insurance. A notice withdrawing the suspension of

the communities will be published in the Federal Register.

In addition, the Federal Emergency Management Agency has identified the special flood hazard areas in these communities by publishing a Flood Insurance Rate Map (FIRM). The date of the FIRM if one has been published, is indicated in the fourth column of the table. No direct Federal financial assistance (except assistance pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act not in connection with a flood) may legally be provided for construction or acquisition of buildings in the identified special flood hazard area of communities not participating in the NFIP and identified for more than a year, on the Federal Emergency Management Agency's initial flood insurance map of the community as having flood-prone areas (section 202(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4106(a), as amended). This prohibition against certain types of Federal assistance becomes effective for the communities listed on the date shown in the last column.

The Acting Associate Director finds that notice and public comment under 5 U.S.C. 553(b) are impracticable and unnecessary because communities listed in this final rule have been adequately notified.

Each community receives a 6-month, 90-day, and 30-day notification addressed to the Chief Executive Officer that the community will be suspended unless the required floodplain management measures are met prior to the effective suspension date. Since these notifications have been made, this