



Flood Risk Score

KEY BENEFITS

- Underwriting: Enhance risk selection, policy structure, and pricing
- Portfolio Management: Establish and manage risk accumulation based on overall risk or select risk factors, such as proximity to poorly maintained levees

KEY FEATURES

- Provides instantaneous, fully-automated assessment of location-specific risk
- Differentiates levels of risk within and beyond the flood zone
- Summarizes risk into intuitive ratings system: low, moderate, high, very high, and extreme
- Reports proximity and condition of levees and dams
- Utilizes parcel-based geocoding to ensure spatial accuracy

Moving Beyond “The Zone”

Between 25 - 30% of the National Flood Insurance Program claims filed annually are on properties located outside of the federally-recognized 100-year flood plain. In the case of catastrophic events, the federal flood maps are an even less reliable indicator of properties at-risk for flooding.

The product of the most extensive and only countrywide flood risk engineering study to-date, federal flood maps are not the problem. In fact, flood zone determinations are an important part of any flood risk solution. The problem is flood zone determinations were not designed to support the private insurance sector’s efforts to underwrite the peril or manage aggregate risk. Determining whether a property is “in” or “out” of the 100-year flood plain is an oversimplification that fails to differentiate between levels of risk. In addition it does not identify critical risk factors.

Flood Risk Score

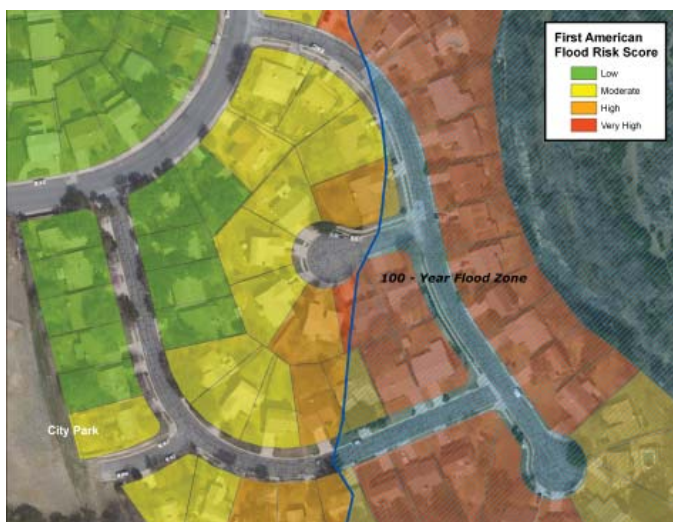
First American’s Flood Risk Score (FRS) is the first and only alternative to using basic flood zone determinations to measure an individual property’s risk of flooding. By combining advanced spatial accuracy, the most detailed hazard data available, historical flooding patterns and advanced hydrological science, the FRS is an exceptionally accurate flood risk assessment tool. The process by which a FRS is determined includes three components:

(1) *Calculate the proximity of the flood hazard and identify key risk factors.* Based on Water Drop Technology, the FRS determines the distance and elevation variance between a given property and the flood plain. A thorough search of the immediate watershed is then conducted to identify levees and dams that pose additional risk.

(2) *Determine and report risk.* Based on the property’s flood zone determination and its proximity to the flood hazard, the risk of flood is calculated using a proprietary analysis that incorporates historical flooding events and hydrological science. The risk is reported as both a score and an easy-to-understand rating (low – extreme).

(3) *Qualify the results and note potential risk.* Every FRS is accompanied by a geocode confidence element that reports the level of granularity (rooftop (exact), parcel or street) to which a location was determined. Any inconsistency between the elevation variance and federal flood maps is also noted.

The entire process is fully-automated, takes only seconds to complete*, and reports a simple and intuitive risk score/rating enabling our customers to accurately assess property-specific flood risk anywhere in the U.S.



Spatial Illustration of Flood Risk Score output.

Flood Risk Score

The Significance of Water Drop Technology

Water does not run in a straight line or simply stop flowing when it encounters an obstacle. Rather, its course reflects the topology of the land, which is why the FRS determines water hazard proximity using patent-pending Water Drop Technology (WDT). Instead of measuring the property's proximity (distance and elevation variance) to a water hazard by drawing a straight line between the two, the FRS determines how the flood waters will flow to the property based on ground elevation and the presence of levees or dams. Proximity is then based on the path of the flood waters. The result is often a much different interpretation of flood risk. WDT is just one of FRS' many unique features that make it one of the most advanced and accurate flood risk tools available.

Levees and Dams

Basic flood zone determinations do not reflect the risk posed by the failure of nearby water management structures such as a levee or dam. Consequently, First American developed an extensive internal database of over 90,000 dams and levees to augment the FRS. In addition to reporting the risk score and rating, every FRS is accompanied by the name and proximity of any pertinent, and potentially threatening, levee or dam. In the instances where the U.S. Army Corps of Engineers has designated a levee as a maintenance concern, that designation is reported as well.

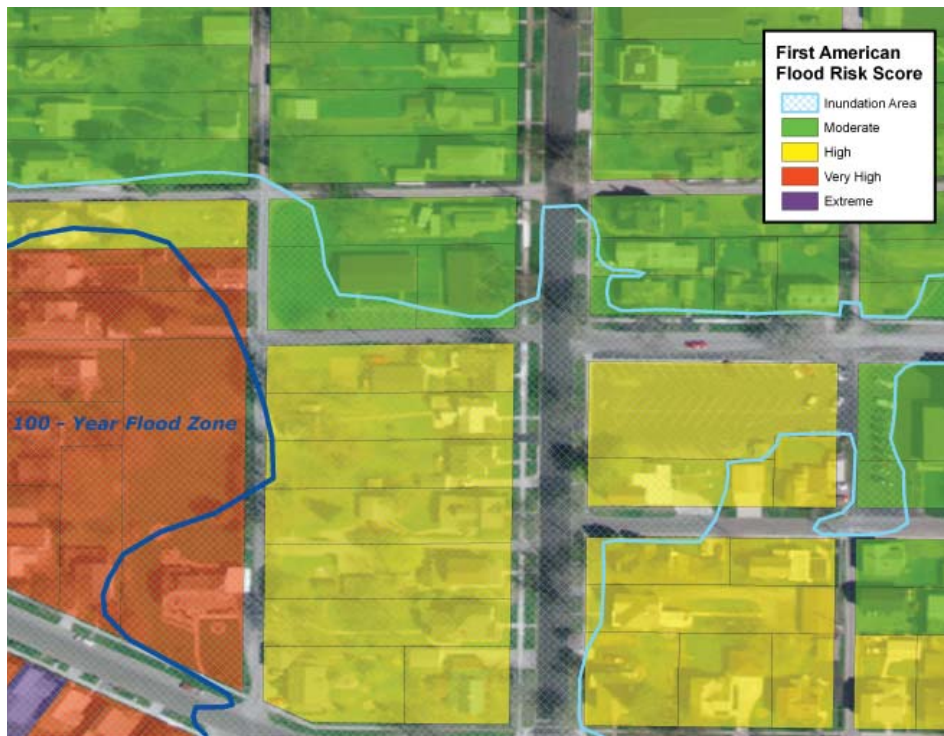
First American's Advanced Flood Risk Solutions

The Flood Risk Score is just one important part of First American's Advanced Flood Risk Solutions. These solutions address the management of flood risk throughout the entire insurance process, from pre-bind risk identification, through underwriting, portfolio management, risk transfer, and claims management. With an integrated offering of scoring, mapping, modeling and near real-time monitoring capabilities, we enable clients to profitably manage flood risk.

First American has managed flood risk for over 20 years. As a leading provider of risk assessment solutions to the insurance, finance and real estate industries, put the comprehensive set of GIS, natural peril, tax management, and property data solutions to work for you.

For more information on how the Flood Risk Score can benefit your business visit www.firstam.com/advancedflood or call 877.888.7808.

Findlay, Ohio August 2007 Flood



This figure compares the boundary of actual flood waters (light blue line) extended beyond the 100 year flood plain (dark blue line). Note similarities between actual flood footprint and properties outside the flood zone FRS designates as high risk (yellow).



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