

share of compensation due an insurer for insured losses under the Act has not been determined at the time an Initial Certification of Loss has been filed, the insurer shall file monthly, or on a schedule otherwise determined by Treasury, Supplementary Certifications of Loss updating the amount of the Federal share of compensation owed for the insurer's insured losses.

Supplementary Certifications of Loss will include the following:

(1) A bordereau described in

§ 50.53(b)(1); and

(2) A certification as described in § 50.53(b)(2).

(d) *Supplementary information.* In addition to the information required in paragraphs (b) and (c) of this section, Treasury may require such additional supporting documentation as required to ascertain the Federal share of compensation for the insured losses of any insurer.

(e) *Bordereau defined.* For purposes of this section, a "bordereau" is a report of basic information about an insurer's underlying claims that, in the aggregate, constitute the insured losses of the insurer.

§ 50.54 Payment of Federal share of compensation.

(a) *Timing.* Treasury will promptly pay to an insurer the Federal share of compensation due the insurer for its insured losses. Payment shall be made in such installments and on such conditions as determined by the Treasury to be appropriate. Any overpayments by Treasury of the Federal share of compensation will be offset from future payments to the insurer or returned to Treasury within 45 days.

(b) *Payee.* Payment of the Federal share of compensation for insured losses will be made to the insurer filing the Initial Notice of Loss required by § 50.52. In the case of an affiliated group of insurers, payment of the Federal share of compensation for the insured losses of the affiliated group will be made to the single insurance entity designated in the Initial Notice of Loss to receive payment on behalf of the affiliated group. It shall be the responsibility of the single insurance entity to distribute payments of the Federal share of compensation as appropriate to affiliated insurers in the group.

(c) *Assignment of payments.* To facilitate a single point of contact for payment of the Federal share of compensation to an affiliated group, an insurer within an affiliated group shall assign its rights to be paid amounts due or to become due from Treasury to the

single insurance entity designated to receive payment on behalf of the affiliated group. The failure to make such an assignment may be grounds for Treasury to withhold, in whole or in part, payment of the Federal share of compensation due an insurer.

Subpart G—Audit and Investigative Procedures

50.60 Audit authority.

50.61 Recordkeeping.

50.62 Eligibility for Federal share of compensation.

Subpart G—Audit and Investigative Procedures

§ 50.60 Audit authority.

The Secretary of the Treasury, or an authorized representative, shall have access to all books, documents, papers and records of an insurer that are pertinent to amounts paid to the insurer as the Federal share of compensation for insured losses for the purpose of investigation, confirmation, audit and examination.

§ 50.61 Recordkeeping.

Each insurer that seeks payment of a Federal share of compensation under subpart F of this part shall retain such records as are necessary to fully disclose all material matters pertinent to insured losses and the Federal share of compensation sought under the Program, including, but not limited to, records regarding premiums and insured losses for all commercial property and casualty insurance issued by the insurer and information relating to any adjustment in the amount of the Federal share of compensation payable. Insurers shall maintain detailed records for not less than 5 years from the termination dates of all reinsurance agreements involving commercial property and casualty insurance subject to the Act. Records relating to premiums shall be retained and available for review for not less than 3 years following the conclusion of the policy year. Records relating to underlying claims shall be retained for not less than 5 years following the final adjustment of the claim.

§ 50.62 Eligibility for Federal share of compensation.

(a) An insurer may be ineligible to receive payment for the Federal share of compensation for insured losses under the Act upon a determination by Treasury that the insurer:

(1) Intentionally concealed or misrepresented any material fact or circumstance;

(2) Engaged in fraudulent conduct; or

(3) Made false statements relating to participation under the Act or this Part.

(b) An insurer's ineligibility for payment of the Federal share of compensation shall be effective as of the date any act described in paragraph (a) of this section was committed.

(c) Fines, civil penalties and imprisonment under applicable Federal laws may apply in addition to ineligibility for payment of the Federal share of compensation.

Dated: November 12, 2003.

Wayne A. Abernathy,

Assistant Secretary of the Treasury.

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DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

44 CFR Part 67

[Docket No. FEMA-D-7576]

Proposed Flood Elevation Determinations

AGENCY: Federal Emergency Management Agency (FEMA), Emergency Preparedness and Response Directorate, Department of Homeland Security.

ACTION: Proposed rule.

SUMMARY: Technical information or comments are requested on the proposed Base (1% annual chance) Flood Elevations (BFEs) and proposed BFE modifications for the communities listed below. The BFEs are the basis for the floodplain management measures that the community is required either to adopt or to show evidence of being already in effect in order to qualify or remain qualified for participation in the National Flood Insurance Program (NFIP).

DATES: The comment period is ninety (90) days following the second publication of this proposed rule in a newspaper of local circulation in each community.

ADDRESSES: The proposed BFEs for each community are available for inspection at the office of the Chief Executive Officer of each community. The respective addresses are listed in the table below.

FOR FURTHER INFORMATION CONTACT:

Doug Bellomo, P.E., Hazard Identification Section, Emergency Preparedness and Response Directorate, FEMA, 500 C Street SW., Washington, DC 20472, (202) 646-2903.

SUPPLEMENTARY INFORMATION: FEMA proposes to make determinations of base flood elevations and modified base flood elevations for each community listed below, in accordance with Section 110 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR 67.4(a).

These proposed base flood and modified BFEs, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements. The community may at any time enact stricter requirements of its own, or pursuant to policies established by other Federal, state or regional entities. These proposed elevations are used to meet the floodplain management requirements of the NFIP and are also used to calculate the appropriate flood insurance premium rates for new buildings built after these elevations are

made final, and for the contents in these buildings.

National Environmental Policy Act. This proposed rule is categorically excluded from the requirements of 44 CFR part 10, Environmental Consideration. No environmental impact assessment has been prepared. *Regulatory Flexibility Act.* The Mitigation Division Director of the Emergency Preparedness and Response Directorate certifies that this proposed rule is exempt from the requirements of the Regulatory Flexibility Act because proposed or modified BFEs are required by the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and are required to establish and maintain community eligibility in the NFIP. As a result, a regulatory flexibility analysis has not been prepared.

Regulatory Classification. This proposed 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.

Executive Order 12612, Federalism. This proposed rule involves no policies

that have federalism implications under Executive Order 12612, Federalism, dated October 26, 1987.

Executive Order 12778, Civil Justice Reform. This proposed rule meets the applicable standards of Section 2(b)(2) of Executive Order 12778.

List of Subjects in 44 CFR Part 67

Administrative practice and procedure, flood insurance, reporting and recordkeeping requirements.

Accordingly, 44 CFR Part 67 is proposed to be amended as follows:

PART 67—[AMENDED]

1. The authority citation for Part 67 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.

§ 67.4 [Amended]

2. The tables published under the authority of § 67.4 are proposed to be amended as follows:

State	City/town/county	Source of flooding	Location	#Depth in feet above ground *Elevation in feet (NGVD) •Elevation in feet (NAVD)	
				Existing	Modified
Massachusetts	North Reading (Town), Middlesex County.	Martins Brook	At Park Street	*71	*74
		Skug River	At outlet of Martins Pond	*83	*80
			At confluence with Martins Pond	*83	*80
			Approximately 150 feet upstream of the corporate limits.	*83	*84
		Martins Pond	At its outlet into Martins Brook	*83	*80
		Bear Meadow Brook	At confluence of Skug River	*83	*80
			At Haverhill Street	None	*72
			Approximately 1,125 feet upstream of Haverhill Street.	None	*74

Maps available for inspection at the North Reading Town Hall, 235 North Street, North Reading, Massachusetts.

Send comments to Mr. James P. Muldoon, Chairman of the Town of North Reading Board of Selectmen, North Reading Town Hall, 235 North Street, North Reading, Massachusetts 01864.

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

Dated: November 18, 2003.

Anthony S. Lowe,

Mitigation Division Director, Emergency Preparedness and Response Directorate.

[FR Doc. 03-29793 Filed 11-28-03; 8:45 am]

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DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

44 CFR Part 67

[Docket No. FEMA-D-7574]

Proposed Flood Elevation Determinations

AGENCY: Federal Emergency Management Agency (FEMA), Emergency Preparedness and Response Directorate, Department of Homeland Security.

ACTION: Proposed rule.

SUMMARY: Technical information or comments are requested on the proposed Base (1% annual chance) Flood Elevations and proposed BFE modifications for the communities listed below. The BFEs are the basis for the floodplain management measures that the community is required either to adopt or to show evidence of being already in effect in order to qualify or remain qualified for participation in the National Flood Insurance Program (NFIP).