ASFPM FLOOD INSURANCE COMMITTEE MEETING
June 24, 2024

Flood Insurance Committee Co-Chairs
Bruce A. Bender, CFM
Ceil Strauss, CFM
WHAT DO YOU CALL A PERSON THAT IS HAPPY ON MONDAY?
WHAT DO YOU CALL A PERSON THAT IS HAPPY ON MONDAY?

RETIRED

meme-generator.net
Flood Insurance Committee Agenda

• Welcome – Bruce and Ceil
• NFIP Update – Jeff Jackson (FEMA)
• NFIP Underwriting – John Hintermister (FEMA)
• Pivot Update – Ceil Strauss
• National Violation Tracker – French Wetmore/Charlie Baker (FEMA)
• CRS Redesign Project Update – Shilpa Mulik (FEMA)
• Office of the Federal Insurance Advocate Update – Rhonda Montgomery (FEMA)
• Private Flood vs. NFIP Policy Count
• ASFPM RR 2.0 Workgroup Update – Bruce Bender
• Open Discussion – Bruce and Ceil
• Closing – Bruce and Ceil
Jeff Jackson
Deputy Assistant Administrator
FEMA

National Flood Insurance Program Update
State of the NFIP

ASFPM Flood Insurance Committee Meeting | June 24, 2024

Jeff Jackson
Deputy Assistant Administrator, Federal Insurance Directorate (FID)
Resilience
FY24 Federal Insurance Strategy – Transforming Flood Insurance Delivery
Goal 1: Mature FID’s Capabilities to Deliver FID’s Mission

Directorate capability enables success

Goal 2: Continue to Transform FID’s Delivery Model

Improved delivery serves the nation

Goal 3: Continue to Improve the Financial Framework of the NFIP

Financial stewardship builds enduring operations

Goal 4: Improve FID’s Performance and Customer Experience

Customer service advances reputation

Goal 5: Enable a World-Class Operation

Internal efficiency achieves steady progress
Focus Areas for FY24
Continued Focus on NFIP Transformation

- Prioritizing the customer experience
- Continued enhancement of the PIVOT system
- Refine our modernized rating system
- Revising our policy forms to provide more customer choice and installment plans
- Exploring Direct to Customer
Future Transformation
Despite all this work, we have much more to do

- The need for a long-term reauthorization of the NFIP
- Building an Enduring NFIP
  - Updating NFIP Minimum Standards
  - CRS Redesign
  - FMA Swift Current
  - Customer Experience and CRM Tool
- Closing the Insurance Gap – the NFIP continues to see policy decline
NFIP Underwriting Update

JOHN HINTERMISTER
NFIP Underwriting Branch Manager
FEMA
ASFPM – Insurance Committee

John Hintermister
FEMA Underwriting Branch Chief
National Flood Insurance Program
Year in Review

- 4.6 Million policyholders

2023 Losses
- About $1.3 Billion paid losses
- 27,000 claims
- Over 98% closed
Year in Review

- April 2024 Program changes (Flood Insurance Manual updates)
  - Updated First Floor Height guidance
  - Incorporated revised Elevation Certificate into guidance
  - Updated renewal notice messaging
  - Developed NFIP lapse guidance (delayed!)
- FloodSmart updates
  - Completed video series, updated products
- Realigning Federal Insurance tasks amongst branches
  - Customer service focus
  - Product development & guidance focus
  - Oversight/compliance focus
Current activity

- Direct to Customer (D2C)
- Developing Installment Plans
- Continue Policy Forms updates (Homeowners Form)
- Policyholder communication improvements
  - Declaration page review
  - CRS communication
  - Continuous messaging updates to FloodSmart
- Data quality review/improvements
Pivot Update

CEIL STRAUSS, CFM
Flood Insurance Committee Co-Chair
NFIP State Coordinator
Minnesota Dept. of Natural Resources
What is Pivot? FEMA’s system of record for flood insurance policies and claims

Who has access?
✓ FEMA HQ and regional staff
✓ States that submit required paperwork

Last year’s concerns:
• Many states don’t have access to Pivot
  ✓ State not allowed to access for various legal reasons
  ✓ Technical issues
• Report availability has varied over recent years
Pivot Status – Newer Concerns

• Disconnect between data available in Community Information System (CIS) and Pivot
  ✓ CIS is THE system of record for state NFIP offices
  ✓ CIS shows summaries of current policy numbers and past claims, but the numbers are not complete; FEMA HQ says don’t use CIS for flood insurance summaries

• In MN, lots of “unknown” communities in policy lists
  ✓ In MN, ~24% of the total policies had “unknown” communities – How about in other states?
  ✓ Community summary lists do not include the unknown community addresses
  ✓ When FEMA was asked about ways to get those policies corrected, it sounded like there will be fixes in the next year that will help address that – anyone know that status?

• Other concerns?
National Violation Tracker (NVT)

FRENCH WETMORE, CFM
French & Associates, Ltd.

CHARLIE BAKER
Floodplain Management Division
FEMA
## National Violation Tracker

<table>
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<tr>
<th>Violation Type</th>
<th>Non Building Code</th>
<th>Violation Source</th>
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<td>Floodville</td>
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</table>

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Frequently Asked Questions

1. What is the National Violation Tracker?
2. Who has access to the NVT?
3. How do properties get listed in the NVT?
4. What are the consequences of being listed in the NVT?
5. How does a property get removed from the NVT?
6. How are communities advised that a property is in the NVT?
7. How are property owners advised?
8. Are there properties in the NVT that are not “violations?”
Session A2 – Room 155B
10:30 Tuesday morning

French
• Review of the 8 frequently asked questions
• Local experiences with the NVT

Charlie
• Steps to take with a concerned citizen
• How to get information on a listed violation
CRS Redesign Project Update

SHILPA MULIK
CRS Redesign Program Specialist
Floodplain Management Division
FEMA
FEMA is following a deliberate and analytical process to redesign CRS.

CRS Redesign is a multi-year, intentional process. FEMA is taking the time necessary to ensure the future CRS program is designed based on rigorous data, evidence, and public input.

**FY23**
- CRS Redesign Goals & Objectives

**FY24**
- Evaluation of the Current Program & Suggested Program Alternatives

**FY25**
- Plan for Implementation

**FY26+**
- New CRS Program

Note: Future timeframes are illustrative and subject to change.
Redesigning the CRS program depends on significant stakeholder input and rigorous program evaluation.
Please join us for the ASFPM Concurrent Session:

Session A: Tuesday June 25th
10:30am - 12pm
Room 155 B
A2: CRS – Tracking What's New on the National Front
Evolving the Community Rating System

Please send questions to
FEMA-CRS-Redesign@fema.dhs.gov
www.fema.gov/FPAsurvey

- Seeks feedback from nation’s 22,668 Floodplain Administrators
- Will inform 5 year National Floodplain Administrator Training Strategy
- Open from June 20 to August 12, 2024
Office of the Flood Insurance Advocate Update

RHONDA MONTGOMERY, CFM
Director
Office of the Flood Insurance Advocate
FEMA
Association of State Floodplain Managers (ASFPM)
Flood Insurance Committee

Office of the Flood Insurance Advocate

Reducing complexity with compassion and fairness

FEMA
Agenda

- Who We Are
- OFIA Casework
- OFIA Customers
OFIA Background

The Office of the Flood Insurance Advocate (OFIA) advocates for National Flood Insurance Program (NFIP) customers with compassion and fairness.

Who we are...

- Established by the Homeowner Flood Insurance Affordability Act (HFIAA) of 2014
- Independent office within Resilience
- 14 staff with expertise in all four components of the NFIP

What we do...

- Provide assistance to individual policyholders and property owners, especially in the most complex of cases
- Identify trends and issues that appear to be impacting a broad range of NFIP customers
- Make recommendations intended to address the issues faced by customers and support programmatic improvements
OFIA Casework/Data Analytics
Inquiries Received and Closed FY17 – FY23

FY23 was a record setting year for the OFIA, with the total number of inquiries received more than doubling since FY17. The increase in inquiries reflects OFIA’s engagement in educational and outreach activities, and the continuous engagement with NFIP program offices and regional staff.
Inquiries Received by State FY23

This map represents the geographic distribution of the inquiries the OFIA received in FY23.

Over 40% of OFIA’s FY23 inquiries came from Florida.
### Number of Inquiries Received by Inquiry Topic: FY22 vs. FY23

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<tr>
<th>Inquiry Topic</th>
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<td>Insurance Claims</td>
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<td>117</td>
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<td>Mandatory Purchase</td>
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<tr>
<td>Mapping</td>
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<td>16</td>
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<tr>
<td>HMA Grants</td>
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This graph shows the number of inquiries the OFIA received by inquiry topic in FY22 and FY23.

In FY22 and FY23, the most common inquiry topic was Insurance Underwriting. The second most common inquiry topic was Insurance Claims.
Each month in FY23, Insurance Underwriting was the most common inquiry topic.

The second most common inquiry topic was Insurance Claims, a trend which remained consistent each month in FY23.

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<th>Topic</th>
<th>Oct</th>
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The number of policy lapse inquiries has increased steadily beginning in 2021.

These inquiries are generally related to the loss of discounts following a lapse.

In FY23, Policy Lapse inquiries made up 22% of OFIA's overall casework.
Who contacted the OFIA in FY23?

This chart provides a breakdown of the inquiries the OFIA received by inquirer role in FY23.

The largest number of interactions occurred with **policyholders** and **insurance agents**.

There were several inquirer types included in the “All Other Inquirers” group including: lenders, state/local officials, FEMA staff, real estate agents, NFIP insurers, and congressional office staff.
In FY23, 43.3% of Floodplain Management inquiries were regarding **Floodplain Development Requirements**. These inquiries included questions about how to interpret and/or achieve compliance with local floodplain ordinances.

26.7% of Floodplain Management inquiries were regarding **Local Development Concerns**. These inquiries were from property owners who were concerned about changes occurring in local floodplains and how they might contribute to future flood hazards and risk.
Who is not contacting the OFIA?

- Customers whose premiums have gone down
- Homeowners with lower value buildings who are not paying disproportionately higher premiums than higher value buildings
- Insurance Agents who have found it easier to write a flood insurance policy
- Customers who have simply renewed their policy without challenges
- Insurance Agents whose customer’s premium decreased because their risk was better understood with a modernized methodology
Advocate’s Advice
OFIA receives inquiries from NFIP policyholders, potential customers, or other property owners impacted by NFIP processes.

- NFIP Policyholders
  - First time homebuyers
  - Customers inquiring generally about premium increases
  - Customers seeking more information about methodology beyond information on FEMA.gov

- Insurance Agents
- Lenders
- Local floodplain administrators
Accurate pricing is key to communicating true flood risk. Policyholders and stakeholders want to know that FEMA has assessed their risk appropriately and what can be done to reduce their risk with a corresponding reduction in their flood insurance premium.

- Price signals risk. Flood insurance premiums are one way to communicate flood risk, but there is more FEMA can do.
  - Individual policyholders and communities want to know what mitigation actions will be most beneficial to lower both their risk and flood insurance premiums.
  - The NFIP should continue to advance initiatives, such as the future of flood risk data, that will continue to evolve how we communicate risk beyond ratings and premiums.
  - FEMA’s legislative proposals recommend reforms to all areas of the program, including how flood risk is communicated to current and potential NFIP policyholders and the public.
OFIA will keep advocating for...

- Access to flood insurance
- Affordable flood insurance through a means-tested approach and reduced risk resulting in reduced flood insurance premiums
- The option of monthly premium payments
- Clear communication to policyholders: renewals, discounts, and full risk premiums
- Continued modernization of all legs of the NFIP, including the Future of Flood Risk Data and modernized Floodplain Management Regulations
Contact Us

Office Contact Information

www.fema.gov/flood-insurance/advocate

Insurance-Advocate@fema.dhs.gov

Rhonda Montgomery
Flood Insurance Advocate
Rhonda.Montgomery@fema.dhs.gov

Tom Glen
Deputy Flood Insurance Advocate
Thomas.Glen@fema.dhs.gov

Joseph Cecil
Team Lead
Joseph.Cecil@fema.dhs.gov
Private Flood vs NFIP Policy Count

BRUCE A. BENDER, CFM
Flood Insurance Committee Co-Chair
Bender Consulting Services, Inc.
Private Flood Policy* versus NFIP Count

• 2018-22: 389,000 NFIP policies lost (7.6%)
• 2018-22: 269,000 private flood policies added (2/3 were residential)
• 2018-May 2024: 448,000 NFIP policies lost (9%)
  • Note: FL NFIP increase (30K) since Citizen required flood insurance (4/2023)

*NAIC Data: https://content.naic.org/industry_private_flood_data_call.htm
ASFPM NFIP Rating Workgroup Update

BRUCE A. BENDER, CFM
Flood Insurance Committee Co-Chair
Bender Consulting Services, Inc.
ASFPM NFIP Rating Workgroup
Top Areas of Focus

- **Reporting needs**
  - 12-month rolling report of policy count per community per flood zone.

- **Flood Insurance Discount Tool**

- **Elevation**
  - Less cost-savings = disincentive.
  - Poor granularity using USGS 10-meter DEM = inaccurate rates.

- **Mitigation Discounts**
  - One-story slab buildings won’t get M&E credit; consider partial credit for elevating above ground.
  - Flood opening discounts are too low compared to their benefit.
  - Discounts are applied at the end of a glidepath, not when they occur.

- **CRS Discounts**
  - 7 different reasons identified when discounts aren’t fully shown (or at all).
  - No explanation provided to policyholder.
  - Provide CRS discount savings per community (need to identify where data in Community Information System comes from).

- **National Violation Tracker**
  - Local flood risk reduction projects don’t result in direct insurance premium reduction.
  - Non-federal levees are rated differently than federal levees.
Other FEMA Initiatives We Are Monitoring

- Direct-to-Consumer
- New Policy Forms
- Installment Plans
Don’t forget the Early Bird NFIP Rating Workgroup Session

**Room 155 E**
Thu 7:15-8:15
Open Discussion

Bruce Bender, CFM & Ceil Strauss, CFM
Flood Insurance Committee Co-Chairs
InsuranceCorner@Floods.org

I’m not raising my hand.