



FEMA

# Keeping Up with the NFIP

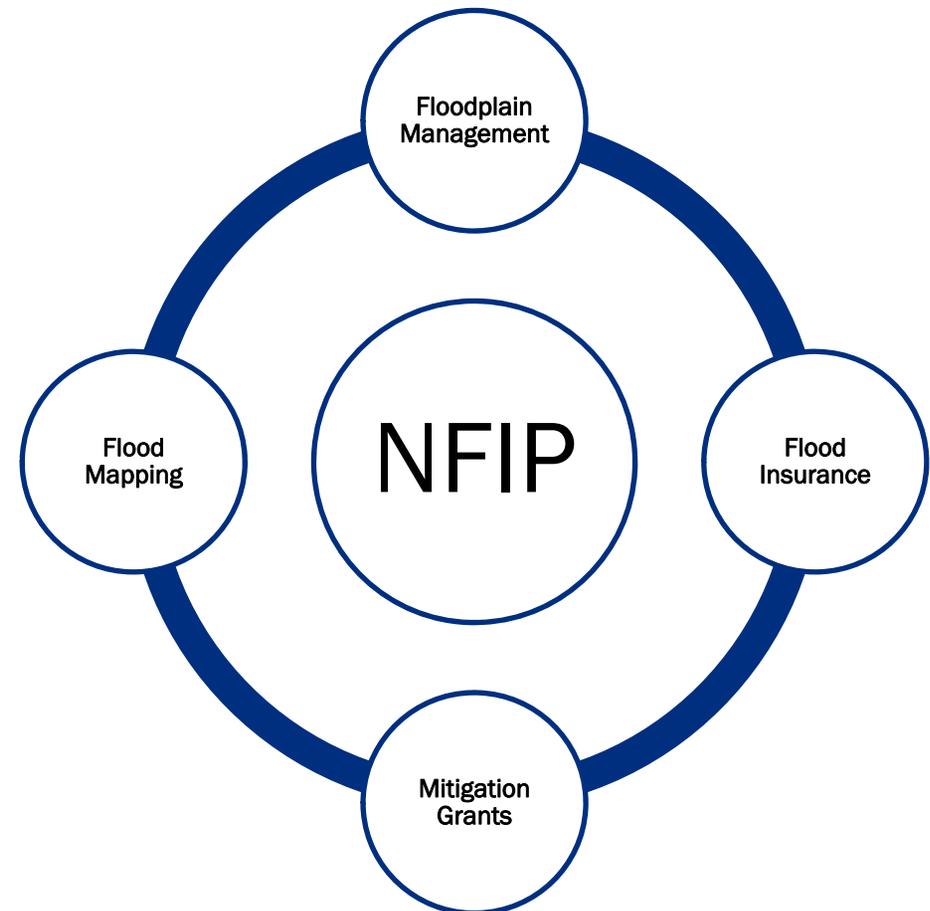
Office of the  
Flood Insurance Advocate

*Reducing complexity with compassion and fairness*

**September 2018**

# National Flood Insurance Program (NFIP)

- The NFIP is a voluntary Federal program, run by the Federal Insurance and Mitigation Administration (FIMA) enabling property owners in participating communities to purchase insurance against flood losses in exchange for adopting and enforcing regulations that reduce future flood damages.
- NFIP differs from other types of insurance:
  - Federal Government retains responsibility for the underwriting losses
  - Treasury backed
  - Governed by Federal Law



2018-2022



# Strategic Plan

Helping People. Together.

FEMA Mission: **Helping people before, during, and after disasters.**

STRATEGIC GOALS

## I. BUILD A CULTURE OF PREPAREDNESS



1.1 Incentivize investments that reduce risk, including pre-disaster mitigation, and reduce disaster costs at all levels



1.2 Close the insurance gap



1.3 Help people prepare for disasters



1.4 Better learn from past disasters, improve continuously, and innovate

OBJECTIVES

## II. READY THE NATION FOR CATASTROPHIC DISASTERS



2.1 Organize the "BEST" (Build, Empower, Sustain, and Train) scalable and capable incident workforce



2.2 Enhance intergovernmental coordination through FEMA Integration Teams



2.3 Posture FEMA and the whole community to provide life-saving and life-sustaining commodities, equipment, and personnel from all available sources



2.4 Improve continuity and resilient communications capabilities

## III. REDUCE THE COMPLEXITY OF FEMA



3.1 Streamline the disaster survivor and grantee experience



3.2 Mature the National Disaster Recovery Framework



3.3 Develop innovative systems and business processes that enable FEMA's employees to rapidly and effectively deliver the agency's mission



3.4 Strengthen grants management, increase transparency, and improve data analytics

FEMA Vision:  
**A prepared and resilient Nation.**



FEMA

# FIMA Moonshots



# Helping America Prepare for Floods

## Reflecting on 50 years of the National Flood Insurance Program



Built a program that insures five million homeowners, renters, and businesses in 22,000 communities.



Provided over \$10 million in grants to states and territories to aid in floodplain management and lowering risk exposure. Awarded an additional \$1 billion in mitigation assistance grants.



Since 1978, the program has paid over \$64 billion in claims to 2.3 million policyholders, on over 4 million insured properties.



Identified flood hazards by mapping over 1 million miles of riverine and coastal areas.

*Challenges, innovations, and "setting the course"*

# Closing the Insurance Gap

Resiliency requires all levels of government and the private sector



Help your constituents understand the risk they face for all disasters, and take action to protect the life they've built through insurance.



Share the importance of catastrophic insurance – *and* flood insurance – through your networks and marketing channels.



Provide constituents with options to mitigate their home to bring down the cost of hazard-specific insurance.



Together, we can help achieve our goal of doubling the amount of flood coverage nation-wide by 2022.

# Innovations

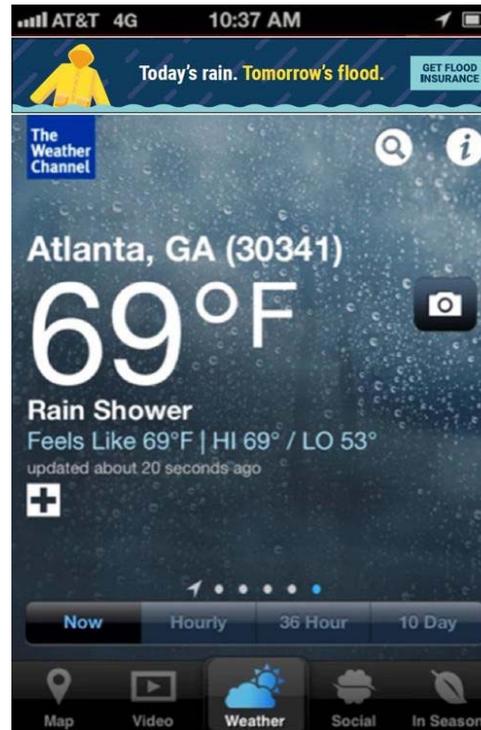
## Modernizing the National Flood Insurance Program Now



In 2017, the NFIP created the first ever government reinsurance program. During Hurricane Harvey, transferred over \$1 billion in risk to private reinsurance companies.



In-depth partnerships with other federal agencies, non-governmental organizations, and industry groups.



Targeted marketing and outreach through new platforms.

*Challenges, innovations, and “setting the course”*

### Flood Insurance Moonshot Outreach Toolkit for Local Officials

<https://www.fema.gov/media-library/assets/documents/166167>

# Survivor Story: Rupi Prasad

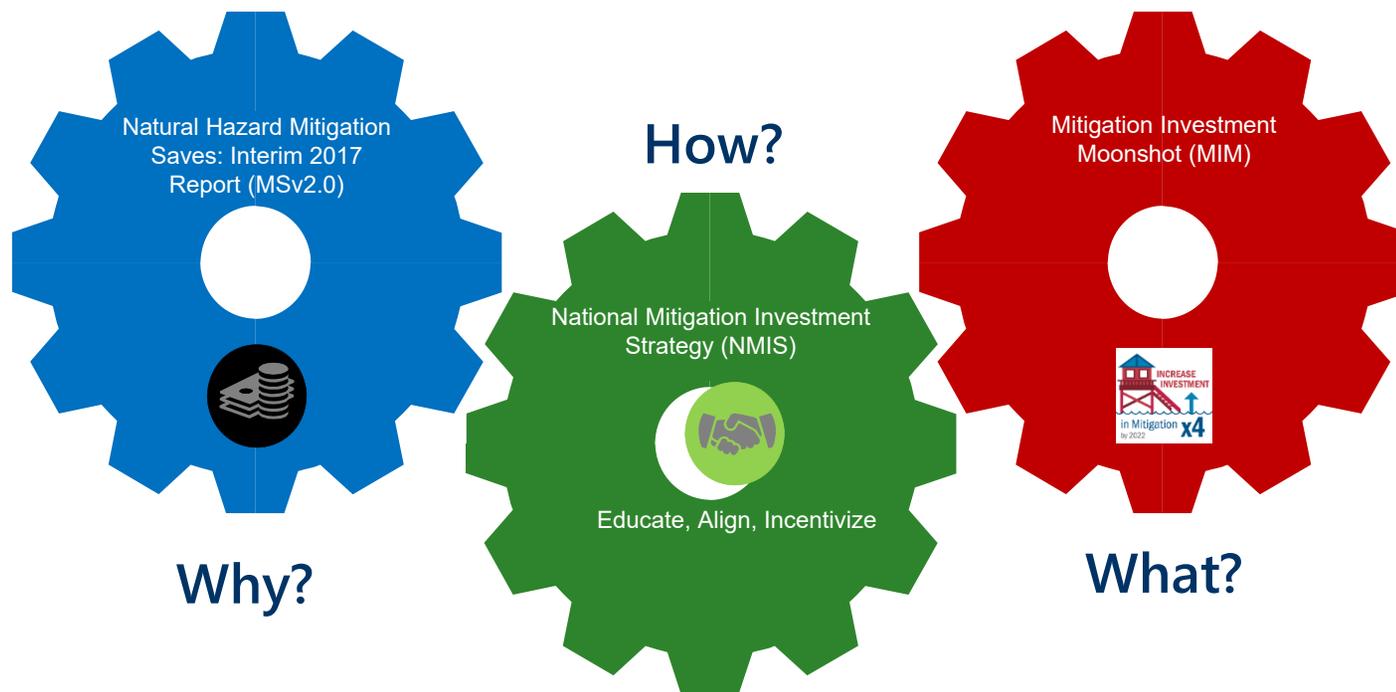
- Survivor Story: Rupi Prasad rebuilds her retirement property after Hurricane Harvey



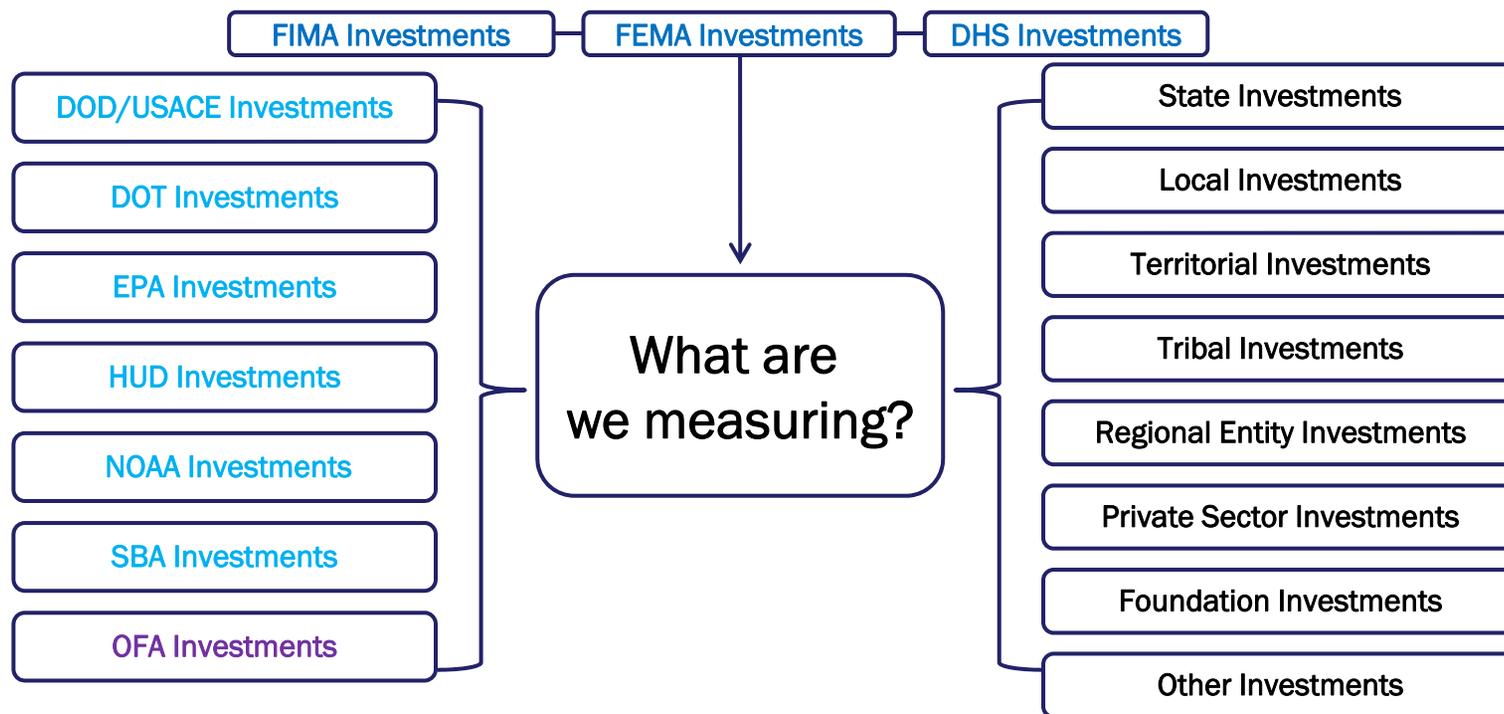
Source: <https://www.fema.gov/tl/media-library/assets/videos/160856#>

# Mitigation Investment Moonshot

## Alignment across MSv2, NMIS, and, MIM



# Investments We Will Track



# MIM is not just \$\$\$'s

We are also looking for narratives about CATALYZING NEW investments



# Future Steps

- Finish and implement the National Mitigation Investment Strategy to track mitigation investments and to catalyze additional mitigation investment activities across the Nation
- Identify Federal partners, SLTTs, private sector, and philanthropists to build new partnerships and create opportunities to attract capital; and to implement a national approach to increase investments in mitigation activities
- Enhance public awareness of mitigation and the value of mitigation through educational and outreach activities to make mitigation a household word

Invest in pre-disaster mitigation



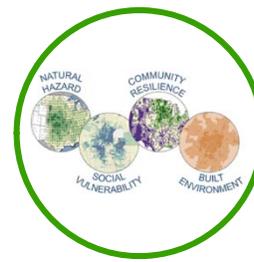
Develop strategies that catalyze **NEW** pre-disaster mitigation and investment



Advocate for disaster resilient building codes



Improve ability to assess & quantify risk



Develop National Mitigation Investment Strategy



# The Office of the Flood Insurance Advocate

- The OFIA advocates for the fair treatment of policyholders and property owners by providing education and guidance on all aspects of the NFIP. The OFIA assists **frustrated and confused policyholders and property owners** affected by the NFIP.



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 FIMA's customers]



Make recommendations to FIMA and FEMA leadership intended to address the issues faced by customers and support programmatic improvements

# The OFIA's Inquiry Management Process

- Customers who remain frustrated and confused may request assistance with an unresolved issue from the OFIA's website through the "Ask the Advocate" inquiry submission



An inquiry is submitted to the OFIA from:

- Policyholders & Property Owners
- Regions (per escalation procedure)
- Congressional Affairs (through CAD)
- Industry Contacts

The OFIA:

- Notifies and gathers any available info on the inquiry from the Region
- Researches pathways to address the issue
- Identifies and utilizes out-of-the-box solutions

If necessary, the OFIA:

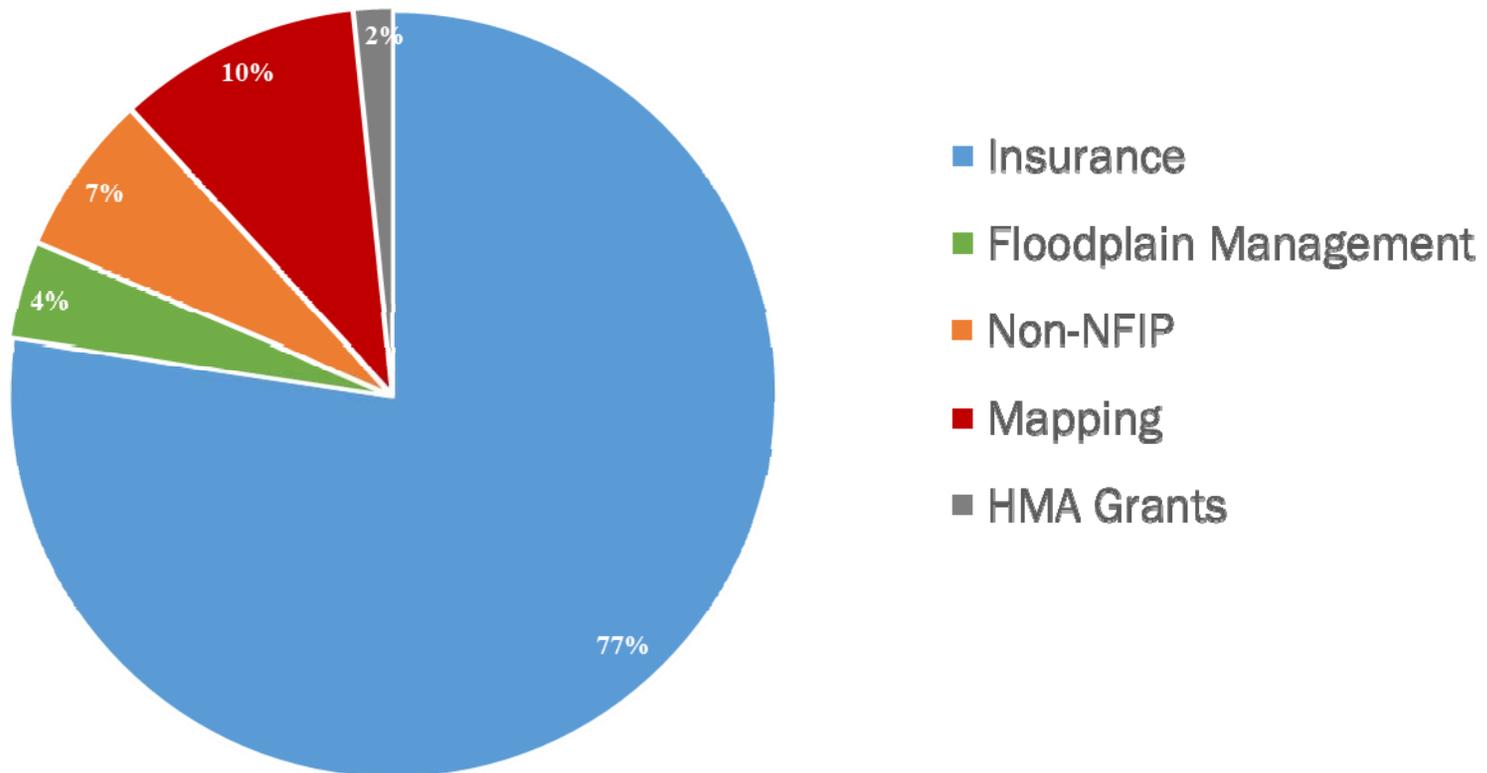
- Engages the relevant program office
- Works with other functional experts
- Finds a resolution to the inquiry

Lastly, the OFIA:

- Notifies the policyholder or property owner of the final outcome(s)
- Identifies pathways available to the policyholder or property owner

# Snapshot of the OFIA Casework (as of 6/29/2018)

- The OFIA handles inquiries covering all aspects of the NFIP with the majority stemming from insurance, such as underwriting and claims inquiries.



# “Ask the Advocate”: The OFIA’s Casework

Elements of our casework approach include:

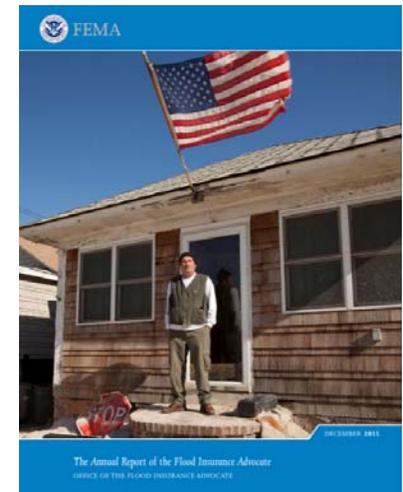
- **Responsiveness:** The OFIA intends to respond to each inquirer within two (2) business days of receiving the submission.
- **Customer Service Centric:** Each inquiry is assigned to an advocate representative who sees it from start to finish. The personal attention given to each inquiry by telephone or email keeps the inquirer updated on the progress of their inquiry, as well as ensures the individual is heard.
- **Expertise:** The OFIA provides expertise across all components of the NFIP and all inquiry responses:
  - Must be consistent with statute and regulations
  - May be resolved within the OFIA and require no program coordination
  - May validate an answer already provided by the program office
- **Program Proximity:** The OFIA leverages its proximity to the NFIP Program Offices to coordinate inquiries and reach swift and accurate resolutions

# The OFIA's Annual Report

- The OFIA uses its casework to gather information and actionable data for FEMA
- The analysis helps identify trends that affect a broad population of policyholders and property owners or have significant financial impact on a subset of the policyholder population
- Annual Reports are the primary form of reporting for the OFIA
  - Typically 5 – 7 concerns are identified from the inquiries submitted over a year
  - Concerns are discussed with FIMA leadership to validate the OFIA's observations with its narrow data set
- The Annual Report is published on a calendar year basis and provided to Congress and the general public

# 2015 Annual Report Topics

- Lack of Actionable Data
- Increased Cost of Compliance (ICC)
- HFIAA Surcharge
- Prior Term Refunds
- Floodproofing Certificates/Credit



Full Report:

<https://www.fema.gov/media-library-data/1458054571532-6710e9f76574d125e7099242b8e90d8b/FirstAnnualReportoftheOFIA2015FINAL.pdf>

# 2016 Annual Report Topics

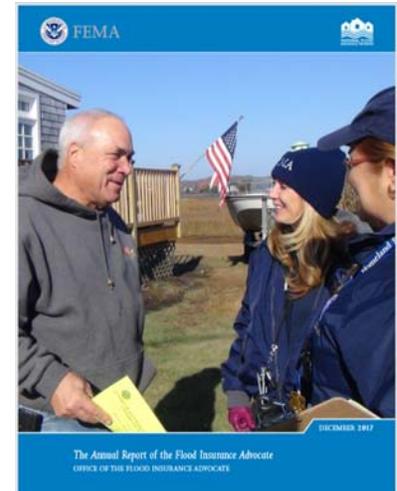
- Erroneous Severe Repetitive Loss (SRL) Properties Designations
- Gaps in Flood Insurance Agent Education
- The Need for Consistency Across Regions in Public Mapping Outreach
- Difficulties Accessing Increased Cost of Compliance (ICC) Coverage
- Difficulties with Multiple and Conflicting Flood Zone Determinations
- Inability to Obtain a Refund of the HFIAA Surcharge When Canceling an NFIP Policy



Full Report:  
[https://www.fema.gov/media-library-data/1488312431967-9d5425f19f29268c5158d45de0154732/1\\_annual\\_report\\_2016\\_24pages.pdf](https://www.fema.gov/media-library-data/1488312431967-9d5425f19f29268c5158d45de0154732/1_annual_report_2016_24pages.pdf)

# 2017 Annual Report Topics

- Challenges to Customer Communication During the Claims Process
- Effectiveness of Map Change Communications
- Misunderstanding Regarding Zone A
- Lack of Premium Reduction Following a Lower-Level Abandonment
- Basement Determination Made at the Time of Loss
- Lack of Refunds for Duplicate Coverage with Private Insurance
- Severe Repetitive Loss (SRL) Mitigation
- Lenders Requiring Coverage Where a Claim Would Not be Paid



Full Report:  
[https://www.fema.gov/media-library-data/1523044400097-335437327e64d955f159182dae259949/CY2017\\_OFIA\\_Annual\\_Report.pdf](https://www.fema.gov/media-library-data/1523044400097-335437327e64d955f159182dae259949/CY2017_OFIA_Annual_Report.pdf)

# Reducing NFIP Complexity

The casework helps inform the Annual Report which identifies trends and offers **systemic recommendations** to advocate to NFIP leadership in order to **reduce complexity** and improve the program.

The OFIA has successfully advocated in order to have the following:

- Increased the Amount of Premium Refunds,
- Increased Availability for Lower Premiums,
- Increased Education of Consumers, and
- Increased Awareness to NFIP Resources to Maximize Premium Savings.

# Contact Information



# FEMA

## Office of the Flood Insurance Advocate

Website: <https://www.fema.gov/national-flood-insurance-program-flood-insurance-advocate>

Contact: <https://www.fema.gov/webform/flood-insurance-advocate-ask-question>