Office of the Flood Insurance Advocate

Reducing complexity with compassion and fairness

2020 North Carolina Association of Floodplain Managers Annual Conference

https://www.fema.gov/flood-insurance-advocate
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 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 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 inquiries submitted over a year and discussed with FIMA leadership
- The Annual Report is published on a calendar year basis and provided to Congress and the general public

Annual Reports are available online at: www.fema.gov/flood-insurance-advocate
Customer themes in 2019

The OFIA identified the issues below while assisting customers with their questions and concerns:

1. Improper application of elevation rating using an Elevation Certificate (EC)
2. Loss of rating discounts following a lapse in coverage
3. Confusion regarding Group Flood Insurance
4. Limited refunds after receiving a Letter of Map Amendment, Out as Shown
5. Denial of Increased Cost of Compliance (ICC) funds when permits are issued before substantial damage letters
The OFIA has identified five areas of focus that will require further analysis in the 2020 calendar year:

1. **Risk Rating 2.0**
The OFIA supports efforts to ensure that rates are equitable and reflect a property owner’s unique risks. The new model aims to be more transparent and reduce the complexity of the NFIP.

2. **Elevation Certificate Requirement for Flood Insurance**
While Risk Rating 2.0 will alleviate this burden for most property owners, the EC requirements continue to be a source of frustration for many property owners.

3. **Flood Risk Disclosure During Property Transfer**
A lack of uniform flood risk disclosure laws during a property ownership transfer results in uncovered losses or price shock for new home owners.

4. **Underserved and Socially Vulnerable Populations**
OFIA is dedicated to reducing disaster suffering among underserved populations.

5. **Affordability**
Current NFIP policyholders will continue to face rising costs of flood insurance.
In 2018, OFIA produced a new Progress Report to track progress the program has made implementing OFIA recommendations for program improvements.

This Progress Report details program progress implementing the recommendations OFIA made in its 2015-2016 Annual Reports.

To date, 45% of the OFIA’s recommendations have been implemented by the NFIP areas. 100% of the recommendations are in the process of being implemented.

OFIA Progress Reports are available online at: www.fema.gov/flood-insurance-advocate
2020 Annual Report

- The 2020 Annual Report will recognize the OFIA’s five-year anniversary, highlight program changes made to the benefit of customers, and discuss relevant topics that currently impact policyholders.

- Five Year Retrospective
- Progress Report (2015-2020)
- Emerging Trends in Insurance and Mitigation
Community Vs. Individual Representation

- Inquirers who submitted a case on behalf of a community represent 5% of total casework from the last five years.

- Community is defined as not representing an individual policyholder or property owner, but a collective group including: RCBAPs, condominium associations, mobile home parks, HOAs, local communities, etc.
• Greater distribution of case topics among inquirers representing communities
Individual Resilience Challenges

- Flood insurance affordability is becoming more of a challenge for pre-FIRM structures and SRLs
- Many homeowners under estimate their flood risk when viewing the FIRMs
- Property owners want coaching on ways to reduce flood risk and insurance premiums
- The importance of building codes and higher standards
Community Resilience Challenges

- Flood insurance affordability challenges for businesses and public buildings
- Navigating the grant programs
- Limitations on how current FIRMs communicate flood risk and support long term resilience
- Communities want a more robust pre-disaster funding stream
Resiliency Themes

- Community resilience is dependent on individual resilience

- Insured survivors recover faster and more fully than those without insurance resulting in less disaster suffering

- Buy-in at all stakeholder levels helps communities become more resilient and newly published Mitigation Investment Strategy supports this effort

- The need for increased mitigation funding to help those that are “stuck”
The Future of Resiliency

NFIP Transformation

- Risk Rating 2.0
- NFIP policy redesign
- Graduated flood risk

Reducing NFIP Complexity

- NFIP consolidated call center
- Improved quality and accessibility of outreach materials

Affordability

- NFIP flood policy installment plan
- Reducing disaster suffering among socially vulnerable populations

BRIC Program

- The Building Resilient Infrastructure and Communities (BRIC) program aims to proactively invest in community resilience.
https://www.fema.gov/flood-insurance-advocate