ASFPM Detailed Priorities for 2021 NFIP Reauthorization and Reform 4-28-2021

FLOOD RISK MAPPING

- Reauthorize, fund and enhance the National Flood Mapping Program
  - Support increased authorization of appropriations from the current $400 M/yr.; which will not ever be able to complete and update the national mapping effort. An authorization of $1.8 B is necessary to substantially map all riverine and coastal flood areas in the nation, incorporating the additional mapping tasks authorized in BW, within 5 years.
    - expedite the completion of flood mapping for every community in the United States within five years. It is essential to get accurate flood mapping in place ahead of development.
    - prioritize the elimination of the paper map inventory.
    - require all A-Zones to be model based with updated topography, and;
    - prohibit digital conversion of flood maps unless new engineering is done.
  - Assure inclusion of all the BW-2012 NFIP floodplain mapping requirements;
    - provide future condition projections of sea level rise, increased storm frequency and intensity, and projections of future development;
    - map all populated areas and areas of possible population growth located within the 100-year and 500-year floodplains and provide analysis data for the 10-, 25-, 50-year events;
    - map areas of residual risk, including areas that are protected by levees, dams, and other flood control structures, ensuring this information is publically accessible; and
    - identify the level of protection provided by flood control structures.
  - Map a full conveyance floodway the required floodway in the mapping process. This will limit base flood elevation increases and expansion of the floodplain limits caused by the current practice of mapping a 1-foot floodway surcharge.
  - Promote integration of floodplain and wetland mapping.
  - FEMA must coordinate with other federal agencies to:
    - prioritize the completion of high-quality, nationwide topography (3-DEP) to accurately depict flood-hazard areas;
    - update precipitation data used in FIS (Atlas 14) at least every 5 years on a nation-wide basis and includes future condition scenarios; and
    - expand and improve the stream gage and tidal gage networks.
  - Require updating the NFIP regulations as per the ASFPM/NRDC petition for rule making, including:
    - providing freeboard above the base flood elevation;
    - avoiding development in SFHA, and;
    - providing changes that help eliminate the SRL properties.
  - Sponsor pilot efforts, with CTPs, to support pluvial mapping efforts and display local flood risk data with FIRM data.
  - Remove $35,000 cap on NFIP Emergency Phase insurance policies
Evaluate the need for additional flood risk zones to reflect new mapping scenarios.

INSURANCE

- Ensure the already ongoing expansion of private-sector flood insurance does not erode the nation’s comprehensive flood-risk management framework (NFIP) already in place:
  - Adjust the requirements on private flood insurance to assure it does not weaken the NFIP and provides similar services.
    - Amend existing law to require an equivalency fee (equal to federal policy fee) on all private flood insurance policies for base coverage to help pay for flood mapping and floodplain management (essential tools to help communities and states manage flood risk).
    - Amend existing law to explicitly require private flood policies, that are sold to meet the federal mandatory purchase requirement, are only sold in NFIP participating communities.
    - Amend existing law to require that private-sector flood insurance providers share comparable policy data in the same frequency and detail as FEMA shares to the private sector and as FEMA makes available to states and local floodplain managers, and require a repository for all flood insurance claims data for NFIP and private flood insurance.
    - Eliminate “discretionary acceptance” for private flood insurance policies that allows lenders to decide whether to accept private policies--this is in direct conflict with existing statute.
    - Ensure consumers know the coverage limits and other differences between private flood insurance policies and NFIP policies by requiring private policies to include a summary of differences of NFIP and private.
    - Continue to require that private flood policies have, at a minimum, comparable coverages and deductibles as NFIP policies, including a requirement to pay for mitigation similar to the Increased Cost of Compliance benefit.
    - Require language in state insurance regulations to ensure private flood insurers report claims data to the appropriate state agency and communities so they are able to identify and track substantial damage and repetitive loss properties.
    - Ensure the NFIP does not become only the “insurance program of last resort/residual program”, resulting in having only has the highest risk policies in its portfolio.
    - ASFPM would support the provision of continuous coverage between private and NFIP policies only if an equivalency fee is imposed, private policies meet the mandatory purchase requirement, and are be sold only in NFIP participating communities.
  - Require NFIP participating states to have authorizing legislation to provide full flood-risk disclosure for all property transactions (purchase and rental agreements).
  - Require flood insurance claims are adjusted and paid fairly and timely.
  - Oppose any exemption of certain classes of buildings from mandatory purchase.
  - Improve insurance agent training on flood insurance to include mandatory training and continuing education, such as a minimum four hours of such education for renewal of a property and casualty insurance license.
  - Consider some limitation on the maximum number of insurance claims per property. This will help limit taxpayer exposure, but the limitations must be tied to an offer for mitigation assistance.
  - Consider requiring that all property owners obtain and maintain flood insurance.
• **Address affordability**
  - Implement a targeted, means tested, affordability mechanism that does not create a new subsidy or cross-subsidy within the NFIP.
  - Rather than providing subsidies to NFIP insurance, consider better ways to subsidize community mitigation efforts.
  - Eliminate the policy surcharge.

• **Support and enhance Increased Cost of Compliance**
  - Increase ICC limit to at least $90,000.
  - Require FEMA to modify current policies and fully implement all aspects of ICC already in statutes, within one year of this NFIP reform, including:
    - require ICC claims to be paid in addition to the maximum claim limit under the standard NFIP policy;
    - require ICC to be triggered by non-flood related damage events, and;
    - expand eligible items to be paid under ICC to be substantially similar to eligible items under the FEMA HMA grants.
  - If the policy surcharge remains, use the proceeds of the surcharges, imposed by the HFIAA 2014 legislation to support ICC, to boost cost-effective mitigation and reduce losses to the National Flood Insurance Fund.

• **Risk Rating 2.0**
  - Implement Risk Rating 2.0 to insure consumers are aware of and covered for their true flood risk.
  - Inform/educate consumers that the FIRM maps will no longer be used to set insurance rates but will be used for in/out determinations and local floodplain regulation requirements. Consider renaming the FIRMs so it is understood that they are for regulation and not insurance rating.
  - Develop tools which show how all mitigation measures, including higher development standards, lower premium rates.

• **Flood Insurance Claims Data Sharing and Access**
  - Provide an exemption to the Privacy Act to allow access to certain claims and insurance related data, that does not contain personally identifiable information.
  - Assure timely and efficient access to flood insurance claims data (PIVOT) for community and state floodplain and emergency managers, mitigation programs and appropriate research entities.

**CRS**

• **CRS incentives should focus on benefits to the community.**
  - CRS credits must be changed to eliminate credit for activities that encourage development in the SFHA.
  - CRS should focus on rewards for community action in addition to benefits for policy holders.
  - A portion of the saving provided by premium discounts should go to the community to incentivize flood risk mitigation.

**MITIGATION**

• **Emphasize the importance of mitigation in managing flood risk**
  - Ensure that Stafford Act mitigation programs (BIRC and HMGP) support the flood loss reduction goals of the NFIP priorities for FMA, BRIC and HMGP:
• prioritize traditional mitigation activities to ensure structure buyouts, elevation, and acquisition and relocation are competitive in the grant process.
• provide a larger state set aside to foster traditional planning activities.
  o Fund advanced mitigation planning.
  o Support pre-disaster mitigation of at-risk structures, especially repetitive loss
    • Explore requiring annual FMA (flood mitigation assistance) funding requests to support mitigating 5% of the repetitive loss properties each year.
    • Ensure FMA is also available not just for repetitive loss properties, but also for high-at-risk properties that may not yet have suffered a loss.
  o Planning and designs for mitigation projects need to consider future conditions.
  o Non-structural and nature based mitigation should receive equal footing with larger, traditional structural projects and all projects must consider incorporating these elements.
  o Mitigation actions must foster social justice and prioritize disadvantaged and underserved communities.
  o Ensure all mitigation activities require use of the Uniform Relocation Act for buyout activities.
  o Reevaluate the use of B/C as a criteria or decision tool for risk mitigation projects. Loss of life and homes, social justice, and ecosystem restoration must become the focus of benefit-cost analysis criteria.
  o Help more homeowners retrofit their homes to the growing threat of climate-related flooding through increased and more flexible NFIP-related funding.
  o Explore options to get mitigation funding to property owners when a community may not have the capacity to apply for and administer grants.
  o Establish a pilot program to fund proactive buyout of undeveloped land. Better utilize non-profit entities for buyouts of open space by broadening the concept of beneficial use, e.g., allow DU to buy the land and give it to the community.
  o Use pre-flood acquisition and allow property owners to remain in their structure until the next flood.
  o Require FEMA to develop and execute a comprehensive repetitive loss strategy, including a requirement to go to full actuarial rates after a certain number of claims, unless a mitigation offer is accepted and used.

OTHER
• Additional measures that will strength the NFIP an advance flood risk management in the nation
  o Ensure that the goals of EO 13690 are incorporated into the NFIP reauthorization so that federal assets and investments consider and plan for current and future flood risk.
  o Forgive the current NFIP debt and adopt some form of a “sufficiency standard” as an automatic long-term mechanism within the NFIP that ensures, after a certain threshold of catastrophic events, the debt will be paid by the U.S. Treasury. Among other things, the sufficiency standard would consider the reserve fund balance, utilization of reinsurance, and ability of the policy base at that time to repay.
  o Authorize the Community Assistant program (CAP-SSSE) including funding at a minimum of $20 million, to ensure support mechanisms for building capability at the state level to efficiently and effectively assist communities manage and mitigate their flood risk.
  o Ensure that NFIP regulations allow for maximum inclusion of state/community higher standards