Private Flood Insurance Bill – The Beginning of the End for the NFIP and Comprehensive Flood Risk Management in the US?

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Changes to the Mandatory Purchase Provision could have Significant Impacts

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By Chad Berginnis, CFM, ASFPM Executive Director

Listening to some, a bill affecting private flood insurance being rushed through Congress seems innocent enough (HR 2901 and its companion bill in the Senate is S 1679). One insurance industry representative told me, “It only implements what was intended in recent NFIP reforms.” To other proponents, including some members of Congress, the lure of cheaper flood insurance rates is the chief benefit. And others think it would reduce taxpayer exposure by avoiding exposing the NFIP to future multi-billion debt. Seems great, right?

Concerns have begun to crop up recently, not only from other organizations, but also from ASFPM members. As a result, we have dug into the bill and talked to experts, former insurance commissioners, lenders and others to examine the potential impacts. The responses range from concern to dismay. I had one very well respected industry colleague tell me that it will “absolutely gut the NFIP.” From my own analysis, it is clear that there was no consideration of the other elements of the NFIP and how the program holistically reduces flood risk in the country (anybody remember the FEMA statistic how the adoption and enforcement of floodplain management standards saves over $1.7 billion in avoided damage annually?).
What problems does the bill try to address?

One current problem identified by the insurance and lending industries is that today, private policies are not portable—in other words they don’t count towards continuous coverage if a person switches from an NFIP policy to private policy back to an NFIP policy. Two paragraphs on the 11th page of the bill fixes this issue.

Another longstanding problem that the bill tries to address is the responsibility for determining what is an acceptable private sector policy to meet the NFIP’s mandatory purchase requirement? Currently, the responsibility for this determination rests with federal banking regulators. Yet, the regulators have never really stepped up to do it. This has been a frustration for decades and it was made worse when FEMA decided in 2013 that it was not in their authority to even provide guidance on the mandatory purchase provisions (who remembers the mandatory purchase guidelines FEMA used to produce?). There was hope that this problem would be addressed when, also in 2013, all of the federal lending regulators issued a joint advanced notice of proposed rulemaking establishing requirements with respect to the acceptance of private flood insurance coverage. However, a final rule has never been published. This bill delegates the determination of an acceptable private policy to the 50 states. The 10th page fixes this issue.

What, then are the other provisions of this bill about?

This is where it gets interesting. There are three notable items.

First is a requirement that ties the hands of federal agency lenders (including Government-Sponsored Enterprises (GSEs) like Fannie Mae or Freddie Mac, as well as direct federal lenders such as the Department of Agriculture and Veterans Administration) by stating what they “shall accept” in terms of private flood coverage in lieu of an NFIP policy. This will result in the requirement to accept policies that are not equivalent to the NFIP. These federal agency lenders would have no flexibility and would be subject to state requirements.

Second are limits on what a state insurance department can regulate in terms of a private flood policy. Proponents of the bill point out that this merely transfers the responsibility of oversight to the states. However, other limits in the bill significantly restrict what and how the states will provide oversight.

Third is the elimination of anything that requires a private policy to be equivalent with the NFIP, with one exception: private policies must have at least the same overall coverage amount of the mandatory purchase requirement. Eliminating real equivalency means no requirement to provide Increased Cost of Compliance coverage, no limits on deductibles and no limits on exclusions. What’s so bad about that? Let’s say a property owner is paying a premium of $2,000. Under this bill, a private policy might be offered for $500/year. Sounds good, right? What if that policy also carried a $25,000 deductible? And, what if that policy excluded some of the coverage otherwise found in an NFIP policy? What if the policy holder cannot afford the deductible after the disaster? What about costs to elevate the house to current codes? Will the property owner just walk away from the property? Who then pays for those costs?
What are the potential impacts of this bill?

Let me caveat this by saying that I am projecting – nobody knows exactly what this bill, if passed, would do, but based on what is in the legislation and how the NFIP works more broadly here are some of the biggest impacts I foresee (with those of concern to floodplain managers listed first):

- Significant number of communities dropping out of the NFIP. In my prior role at the state, I attended dozens of meetings with communities contemplating dropping out of the NFIP for various reasons. The main reason communities join – and stay in the program – is the availability of flood insurance for home mortgages. Thousands of NFIP communities have fewer than 10 policies. If some elected leaders determined flood insurance was widely available in the private market, even if the community dropped out of the NFIP, would they do it? This is a likely scenario because the pending bill HR 2901 doesn’t tie availability of the private policy to NFIP participation. Gone would be land use and building standards.

- No ICC. Since the bill eliminates nearly all requirements for equivalency to an NFIP policy, companies offering private flood policies wouldn’t need to cover costs related to complying with local codes. Remember, ICC was added to the NFIP in 1994 due to the difficulty local officials had with the substantial damage requirement because there were no resources to help property owners cover the additional costs to bring substantially damaged buildings into compliance.

- Tens of millions of dollars will be lost to the program every year for flood mapping, floodplain management and hazard mitigation. Each NFIP policy includes a federal policy fee that helps pay to maintain the nation’s flood maps and to assist with floodplain management technical assistance. Significant income to the NFIP would be lost because private policies wouldn’t contribute, yet the private companies offering those policies take advantage of the NFIP policy holder funded and taxpayer funded backbone of flood mapping and floodplain regulations.

- By delegating the determination of acceptable policies under the NFIP to the state, it could result in the creation of 50 different state standards for flood insurance requirements. Currently more than 20 states have private flood insurance legislation pending, many of them focused on making flood insurance cheaper even if it means higher risk exposure for the property owner or lender. For example, House Bill 678 in Connecticut introduced in January 2015 proposed that mortgage lenders shall not require flood insurance unless a property is located in a FEMA mapped SFHA. If the Connecticut bill were to become law, lenders would no longer have the discretion to require flood insurance in anything but a FEMA high hazard zone (because HR 2901 clearly disallows any standard conflicting with the laws of the states). Proponents will argue that this is just making NFIP like homeowners insurance. Flood insurance is not the same as homeowners insurance. Congress having chosen to retain authority over decisions about flood insurance policy equivalency and acceptability (current system), it has minimized the number and practical impact of even very wrongheaded state proposals.

- Increased taxpayer liability. The NFIP can’t pick and choose which buildings to insure, as long as a community participates its citizens can buy federal flood insurance. Private insurance companies don’t work the same – they’ll be able to cherry pick the “best” risk (i.e., most profitable) policies out of the NFIP. That leaves the NFIP with the highest risk properties. The Government Accountability Office reported in 2004 that although repetitive loss properties accounted for 1 percent of NFIP policies, they represented 38 percent of the claims paid. How many of repetitive loss (much less severe repetitive loss) properties will be picked up by private flood insurers? How about Severe Repetitive Loss properties? If the NFIP ultimately becomes the insurer of last resort, it will virtually lock in subsidized rates for everybody because Congress has clearly shown that there is a limit to its tolerance for rate increases (HFIAA as a result of BW-12), and it will guarantee that the NFIP will have to be bailed out by taxpayers much more often because it will have less capacity to absorb large claim events (due to a smaller pool of the highest risk properties). Also,
it is likely that dependence on disaster assistance will increase because property owners will opt for substandard private policies that ultimately won’t cover their losses after disasters.

Importantly, the changes made in BW-12 to stimulate a private flood insurance market have worked. A private market is developing as we speak. No doubt some of you have heard of new policy choices. I noticed new sellers of private policies while recently attending the National Flood Conference in DC, and some insurance company representatives have visited the ASFPM executive office to discuss new offerings and get our feedback. It is an exciting time. All of this is being done right now, under the current program rules. At a recent meeting, it was reported that the number of companies offering private flood policies has doubled in the past two years. Private flood insurance has always been part of the NFIP, and we already have a robust excess market as well as a commercial and industrial private flood insurance market. Changes made in BW-12 have now stimulated a private flood insurance market for residential properties. The innovation, desire to share risk, and desire to encourage stronger community resilience are all welcome additions that the private sector can provide.

In its current form, HR 2901 goes much farther than just fixing the known obstacles to private flood insurance participation. It removes any requirements on what a private policy must be, puts the NFIP at a competitive disadvantage, and allows private sector policies to take advantage of the NFIP policy holder and taxpayer funded backbone of mapping and floodplain management without contribution. It could lead to the NFIP being an insurer of last resort. The seems to contradict congressional intent of Section 100239 of Biggert-Waters, which was to permit federal agency lenders to accept private flood insurance in satisfaction of flood insurance coverage requirements, provided private flood insurance had coverage comparable to NFIP policies (and this passed in Congress overwhelmingly). ASFPM is continuing to work to understand the ramifications of this legislation and to develop solutions that facilitate a future where private flood insurance policies are complimentary to a strong NFIP to reduce flood risk in the nation.
Deputy Director Report – Ingrid D. Wadsworth

The countdown to conference is something we in the executive office look forward to every year. It brings to life all the work we’ve done throughout the year and really gives us a chance to learn and build relationships with you, our colleagues and members. Our 2016 Grand Rapids national conference marks a very special year. It’s ASFPM’s 40th conference and anniversary, so you will be seeing our new logo everywhere! As has become our tradition, and in continued salute to David Letterman, here is my Top 10 List with reasons why you should attend this year’s Great Lakes—Grand Partners conference:

No. 10: World record holders. After a 2011 Newsweek article listed Grand Rapids as a "dying city," director Rob Bliss and producer Scott Erickson filmed a 5,000-person community response: The Grand Rapids Lip Dub. It was a city-wide lip dub video, which film critic Roger Ebert described as "the greatest music video ever made." At the time, it was a Guinness World Record holder for the “largest” (meaning people who participated) lip dub. Perpignan, France now holds that title with 7,153 participants. But it’s a pretty epic video showcasing the kinds of people we’re going to be rubbing shoulders with in June.

No. 9: Clearly our kind of people. Known as a historic furniture manufacturing center, and still home to the world’s top five office furniture manufacturers, Grand Rapids earned the nickname “Furniture City.” In great relief to our conference planning team, it’s now known as “River City.”

No. 8: Savvy business people and vacation destinations. Madeline La Framboise (1780-1846) became one of the most successful fur traders after her husband died. She eventually retired from the Michigan-based business at 41 and moved to Mackinac Island, one of the most charming and relaxing vacation destinations in the Michigan.

No. 7: A “grand river.” ASFPM gives CECs for a walking tour along the Grand River to check out floodwalls and other flood mitigation projects. Who else does that?

No. 6: History. Gerald Ford, our 38th President, was raised in Grand Rapids. More history trivia: He was the only non-elected Vice President and President in the U.S.

No. 5: Sustainably progressive. The Grand Rapids metro area has the most LEED-certified buildings (per capita) than any other U.S. city. Nothing funny about that. Just a pretty cool fact.

No. 4: Partnerships. Nowhere else in the world will you run into so many floodplain management experts in one place. Partnership opportunities abound!

No. 3: Mmmmm, pie. Due to its close proximity to Lake Michigan, the climate is considered prime for apple, peach and blueberry orchards. If you’re driving, June will be perfect for blueberry roadside stands and future pie-making. Lots and lots of pies.

No. 2: Nectar of the gods—close by. Beer was once marketed as a family drink and seen as a healthier alternative to water. The local beer culture dates back to its first brewer in 1836. And Founder’s Brewing Co. is walking distance from the hotels.

And the No. 1 reason for attending the Great Lakes—Grand Partners conference in Michigan? Reconnecting with floodplain peeps from around the world, and meeting new friends and colleagues who speak our alphabet soup language—no translation necessary! See you in Michigan!

The Insider May 2016
Designing better projects for a changing climate

Worldwide, densely populated and economically-productive, low-lying coastal areas are experiencing the effects of accelerated sea level rise, erosion and flooding caused by more severe and frequent storms. They face existential threats and we must do more to incorporate climate adaptation into projects affecting these coastal areas and inland floodplains.

The good news is that innovative approaches exist to align economic development and security, disaster resilience and environmental sustainability. Embracing three exemplars – all compatible with the National Environmental Policy Act (NEPA) and similar state planning requirements – would improve problem-solving and climate adaptation decision making. These include building with nature, crowd co-design and decision making under deep uncertainty.

The “Building with Nature” design philosophy was created by the EcoShape Consortium, specifically for hydraulic engineering ecologists, engineers, planners and designers to integrate “infrastructure, nature and society in new or alternative forms of engineering that meet the global need for intelligent and sustainable solutions.” By using natural elements such as wind, currents, flora and fauna in the design of hydraulic engineering solutions, Building with Nature designs incorporate benefits for nature, recreation and the economy.

Crowd co-design supports planning and decision making by bringing in citizens to equitably participate in the creation of their own futures. Key attributes include involving a wider scale of stakeholders in more opportunities to help identify environmental, social and institutional constraints; determine the objectives and actions for project planning; and help explore viable solutions. The concept is to tap into large, diverse crowds multiple times throughout the planning process to gather independent opinions, provide more insights and information, and generate better ideas than would be created solely by experts. This approach is especially important for capturing input from disadvantaged communities, who often live in the most flood prone areas. The end results are often multi-objective projects that enjoy greater support, more resources and faster project implementation.

Decision-making under deep uncertainty helps to address the fundamental problem of how, what and when to consider climate change’s impacts, when those im-
Impacts are not fully knowable. Instead of using probability analyses based on past conditions, this approach relies on developing and considering multiple, plausible future scenarios. It requires disclosure of expected performance under each scenario, description of uncertainties, and identification of adaptive strategies.

Each of these methods embodies the concepts established by NEPA “to use all practicable means and measures...in a manner calculated to foster and promote the general welfare, to create and maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic and other requirements of present and future generations of Americans.” (Emphasis added).

Our nation’s floodplains, whether they are coastal or riparian, are subject to decisions made by property owners, developers, public land managers, regulators and elected officials. Using these three approaches will help bring together perspectives to unify our approach to managing risk, environmental resources and economic development.

In a world that needs to get serious about coping with the impacts of a changing climate, these approaches will help ensure better projects are realized faster.

Written by Shannon E. Cunniff, Deputy Director, Water Program, Environmental Defense Fund

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**Grant Opps...**

Grant opportunities are being offered from the National Science Foundation for “Interdisciplinary Research in Hazards and Disasters.” Just a reminder to bookmark the Florida Climate Institute’s website for a comprehensive list of funding opportunities. It’s a fabulous resource.

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**Floodplain Management Training Calendar**

For a full nationwide listing of floodplain management-related training opportunities, visit ASFPM Online Event Calendar. Looking for training opportunities to earn CECs for your CFM? Check out our event calendar with LOTS of training opportunities listed for 2016! Search the calendar by state using the directions below, or use the category drop down menu to search by event category. Go to the calendar and click on the search feature icon at the top of the calendar. Type your state’s initials in parenthesis (for example (WI)) into the search field and it will pull all the events that are currently listed on the calendar for your state. The only events without a state listed in the event title are EMI courses, which are listed with their FEMA course number and are all held in Emmitsburg, MD.

Vegetated dunes providing protection from storm waves and high tides is one example of a building with nature project. (S. Cunniff)
By Rebecca Quinn, CFM

As floodplain managers, we know development in floodways designated on Flood Insurance Rate Maps has to meet a higher standard than development in floodway fringe areas. The National Flood Insurance Program defines the regulatory floodway as “the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge [pass] the base flood without cumulatively increasing the water surface elevation more than a certain height.” FEMA uses a 1-foot increase to determine where to delineate floodways.

The higher standard for floodways requires communities to prohibit encroachments in the floodway unless “it has been demonstrated through hydrologic and hydraulic analyses performed in accordance with standard engineering practice that the proposed encroachment would not result in any increase in flood levels within the community during the occurrence of the base flood discharge.” (44 CFR § 60.3(d), emphasis added) This requirement often is referred to as the “no rise” rule.

Todd Richard, floodplain manager with Findlay, Ohio and long-time ASFPM member, got in touch recently and said he’s always been told “no rise means NO RISE,” and asked me a question. I invited him to share his thoughts on floodways, no rise and emergency sandbagging, which follow.

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As I watch news reports of severe flooding throughout the country, I often see teams of people toiling to pile sandbags along the banks of rivers and streams. Sometimes these emergency measures work, keeping water away from what may be large land areas that would otherwise get flooded. Being one of those floodplain managers who thinks about the rules all the time, I wonder how often those sandbag barriers are located in FEMA-designated floodways. If they are – how are they allowed? Have studies been performed to show these floodway encroachments meet the “no rise” rule?

While one community is protecting itself, what is the impact on others along the watercourse? Is the flow of water being restricted increasing flooding upstream, across the river or downstream? It sure looks to me like emergency sandbagging in floodways would likely increase flood levels and the extent of area impacted.

Why doesn’t the NFIP’s “no rise” requirement – supposedly enforced by all communities with floodways on their FIRMs – prohibit this activity in the

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**Important Terms**

“Zone A” (or “A Zone”) is a term we all use, even though it isn’t defined in NFIP regulations. The term is used to mean two different, albeit related, things. “Zone A” is used as a collective noun to refer to all flood risk zones that start with the letter “A,” including those that have BFEs and those that don’t. Used this way, “Zone A” includes all Zones A, AE, A1-A30, A99, AR, AO and AH. We often casually use “Zone A” or “A Zone” to refer to special flood hazard areas that don’t have Base Flood Elevations. These zones are also called “approximate A zones” because they are SFHAs determined using approximate methods (some people call them “unnumbered A zones”).

“Damages” does not mean a whole lot of damage. “Damages” is a legal term meaning “compensation in money imposed by law for loss or injury.” In our line of business, nobody will be confused if we refer to what’s left behind after a flood or other natural hazard event occurs as “damages.” I probably pay attention to this because of the lasting impression of being called out on improper use of the word – in public (by a lawyer!) – about 25 years ago.
floodway? At a minimum, shouldn’t the rule require an analysis to determine the impact? Suppose folks outside of the area protected by the sandbag barrier experience more severe flooding – is there a liability issue for the community doing the sandbagging?

I’ve asked many engineers over the years about this issue and a common reply is, “the sandbags are temporary.” Well, sure, but they’re temporary during a flood event! Isn’t it during a flood when the presence of the sandbag barrier will affect flood conditions? After a pause, the head-scratching begins.

In Findlay, we have compensatory storage requirements in the floodway fringe area. If someone places fill in our floodplain, even sand in sandbags, we require keeping sites balanced and flood storage capacity intact.

On the other hand, we know property must be protected during a flood event, especially buildings built before Findlay joined the NFIP. To address this need, we adopted language in the city’s code to regulate sandbagging. It states, “...sandbagging shall only be permitted within 3 feet of a foundation wall. Sandbags may be placed within 72 hours of a possible flood event and must be removed within 14 days after the floodwaters have subsided...” Keeping sandbags close to the building perimeter helps protect our floodplain and floodways, allowing floodwater to move freely. Findlay floods frequently, so the city stockpiles sand and sandbags – but a sign at the pick-up site reminds folks of the rules.

My real concern, however, is how other communities along the watercourse might alter their floodway with “temporary” emergency sandbagging and the impact it could have on my community. Have you thought about this if your community deploys emergency sandbags, or if your community is across, down or upstream of an area where emergency sandbag barriers are placed every time flooding is predicted?

Remember, “no rise means NO RISE.” Maybe it’s time for other floodplain managers to take a closer look at emergency measures deployed in their floodways and whether unintended adverse impacts are created.

*Thanks to Todd Richard for contributing to this column. Submit your own items or suggestions for future topics to column editor Rebecca Quinn, CFM, at rcquinn@earthlink.net. Comments welcomed!*

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**Job Corner**

Mohave County in Arizona is hiring a flood control district engineer. A senior project engineer is need at Otak in Boulder, Colorado and combination building inspector opening is available in the Houston area. These are just a handful of the great job listings on ASFPM’s job board. Visit our [job postings here](#), and if you’re an employer and you want to [post an opening](#), it’s FREE!
CFM® Corner

CFM Could Mean Higher Pay

Earning your Certified Floodplain Manager certification not only gives you credibility, but also a higher salary. As a new query to the Current Population Survey, done annually by the Bureau of Labor Statistics to collect labor information, the January 2015 survey included new questions to identify people with professional certifications and licenses. In the January 2016 release of that report, available in full here, some of the conclusions drawn that you might find interesting include:

- Median usual weekly earnings of full-time wage and salary workers with a certification or license were 34 percent higher than earnings for those who do not hold such credentials ($1,004 versus $747, respectively);
- People who held a certification or license had a lower unemployment rate than those who did not (2.7 percent versus 6.1 percent, respectively);
- Among the employed, people who worked full time were more likely to hold a certification or license than those who worked part time (26.9 percent and 19.4 percent, respectively);
- In 2015, employed women were slightly more likely to hold a certification or license than employed men (28.1 percent and 23.2 percent, respectively).

ASFPM takes your certification seriously. As such, CBOR has undergone a Reliability and Validity Study, done by Ohio State University, and are implementing the governance, question, analysis and other recommendations they gave. Further, every question goes through a twice annual and also multiple years of analysis, and those questions, or answers that do not meet statistical rigor are either retired or modified. And yes, with all the changes in the NFIP and more, we are developing new questions constantly and rolling them into the pool slowly and testing them with the same rigor. Our target is to always meet the same statistical goals nationwide for all states and for all exam takers.

EARN 12 CORE CECS IN GRAND RAPIDS

Planning to attend ASFPM’s national conference in Grand Rapids, Michigan? You can earn 12 core CECs while learning and meeting floodplain experts from all over the nation. ASFPM automatically enters the CECs for you after the conference, so there’s no need for a paper certificate. Register today at http://asfpmconference.org/registration-menu

CFM RENEWAL

ASFPM CFMs who are up for their biennial CFM® certification renewal July 31, 2016 should expect a US mail letter shortly. If you have not received yours by May 31, please contact cfm@floods.org so your CFM does not expire.
FEMA Develops HMA Cost Share Guide

FEMA has developed a [Hazard Mitigation Assistance Cost Share Guide](#) for applicants and sub-applicants applying for Hazard Mitigation Assistance grants: Hazard Mitigation Grant Program, Pre-Disaster Mitigation and Flood Mitigation Assistance. The Cost Share Guide compliments the [HMA Guidance](#) by providing an overview of the cost share requirements for each program and examples of various approaches for cost share strategies, such as donated resources for the non-federal cost share.

FEMA Announces 2016 Youth Preparedness Council Members

Created in 2012, the council brings together youth leaders from across the country interested in advocating on behalf of preparedness and making a difference in their communities by completing preparedness projects. The council supports FEMA’s commitment to involve youth in preparedness-related activities. It also provides an avenue to engage youth by taking into account their perspectives, feedback and opinions. Council members meet with FEMA staff throughout their term to provide input on strategies, initiatives and projects. FEMA selected the 10 new members based on their dedication to public service, community involvement and potential to expand their impact as national advocates for youth preparedness. The [members selected in 2016 are listed here](#).

FEMA is now implementing the critical lessons learned from Hurricane Sandy to improve the customer experience for policyholders involved in litigation

FEMA is transforming the National Flood Insurance Program with a focus on customer experience and ensuring policyholders and communities become more disaster resistant and resilient. FEMA’s commitment begins when a policyholder purchases a federal flood insurance policy and does not end until after a claim has been resolved. Read the [full memo here](#). View [FEMA talking points of changes to claims handling here](#).

DHS’s Science & Technology Directorate is looking for Your Input on Flood and Flood Resilience

Floods affect us all—no neighborhood, community, state or region is immune to their threat. To help build flood resilience, the DHS Science and Technology Directorate developed its Flood Apex program, which is aimed to create a decision support system-of-systems for community risk assessment and resilience planning. The Flood Apex will culminate in the development of the National Flood Decision Support Toolbox, which will help users in making crucial decisions before, during and after events.

S&T wants your insights on how to best enhance community protection, flood impact mitigation, flood response and community recovery. Getting to the bottom of the issues starts with you. By participating, you’re helping ensure that the [National Flood Decision Support Toolbox](#) is the best it can be.

**Share Your Flood Story**

If you’ve lived through a flood, what can you share with others to help them become more resilient?

**Share Your Insights on Flood Resilience**

What do you think needs to be addressed in the areas of preparedness, mitigation, response and recovery? How? By whom?
This is the last newsletter you’ll receive from us before our national conference in Grand Rapids—ASFPM’s 40th annual conference, by the way!

So this is our last chance to try and woo you to attend #ASFPM2016—the world's largest and most comprehensive floodplain management conference.

What you could be missing if you’re not in Grand Rapids:

Incredible workshops, presenters, technical field tours, demonstrations, exhibits, informative panel discussions and effective networking opportunities to help you do your job.

The 4th Annual Running of the Chapters (5K Run/Walk).

A blood drive being held to honor ASFPM past chair Greg Main, who lost his battle with cancer far too young.

A silent auction that helps ASFPM Foundation promote sustainable management of the nation's floodplains and watersheds. Check out what Mark Walton (local team coordinator for the #ASFPM2016 conference) made for the ASFPM Foundation Silent Auction! Is that not the coolest thing you've ever seen? So...what are YOU submitting for the auction?

Mark Your Calendars for our Upcoming National Conferences.

Kansas City, Missouri, April 30 - May 5, 2017
Phoenix, Arizona, June 17 - 22, 2018

The Insider May 2016
Hosted by the Property and Casualty Insurance Association of America (PCIAA), the National Flood Conference was held in Crystal City (Arlington), Virginia May 15-18 with more than 800 attendees. Participants ranged from Write Your Own (WYO) insurance companies, WYO vendors (who process the business for WYOs), claims adjusters, insurance agents and brokers, FEMA contractors (e.g., training, marketing, NFIP-direct servicing agent, bureau and statistical agent), and FIMA (mostly from the flood insurance directorate).

There was a slightly greater emphasis on plenaries this year versus concurrent workshops, which allowed for everyone to hear central messages from the presenters. From FIMA, the message was much more positive than last year’s. They recently reorganized, created new branches, divisions and directorates with new leadership (but several familiar faces). They are focused at looking ahead and not behind, and were very focused on enhancing the customer experience.

Recent FIMA research has shown that the policyholder does not value flood insurance very high, nor has a particular satisfying customer journey…from policy acquisition through renewal and any claims. FIMA is beginning to concentrate on certain steps, like renewal, FIMA-related changes (e.g., acquisition, reform implementation/program change, map changes) and claims to improve that experience. They have formed small groups and are holding multi-day internal meetings (“sprints,” which include stakeholders) to find quick ways to improve the product and process. Areas of improvement they are exploring include:

- Providing product choices such as replacement cost, optional basement coverage, additional living expense, increasing coverage limits
- Increasing ICC and making other changes (this is one of the areas the Office of the Federal Insurance Advocate is looking into this year as well)
- Improving communications around map changes and implications – notifying affected property owners and partnering with WYOs and agents to help get the word out
- Creating a structure-specific risk rating program (Rating 2.0 as they call it); creating a risk-score that will help consumers better understand their risk and the value of flood insurance. (FYI, risk scoring is not a new concept; e.g., CoreLogic and Intermap offer it)

And FIMA officials definitely emphasized they want to work more collaboratively with external partners (e.g., WYOs, agents AND communities) to improve that customer experience.

Another big topic was the private flood insurance marketplace. There is increased interest and capacity (e.g., reinsurance, catastrophe bonds) and recently two new primary flood programs were launched (Assurant-the second largest WYO program, and a Lloyds program via Torrent Technologies-which offers it as a substitute to the NFIP to participating WYO companies. Note that these programs do offer coverage in all zones). The plenary and concurrent workshop were well attended.

Finally of note, PCIAA was able to get some congressional members to come speak, including Jon Tester (D-MT), Blaine Luetkemeyer (R-MO), Bill Cassidy (R-LA) and Maxine Waters (D-CA). As opposed to last year’s lashing out at
the industry, Waters not only was very positive and called for the forgiveness of the $23 billion debt, but she also quoted from the *ASFPM’s Flood Mapping for the Nation* report and called for Congress to fund flood mapping at $1.5 billion each year for the next five years! ASFPM Executive Director Chad Berginnis, who had been on the opening plenary panel, was beaming that evening at the social hour like he just had another baby!

So, attending this year’s NFC was a very positive experience...and we should look for FIMA to be working with communities and the insurance industry to strengthen relationships, increase product value and improve the overall customer experience. And I am sure we will continue to hear these messages at the upcoming ASFPM conference in Grand Rapids.

Speaking of which, don’t forget to add the Flood Insurance Committee meeting to your Monday afternoon schedule. The meeting will include reform implementation updates from FEMA Underwriting and guest speaker David Stearrett (Chief, Office of the Flood Insurance Advocate). And add the *Increased Cost of Compliance (ICC) – Identifying Disconnects and Improvements* Early Bird Session on Wednesday morning where we will have Stearrett and a FIMA claims specialist in an open discussion help us identify disconnects and needed enhancements to ICC.

Humbly yours,

--Your Humble *Insurance Committee Co-Chairs*

**Bruce Bender** and **John Gerber**  
Liaison **Gary Heinrichs**

*This column is produced by the ASFPM Insurance Committee. Send questions about flood insurance issues to InsuranceCorner@floods.org and they will be addressed in future “Insider” issues.*
At the White House Water Summit in March, the Obama Administration highlighted an ASFPM partnership project, Naturally Resilient Communities, as among the national efforts to build a more sustainable water future. A joint effort of ASFPM, The Nature Conservancy, American Planning Association and National Association of Counties, the Naturally Resilient Community project aims to help communities rethink flood protection— to move from gray to green.

Rivers need room. When rivers have more room during floods, floodwaters can disperse and slow down rather than rise and threaten communities. Along our coasts, natural features like sand dunes and marshes or coral reefs and oyster reefs can help reduce wave heights and absorb storm surges.

These partners—a collaboration of planners, designers, floodplain managers, elected officials and conservationists—are working together to show how communities can use nature to reduce risk from floods and storms and improve their quality of life.

To do this, we are developing a practical, science-based “siting guide” to help municipal leaders and their staff understand how and where nature-based solutions are most likely to help mitigate the risks of floods while providing an array of other benefits for people and nature.

**Early Bird Session in Grand Rapids**
We are hosting an [Early Bird Session at ASFPM’s national conference in Grand Rapids](#) at 7 a.m., June 22. At this session, we will be requesting input on community needs for implementing nature-based solutions to solve their flooding problems. Feedback will be solicited on the basic components of the proposed nature-based siting guide.

**Looking for case studies**
A key component of the siting guide will be case studies showing how nature-based flood risk reduction measures have already been put in place. We are specifically interested in hearing about projects that reduce risks to human communities while generating ecological co-benefits to fish and wildlife habitat. The case studies will be compiled in a guide that will be available online and serve as a helpful tool to support communities in investing in nature-based solutions to address their flooding challenges. Examples include:

- Community efforts to prevent at-risk development in floodplains;
- Risk reduction measures that include nature-based features that mimic natural processes;
- Policy innovations that preserve, promote and protect natural systems for flood risk reduction; or
- Living shorelines projects that incorporate ecological processes and use site-appropriate biological materials.

If you have a case study suggestion, please email me (alan@floods.org) or call (608) 333-3731—yes, some people still do communicate via old-school social media—or better yet bend my ear in Grand Rapids.
What’s happening around the world?

A collection of the most viewed stories on our Facebook page

**Louisiana**—USGS water scientists who negotiated fierce flood waters in March for the sake of gathering valuable data are now populating a federal database to document the historic flooding that spanned Louisiana. Read or listen to the NPR story here.

"The system built to reduce southeast Louisiana’s risk from a hurricane is the best it’s ever been. But according to a $385,000 study, flood walls along the IHNC or Inner Harbor Navigation Canal remain a residual risk on the east bank." Read or watch the WWLTV story here.

**Texas**—Swaths Deweyville residents have been instructed to wait for permission before they can rebuild, restore or even work on their mostly gutted homes from recent flooding, an order many are ignoring because of uncertainty, impatience and the cost of complying. Read the Beaumont Enterprise article here.

Two years ago a letter from FEMA informed Mr. Sadler that the family's floodplain designation had changed. He would have to buy flood insurance. "I was spitting nails," said Sadler, who resented the purchase being forced on him. But he did go ahead and buy the maximum coverage available. Now, he says, that advanced warning and opportunity to get coverage is one of the things he's grateful for. Read the Houston Chronicle article here.

**Solomon Islands**—Going, going, gone. Five of the Solomon Islands have been swallowed whole by rising sea levels, offering a glimpse into the future of other low-lying nations. Read the New Scientist article here.

**Hurricane-prone States**—“Four hurricanes. Seventy percent chance of a named storm making landfall along the west coast of Florida. Sixty percent chance that Texas will be impacted by a hurricane. These are just some of the dire predictions by the Weather Research Center for the 2016 Hurricane Season." Read the Government Security News article here.

**U.S. in General**—Lloyd’s of London insurers have called on the US government to stop providing coverage for flood damage, arguing that state support has become unsustainable and encourages irresponsible housebuilding. Read the Financial Times article here.
ASFPM Foundation President Doug Plascencia and ASFPM Foundation Secretary/Treasurer Larry Larson discussed the climate-informed science approach (CISA) May 5 with key White House staff. Plascencia reviewed the discussion and finding from the Gilbert F. White National Flood Policy Forum last September where 100 of the leading experts discussed CISA, its development and use.

CISA is one of the potential approaches federal agencies will use to implement the new Presidential Executive Order 13690, which is designed to protect federal taxpayer investment when federal agencies build, fund or take other actions in the nation’s floodplains. Agencies have been tasked with protecting taxpayer investments using either of the following approaches: CISA, 500-year flood level or freeboard (2 feet for most actions, 3 feet for critical actions).

The purpose of the recent forum was to capture current thinking, debate, cross educate and formulate an understanding of opportunities and challenges. Plascencia provided a summary of findings, along with early suggestions for use by federal agencies.

The foundation report on the forum is nearly complete and will be released at the ASFPM national conference this June in Grand Rapids, Michigan.
ASFPM, this is your life...in photos!

In celebration of our 40th national conference, behold, photos of conferences past. Thanks to the history keepers, and please forgive the “empty years.”

1977: Chicago, IL
1978: Chicago, IL
1979: St. Paul, MN
1980: New Orleans, LA
1981: Scottsdale, AZ
1982: Madison, WI

The 1993 Great Midwest Flood (May-October) affected IL, IA, KS, MN, MO, NE, ND, SD and WI. More than 1,000 levees failed or were overtopped. Fifty people lost their lives, 54,000 were left homeless, 50,000 homes were destroyed or damaged and 75 communities were completely under water. For almost two months, barge traffic along the Missouri and Mississippi Rivers was at a standstill, 10 commercial airports shut down, as did railroad traffic in virtually all of the Midwest. From Davenport, Iowa, downstream to St. Louis, Missouri, bridges along the Mississippi River were out of commission or inaccessible. It was the same story along the Missouri River. Property damage ranged between $12 and $16 billion. This is why ASFPM does what it does. #40thAnniversary
1983: Sacramento, CA

1984: Portland, ME

1985: New Orleans, Louisiana
No, despite what it looks like in this photo, Princess Diana did NOT serve on the ASFPM Board of Directors. The woman front and center is in fact Donna Hall of Kentucky who served as our board secretary.
1990: Ashville, NC

Pretty impressive company to be sandwiched between. From left: Jim Goddard, French Wetmore and Gilbert White at ASFPM’s 1991 national conference in Denver, Colorado.

1991: Denver, CO

1992: Grand Rapids, MI
President Franklin D. Roosevelt signed the Tennessee Valley Authority Act on May 18, 1933. TVA established a unique problem-solving approach to fulfilling its mission: integrated resource management. Each issue TVA faced — whether it was power production, navigation, flood control, malaria prevention, reforestation or erosion control — was studied in its broadest context. TVA weighed each issue in relation to the whole picture: https://www.tva.gov/About-TVA/Our-History/The-1930s.

Today in flood history. The South Fork dam failed on Friday, May 31, 1889 and unleashed 20 million tons of water that devastated Johnstown, PA. The flood killed 2,209 people.
1996: San Diego—Coast to Coast: 20 years of Progress

1997: Little Rock, Arkansas—FPM in a Multi-Faceted World

1998: Milwaukee, WI—Flood Mitigation Technology: Times Are Changing

(L to R) Dan Accurti, Jerry Louthain and ASFPM Chair Terry Miller.

2000: Austin, TX—A New Beginning in a New Millennium.


Past ASFPM chairs up to 2001.

2003: St. Louis, MO—Lessons Learned: Gateway to Flood Mitigation

2004: Biloxi, Mississippi—Lighting the way to Floodplain Management
2005: Madison, WI—No Adverse Impact: Partnering for Sustainable FPM


2007: Norfolk, VA Charting the Course: New Perspectives in FPM
2008: Reno, NV A Living River Approach to FPM

2009: Orlando, FL Green Works to Reduce Flood Losses
2010: Oklahoma City, OK Building Blocks of FPM

2011: Louisville, KY Flood Risk Management: The Winning Ticket

2012: San Antonio, TX Mission Mitigation
2013: Hartford, CT Remembering the Past – Insuring the Future

2014: Seattle, WA Making Room for Floods & Fish

2015: Atlanta, GA Mitigation on My Mind

Well, it really wouldn't be an ASFPM national conference without some type of natural disaster, would it? Duane R. Demeritt (@DRDinHiram30141) retweeted this photo after a deluge resulted in a stormwater backup and closure of the Atlanta Downtown Connector.

2016: Grand Rapids, MI Great Lakes – Grand Partners
SO MUCH Going On!

That pretty well summarizes the current status of legislative activity right now. Much of that activity has an impact on floodplain management.

Just in the fourth week of May, the Senate version of appropriations for FEMA will be marked up in subcommittee and full committee; the House Appropriations Committee will finalize its action on the Transportation-HUD bill which, so far, contains a provision to prohibit implementation of the Federal Flood Risk Management Standard; the Senate Environment and Public Works Committee will hold a hearing on the Water of the U.S. regulation; a House committee will mark up its version of the 2016 Water Resources Development Act (WRDA) and a Senate committee will mark up a number of bills including the FEMA Disaster Assistance Act and the GRANT Act.

This is a very short legislative session since Congress will recess in mid-July for the Republican and Democratic Party Conventions. It will not reconvene until just after Labor Day in September, leaving very little time for action on Fiscal Year 2017 appropriations before the beginning of the new fiscal year. Since Congress will also recess for October prior to the November elections, a lame duck session is already planned for mid-November into mid-December. All in all, this leaves very little time for action on other legislation.

There is a flurry of action on appropriations bills in an effort to get as much done as possible on individual appropriations bills before a likely Continuing Resolution in September and a probable omnibus bill to include whichever bills have not been completed before the end of the congressional session. Appropriations chairs and House and Senate leadership are committed to moving as many of the 12 regular appropriations bills individually “under regular order” as possible.

Committees are feeling pressure to push out legislation that has been in development to finalize as much as possible during this congressional session. Notable in this category are the WRDA, the comparable but different House and Senate bills on FEMA programs and management, and legislation to facilitate development of a private market for flood insurance.

Active Legislation
Flood Insurance Market Parity and Modernization Act

Identical bills were introduced in the House (H.R. 2901) by Reps. Dennis Ross (R-FL) and Patrick Murphy (D-FL) and in the Senate (S. 1679) by Sens. Dean Heller (R-NV) and Jon Tester (D-MT). It was passed in the House on April 28 by a vote of 419-0. The Committee Report accompanying the bill is H. Rept. 114-524. The Act is too big of an issue to cover here. Be sure and read ASFPM Executive Director Chad Berginnis’ article on page one of this issue of The Insider.

Water Resources Development Act

Different versions of WRDA 2016 are under consideration in the House and Senate. The Senate bill (S. 2848) was introduced April 26 and reported favorably out of the Senate Environment and Public Works Committee April 28. It has not yet been taken up on the Senate floor. The bill authorizes 25 new projects vetted under the procedures
established in the Water Resources and Reform Development Act of 2014 (WRRDA2014). Additionally, it includes major clean up and restoration initiatives — including Lake Tahoe, Great Lakes and Long Island Sound. It includes a provision to assist Flint, Michigan and other municipalities with lead-tainted water problems. Further, it authorizes FEMA to provide grant assistance in rehabilitation or removal of high hazard potential dams. This largely incorporated legislation introduced by Sen. Jack Reed (D-RI) to address the problem of high hazard small dams. According to the committee, the bill “updates the Corps emergency rebuilding authority for flood control projects (PL84-99) to allow the Corps to rebuild projects stronger than originally designed if it will reduce risk of loss of life and property and minimize life cycle rehabilitation costs. The bill also allows the Corps to implement nonstructural alternatives, including wetland, stream and coastal restoration.” ASFPM worked with Committee staff on these latter issues.

The House bill (H.R. 5303) was introduced May 23 and referred to the House Transportation and Infrastructure Committee and the House Natural Resources, each for the provisions that fall within their jurisdiction. The House Transportation and Infrastructure committee marked up the bill and reported it out of committee May 25. It authorizes 28 new projects. It updates language from WRDA07 on the inventory and inspection of levees. For non-structural alternatives under PL 84-99, it strikes “if requested” by the project sponsor and replaces that language in several places with “after consultation with the non-federal sponsor and if requested and agreed to.” ASFPM worked with committee staff on the latter point. The managers’ amendment to the bill includes a requirement for written notice to potential non-federal project sponsors and local officials about the opportunity to submit project proposals. This is intended to assure better outreach to bring more project ideas into the pipeline. The managers’ amendment also directed the Corps to report on the use of natural and nature-based solutions in projects. During mark up, an amendment was offered and then withdrawn, which would have added the clean up and restoration provisions in the Senate bill for Lake Tahoe, Great Lakes and Long Island Sound. A discussion took place about possibly accepting the Senate language in a House-Senate Conference on the bill. An amendment offered by Rep. Garret Graves (R-LA) was agreed to, which would establish an environmental bank to aggregate dollars to facilitate funding of larger projects.

**FEMA Disaster Assistance Reform Act and Disaster Management Act**

The FEMA Disaster Assistance Reform Act (H.R. 1471) passed the House on a voice vote Feb. 29. It has been sent to the Senate and referred to the Homeland Security and Governmental Affairs Committee. The Senate has its own bill, the Disaster Management Act, which contains some of the elements of this bill. That measure (S. 2969), was set to be marked up May 25, but was pulled from the lineup of bills to be marked up.

The House bill authorizes appropriations for FEMA for two years. It provides authorizations for the National Urban Search and Rescue Response System and for the Emergency Management Assistance Compact (EMAC). It defines public broadcasting facilities as private, nonprofit facilities for eligibility for disaster assistance, and places a three-year statute of limitations on reclaiming disaster relief funds and permits waiver for collection of some disaster-related debts. It changes the eligibility threshold of certain small projects for expedited disaster assistance payments from $35,000 to $1 million. Rates for reimbursing states and local governments for direct and indirect administrative costs associated with disaster recovery projects are established. Hazard mitigation assistance for areas affected by fire is authorized regardless of whether or not a major disaster is declared as long as a Fire Management Assistance Grant (FMAG) has been declared.

Importantly, the bill authorizes a study leading to a report on comprehensive disaster costs to the nation. FEMA’s National Advisory Council (NAC) is tasked with directing the study. ASFPM expressed support for H.R. 1471.

The Disaster Management Act provided for the study described above. Other elements of H.R. 1471 were introduced in the Senate as separate bills. A mark up for more than 20 bills, including those held May 25. Apparently
because of concerns about amendments that would add some additional elements from the House bill, the Senate Homeland Security and Governmental Affairs Committee Chairman, Sen. Ron Johnson (R-WI), pulled the bill from the lineup. Future action remains unclear.

**Reform, Streamline and Make Improvements to the Department of Homeland Security**

This bill, S. 2976, was reported favorably out of the Senate Homeland Security and Governmental Affairs Committee May 15. Among its elements was language giving the secretary authority to establish various joint task forces to assist in coordinating activities of the many parts of DHS. ASFPM joined with the International Association of Emergency Managers (IAEM), NEMA, NACo and the International Association of Fire Chiefs in working to clarify that, while FEMA could be included in such arrangements, it would not interfere with the authority or mission of FEMA.

**Digital Coast Act**

Bills to codify the Digital Coast program and partnership at NOAA have been introduced in the House and Senate with bipartisan cosponsors. The House bill (H.R. 4738) was introduced by Rep. C.A. Dutch Ruppersberger (D-MD). That bill has been referred to the House Committee on Natural Resources. The Senate bill (S. 2325) was introduced by Sen. Tammy Baldwin (D-WI) and was reported favorably out of the Senate Committee on Commerce, Science and Transportation April 27. ASFPM is an active member of the [Digital Coast Partnership](http://digitalcoast.gov).

**Appropriations**

In keeping with expressions of resolve to conduct appropriations business “under regular order” for FY17, rather than relying on Continuing Resolutions and Omnibus appropriations measures (as has been the case in recent years), House and Senate Appropriations Committees have been reporting out many of their bills.

Of the 12 regular appropriations bills, the House passed one (Military Construction/VA) and another is currently under consideration on the House floor (Energy and Water). Five other bills have been reported out of the full committee and two have been reported out of subcommittees. The Senate passed one bill (Energy and Water) and has one bill currently on the Senate floor (Transportation/HUD). Four others have been reported out of full committee and two have been reported out of subcommittees.

The bills that are farthest along in the process are Transportation-HUD (known as THUD), Military Construction/VA, and Energy and Water. Of these, the House versions of the THUD and E & W bills carry language prohibiting implementation of the Executive Order 13690 and the Federal Flood Risk Management Standard. The House Financial Services and General Government bill was marked up in subcommittee May 24 and also contains such language.

On May 24 in the House, the Financial Services and General Government bill as well as the Interior and Environment bills were marked up in subcommittee. In the Senate, the Homeland Security bill was marked up in subcommittee. Generally, details of the bills are not available until after they are marked up in full committee.

The Senate Homeland Security Subcommittee did release a summary listing some details that indicated the draft bill provides $100 million for Pre-Disaster Mitigation (PDM), which is substantially over the budget request of $54 million and equal to the FY16 enacted level. For mapping, the draft bill provides $178 million for mapping, which is equal to the budget request, but less than the FY16 enacted level of $190 million and much less than the authorized $400M.
Rep. Maxine Waters, in her remarks at the flood conference, said she plans to call for $1.5 billion a year for five years to get accurate maps for the entire nation. She was using the numbers from ASFPM’s “Flood Mapping for the Nation” report.

Much more detail on contents of appropriations bills will be available by the time of the ASFPM conference in June. Another Legislative Report will be provided then.

Hearings
Here is a sampling of interesting hearings that have taken place recently.

Oversight of the U.S. Geological Survey
The Senate Energy and Natural Resources Committee held an oversight hearing April 7 and heard from USGS officials as well as representatives of academia.

FEMA: Assessing Progress, Performance and Preparedness
A subcommittee of the Senate Homeland Security and Governmental Affairs Committee held a hearing April 12. Testimony was presented by officials of FEMA, GAO and the Department of Transportation.

Review of Recently completed US Army Corps of Engineers Chief’s Reports
A subcommittee of the House Transportation and Infrastructure Committee held a hearing on May 17 and heard testimony from Major General Donald “Ed” Jackson, Deputy Commanding General, Civil and Emergency Operations.

Implications of President Obama’s National Ocean Policy
A subcommittee of the House Natural Resources Committee held a hearing May 17 and heard from public witnesses.

Controlling the Rising Costs of Federal Responses to Disasters
A subcommittee of the House Transportation and Infrastructure Committee held a hearing May 12. Witnesses included FEMA Deputy Administrator Joe Nimmich, NACo President Sallie Clark, NEMA President Bryan Koon, Eric Nelson of Travelers Insurance representing the BuildStrong Coalition and Multihazard Mitigation Council - National Institute of Building Sciences Chair Kevin Mickey.

Erosion of Exemptions and Expansion of Federal Control: Implementation of the Definition of Waters of the U.S.
The Senate Committee on Environment and Public Works held this hearing May 24. Witnesses included representatives from EPA, American Farm Bureau, Pacific Legal Foundation, Georgetown University Law Center and Izaak Walton League of America.

Improvements in Hurricane Forecasting and the Path Forward
A subcommittee of the Senate Commerce, Science and Transportation Committee held a hearing May 25 and heard from National Hurricane Center Director Dr. Rick Knabb, about new tools for storm surge watches and warnings.

The Legislation discussed in this article can be reviewed by going to www.Congress.gov and typing in the bill number or title.

This report appears regularly as a member benefit in “The Insider,” ASFPM’s member newsletter produced in the odd months. See ASFPM’s Goals and Objectives for FY15 here.
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