

FIPNC-IBHS Meetings March 5, 2020

Notes by Bruce A. Bender, CFM – ASFPM Insurance Committee Co-Chair

Flood Insurance Producers National Committee (FIPNC) Morning Meeting

- Attendees: Wyatt Stewart (IIABA Legislative), Chris Heidrick (IIABA rep), Joe Rossi (IIABA alternative rep), Tim Russell (PIA Rep-Chair), Lauren Pachman (PIA Legislative), Bryan Duplantier (PIA Alternate), Blaire Bartlett (CIAB), Patrice Collingwood (CIAB rep), Merrie Inderfurth (ASFPM), Bruce Bender (ASFPM) (and one other agent [From NJ]-CIAB Alternate, Casey...)
- Legislative Update
 - Very little going on the Hill
 - NE and coastal delegations wanting more than what is in the House bill
 - Probably will see short-term extensions after the expiration and push it pass elections
 - Legislators are wanting to know if the lending rules implemented in July are working to help increase private flood market
 - FHA is in the rule making process regarding accepting private flood policies; this spring should be out with new ruling
- RR2.0
 - Common consensus is that FEMA needs to have better messaging than what is out there now
 - FEMA needs to have the agents behind the pushing of RR2.0; to do so, the agents need to be first educated and well-informed about RR2.0
- New Policy Forms
 - Agents haven't seen them yet; they have not been part of the FEMA work group
 - FEMA needs to review and prepare agents to understand and explain them; will need to explain new options
 - Suggest that FEMA take a major role in explaining to the insured the change
- FEMA will be collecting emails of policyholders – and FEMA said they would let “you” know if FEMA is going to use it...who is the “you” WYOs? Agents? Both? There is concern about sharing that information, especially after FEMA just talked about privacy concerns
- Bruce discussed ASFPM's issue around Pivot and PART
- SRL program – should FEMA get rid of it? Agents have to work now with NFIP-Direct; communications are not very good when moving over; commission rate is less
- At lunch, FIPNC should talk with IBHS to see how the WYOs plan to rollout/communicate RR2.0
- Discussed the release of the EC and the fact that there was no Bulletin when it was released...and still no Bulletin
- Discussed an issue around underwriting a large shopping mall and residential with different towers and underground parking with multiple named insureds; very challenging

FIPNC-IBHS (Institute of Business and Home Safety) Lunch Meeting

- How is RR2.0 change be communicated to the policyholder and what communications are being provided to educate and inform the agents about RR2.0 and focused to the insured? Per IBHS, Tony said they are already working on it with Marketing. WYOs asked to have a voice in that development.
- When FEMA releases new policy forms, Tim asked WYO to think about agency force in communicating those changes

- Per IBHS, FEMA has 4 rulemaking bundles out there; FEMA really didn't give IBHS an update except that the installment plan required by Congress probably will go to rulemaking in 2022 (focusing on policy forms)
- NPNs (National Producer Numbers) – only 44% of applications received to date; some companies have low adoption; this October FEMA might start hammering on them to include it
 - FEMA said they are trying to get more oversight

FIPNC-FEMA Afternoon Meeting

- FEMA: Niki Crewes, John Hintermister, Sarah D. Ice, Paul Huang, Tony Hake, Butch Kinerney, Hunter Gray (C3), Suzan Krowel, David Stearrett (OFIA), Greta, Freda, Tyler (Flood Ins Manual lead), Brandon Sweeza (Flood Mitigation), + 4 other FEMA
- Paul – feels FEMA is in a good place now, being a world class organization, moving in the right direction (RR2.0, new policies)
 - He still cringes when he hears there are not enough agents or hears agents saying “you don't need flood insurance”
- FIPNC recommended that future breakout sessions in Industry Day have an agent focus; FEMA asked FIPNC to share ideas for future sessions
- FIPNC recommended FEMA getting with associations with their Industry Day on the Hill; get material in their hands
- Tony suggested getting an agent(s) into RR2.0 work group (NDA needs to be signed); he will send one out
- Policy Forms will probably take 2-3 years to hit the streets
- In rating a policy via RR.20, FEMA is buying First Floor height, replacement cost and other data so the agents don't have to collect that and they are putting that data in the calculations, so the agents don't have to ask individual for that information to get a quote
- RR2.0 – every single-family home has been run through their rating system, but levees and commercial have to be run before rates and rating is finalized; still need to dissect data down to the state level (like how many policies are grandfathered, here is the impact in Zone A's, etc.)
 - Chris Heidrick (FIPNC) brought up the point that the agents need messaging on RR2.0
 - Paul said they are looking at how “loud” they should make this; feels maybe 8 states might care, but the rest probably won't care
- April Flood Insurance Manual Update
 - Final stages in getting ready to get out; will be out on or before April 1st
 - Updated premium rates (11.3% avg increase).
 - RFA increases from 15% to 18%
 - If mailing and street addresses are the same, then the insured does not need to prove primary residency
 - Floodproofing guidance updated; more details are needed
 - 1-1-2021 PRP rates increased significantly
- Bruce brought up issue about communication around the EC that if FEMA knows its coming out, to issue the Bulletin at the same time of the release...and it should cover all uses of the EC, not just WYO/insurance (e.g., FPM). Turns out FEMA sent WYOs a separate email and didn't copy they agents (or anyone else). Sad that FEMA talks about the customer experience, but then falls flat on something like this

- Brandon (Mitigation) provide a grant update
 - BRIC – will sunset PDM; will pay for more larger infrastructure program
 - HMGP – disaster driven
 - PDM is being sunsetted due to BRIC – doing selection of project this May
 - FMA – funded by NFIP fund – so the mitigation must have a benefit to the NFIP policyholders (last 3 years has been funded at \$160 M; sometimes not all of it is funded, so will carry it over – estimate is 2 times oversubscribed; opens Sep 30th and ends Jan 30th 2021 (state will have closeout date early))
- Butch (Marketing)
 - Talked about having Agent Day at the NFC
 - Rolling out Hurricane Initiative; doing some fun things with some Regions (did not elaborate)
 - Updating some past stuff; some newer stuff like digital videos for post-storm
 - Retention and New Policy Acquisition is still the focus
 - GFIP retention for certain areas that have some expiring; working with TX Dept of Insurance and City of Houston – did not elaborate what those were
 - IA, NE – focus on the Midwest for one of the campaigns
 - Gas Pumps in HI; have links to videos associated with gas pump adds as they don't have billboards
 - Maine Map changes in Region 1
 - Attended Omaha Home & Garden and had a 10% pass-thru on website with the duck URL
 - Did local radio outreach
 - Met with Big I and PIA of Omaha
 - First campaign of the year on snowmelt flooding
 - Created door hanger for realtors – have a billion of them; so please order from him
 - Working with FEMA preparedness and addressing financial side
 - Working with meteorologists
 - On digital ads, will have a space to ask questions – not a full-scale chat bot
 - Rolling out a new booth this year
 - Revising FS.gov and A.FS.gov, though most people won't notice
 - Created two new agent videos
- Dave Stearrett (OFIA)
 - 15-20,000 calls from Call Center; certain ones now escalate up to OFIA
 - 2019 annual report – 5 major trends
 - 4 underwriting; one claims/GFIP
 - Insurance companies will have EC for pre-FIRM, but are not using it; they should be using it if a better rate and the insured gets a refund
 - Loss of rating due to lapse of coverage due to lender not paying; they have asked FEMA to look into changing that rule
 - Confusion around GFIP
 - Limited refunds when LOMA-OAS basically a wrong FZD; gets corrected; recommending refunds back 5 years
 - ICC sequencing screw up (if elevation project starts before FPM'er approves, it has been denied in the past...wants that to change that)
- Installment Payments
 - Policy Forms have priority over Installments going through the federal rule making