

Association of State Floodplain Managers

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ASFPM Flood Insurance Committee Status Report



Co-chairs: Bruce Bender & Steve Samuelson
April 23, 2018



ASFPM FLOOD INSURANCE COMMITTEE STATUS REPORT Annual Conference—Phoenix, AZ (June 2018)

Introduction and Overview

The ASFPM Flood Insurance Committee supports ASFPM's floodplain management efforts through information, education and outreach activities on flood insurance issues. The committee provides input on flood insurance legislation and flood insurance rules and guidelines propagated by FEMA. The committee also helps keep the ASFPM membership informed of upcoming changes to the National Flood Insurance Program and the potential impact of these changes.

In support of the ASFPM goals and objectives for 2016/2017, the committee developed five broad focus areas. These areas are:

- 1) Continue to monitor modifications and improvements to the insurance aspects of the NFIP, both from FEMA and Congress as well as implementation and their effects on the insurance program.
- 2) Continue liaison activities with the Flood Insurance Producers National Committee (FIPNC), Institute of Business and Home Safety (IBHS) and National Flood Association (previously known as the National Flood Determination Association or NFDA).
- 3) Work with FEMA on issues affecting flood insurance including insurance aspects of the Community Rating System (CRS), Increased Cost of Compliance (ICC), levees, coastal and Risk MAP.
- 4) Provide flood insurance-related information and assistance to members.
- 5) Determining the use of Base Level Engineering/Modeled-back A Zones for insurance rating.
- 6) Work with FEMA on requirements for insurance rating and regulations for agriculture structures.

Note that on Jan. 1, 2017, **John Gerber** stepped down for a 12-month assignment with the National Guard. **Steve Samuelson** stepped in as an interim replacement and actively supported the committee. John's assignment then was extended through the summer of 2018, so Steve has continued as the interim co-chair.

2017/2018 Committee Co-chair Activities

1) Monitor ongoing changes in the NFIP and effects on insurance program

During the past year, the committee continued to monitor numerous reauthorization/reform bills and other legislative activities on the Hill, reviewed WYO Bulletins and other notices released from FEMA and reviewed news articles on flood insurance, including private flood insurance. Numerous articles were written for ASFPM's *The Insider* to help keep members updated.

Co-chairs also monitored the Federal Register for notices that could affect the NFIP as well as the changes in the Elevation Certificate.

The EC was issued and re-issued in 2016 with significant issues. Working with members from across the organization, the committee collected issues and recommended changes and submitted them to FEMA. Many of these changes were incorporated in the latest version that was released in March 2017. The current one expires November 2018.

The Insurance Committee sits on FIPNC, which represents the main three insurance agent associations), and meets with FEMA and the Executive Flood Committee of the IBHS three times a year. In the February and July 2017 meetings, the committee, through FIPNC, strongly encouraged FEMA to organize a stakeholder group to identify changes to the EC that would be beneficial across all industries that use it.

FEMA announced at the October 2017 meeting that they would form an EC committee and the first meeting was held in November 2017. The Insurance Committee organized a subcommittee of members from this committee and the Floodplain Regulations Committee and recruited the newly "retired" **Bill Nechamen** to chair the group. Several meetings have been held internally as well as with FEMA and its work group. Final recommendations have been provided to FEMA who will be submitting them by the end of May 2018 to Office of Management and Budget for approval (as to make the November 2018 expiration date of the form).

2) Continue Liaison Activities with Other Flood Insurance Interest Groups

The Flood Insurance Committee continued to liaise with other groups including:

- Participated in the ASFPM policy committee conference calls and the retreat, which was held in Madison, Wisconsin in September 2017
- Held 2 Insurance Committee Calls with members
- Attended 3 IBHS Flood Committee meetings
- Attended 3 FIPNC meetings
- Attended the National Flood Conference and annual ASFPM conference
- Attended the National Flood Association Conference

3) Work with FEMA on Issues Affecting Flood Insurance

Besides the updating of the EC, two other issues this past year were around agriculture structures in the floodplain and private flood insurance. The committee sponsored an Early Bird session at the 2017 ASFPM national conference to provide an opportunity for FEMA to hear an open dialog about the issues related to floodplain managing and insuring ag structures in the floodplain. FEMA is looking to release proposed guidance this summer and the committee once again will be offering to hold another Early Bird Session to provide feedback to any proposed guidance or policy.

4) Provide Flood Insurance-related Information and Assistance to Members

The Committee spent considerable time this year helping keep the members aware of changes and happenings in the flood insurance world that may affect them. These included:

- Conducting 2 Insurance Committee conference calls
- Presenting an update at the annual ASFPM conference
- Requesting input from members and consolidating input from other committees regarding the updating of the Elevation Certificate
- Sharing updates on changes to the federal flood insurance program via member news alerts
- Providing news articles for the bi-monthly *Insurance Committee Corner* in *The Insider* and responding to people who commented via the email in that column
- Responding to email questions and correspondences on a number of insurance-related topics including private flood, EC and changes to the flood insurance program
- Updating the Insurance Committee website with current fact sheets and information
- Reviewing related documents from the executive office and providing direction and input regarding the implementation and impact of the past legislation as well as commenting on upcoming reauthorization legislation
- Assisted in the completion of an ASFPM brochure on the benefits of building higher

Private flood insurance is becoming a more visible topic discussed amongst members. Members are hearing about and coming across private policies more and more. Issues being raised and discussed include:

- a. Potential impact on CRS communities (drop in NFIP policies means less financial benefit to local property owners; and hence less interest of elected officials to want to pursue CRS)
- b. Inability to get grants if Benefit Cost Analysis includes the number of NFIP policies positively impacted
- c. Inability to be deemed a Severe Repetitive Loss Property because the losses were on a private policy
- d. The current impact of losing subsidized rating, or Newly Mapped Procedure if an NFIP-insured switches to a private policy and then a year or more later tries to switch back

5) Determine the use of Base Level Engineering/Modeled-back A Zones for insurance rating

Base Level Engineering is becoming more widely used by FEMA regions in helping provide Base Flood Elevations. In working on the EC subcommittee, it appears the use of BLE to determine BFE will be identified in the EC Instructions as an acceptable way to determine BFE in an Unnumbered Zone A. The committee has not discussed modeled-back Zone As.

- 6) Working with FEMA on requirements for insurance rating and regulations for agriculture structures.

As mentioned in Objective 3, the committee worked with members to provide feedback to FEMA about floodplain management issue around ag structures in the floodplain. The committee sponsored an Early Bird Workshop on the topic to allow FEMA to hear concerns and challenges from a panel and the audience. Since then FEMA has compiled their recommendations and will be offering suggested policy(s) and guidance this summer. The Insurance Committee will be planning to hold another Early Bird Workshop to allow FEMA to hear feedback to any proposed changes.

Future Actions

The committee co-chairs will use feedback from the annual committee meeting in Phoenix to help formulate the work plan for 2018/2019. Work items from the 2017/2018 work plan that need additional work will be incorporated into the next year's plan. In addition, there will be continued focus on working with FEMA to address private flood insurance and the challenges around regulating and insuring agricultural structures in the floodplain as well as any bills that appear related to reauthorization and reformation of the NFIP.

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