



FEMA

Flood Insurance Frenzy Amidst Legislative Reform

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Watershed University Atwater, CA
April 27-28, 2016



RiskMAP

Increasing Resilience Together

Agenda

Get Flood
Smart

Agenda

1. Background - New Legislation
2. April 1, 2015 Changes
3. April 1, 2016 Changes
4. Tools & Resources
5. Questions & Answers

NEW LEGISLATION

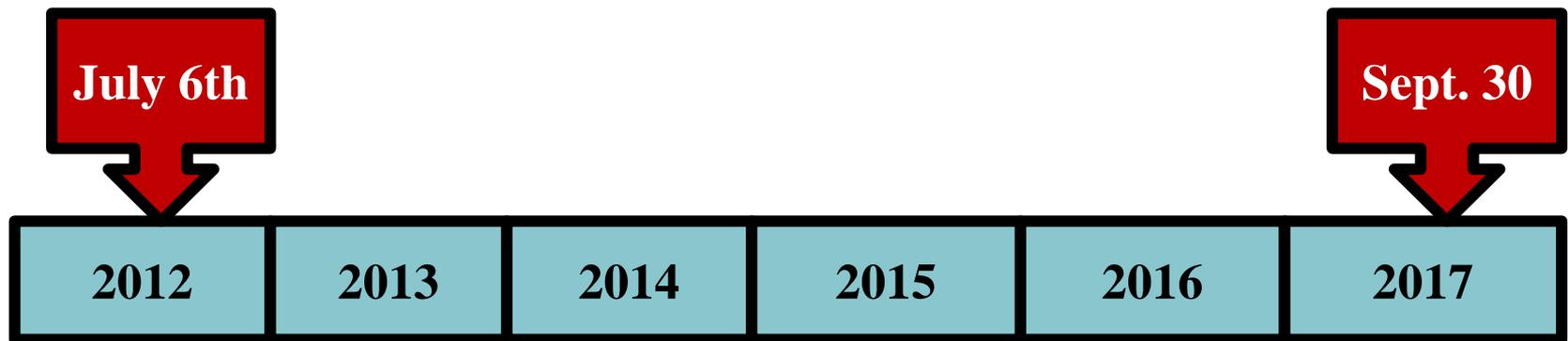
New Legislation

- Biggert-Waters Flood Insurance Reform Act – July 6, 2012 (BW 12)
- Homeowner Flood Insurance Affordability Act – March 21, 2014 (HFIAA)



New Legislation

- Program Authorization until September 30, 2017
- Mandates reforms to make the NFIP more sustainable



APRIL 1, 2015 FLOOD INSURANCE CHANGES

April 1, 2015 Changes

Implementation of HFIAA Rate Caps



April 1, 2015 Changes

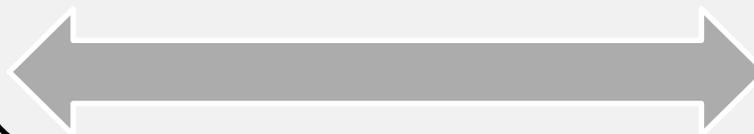
Implementation of HFIAA Rate Caps

Applies to **older (pre-firm) subsidized** buildings in **A or V flood zones** that are:

1. Non-primary residences
2. Severe repetitive losses
3. Substantially damaged or improved buildings
4. **Businesses – April 2016**

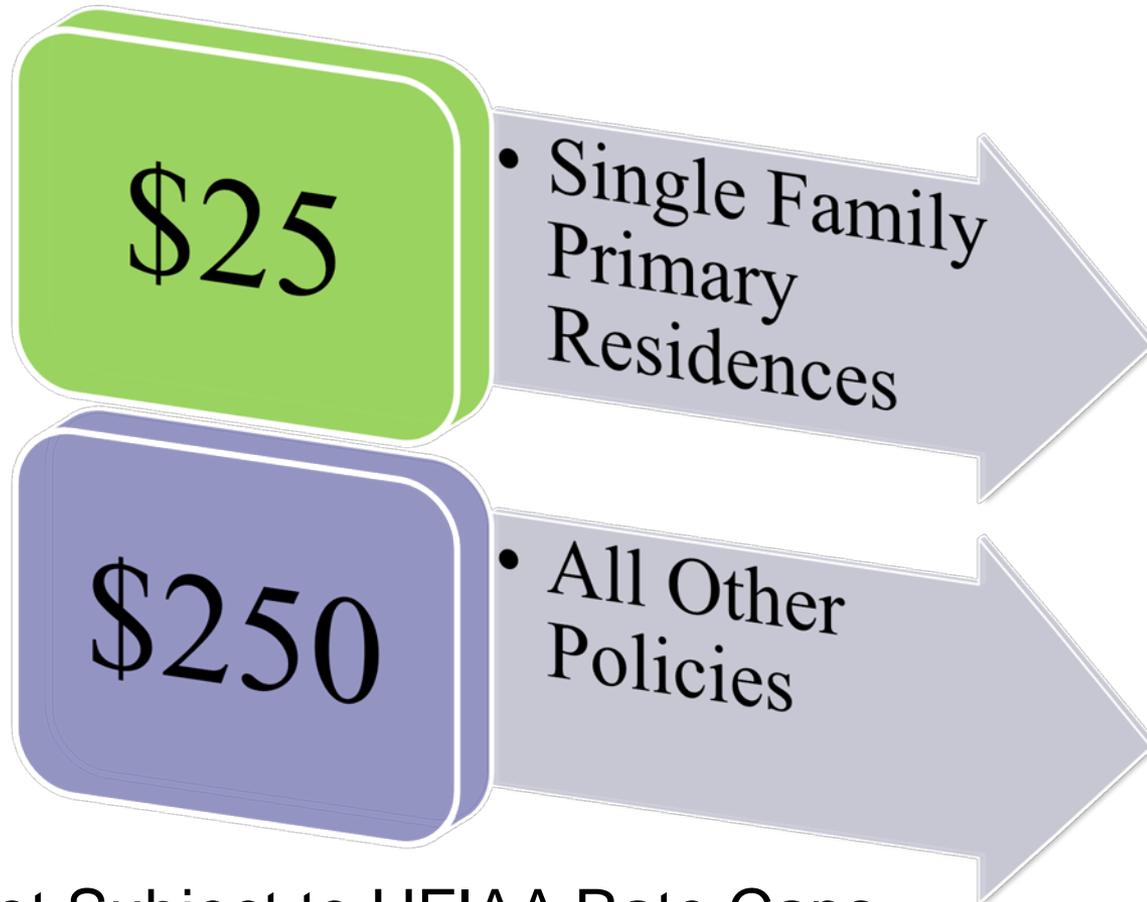


25% annual increases



April 1, 2015 Changes

New Annual Non-Refundable Surcharge*



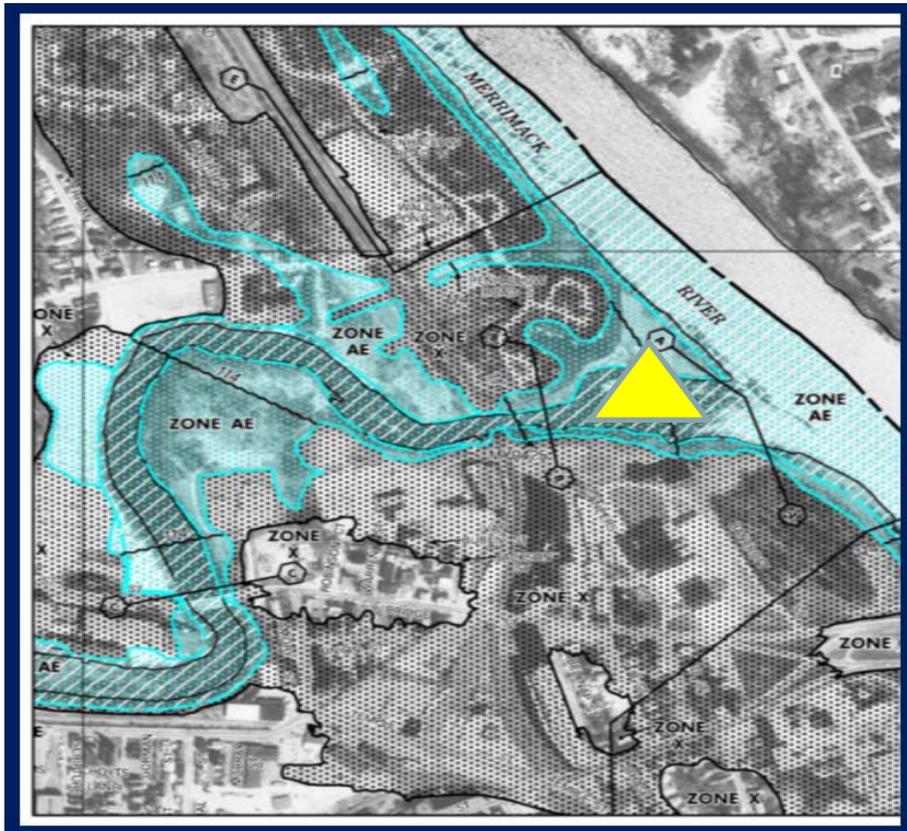
*Not Subject to HFIAA Rate Caps

April 1, 2015 Changes

Introduced New Optional Residential Deductible



April 1, 2015 Changes



Newly Mapped Procedure

B, C, X, or D Flood Zone



A or V Flood Zone

12 months to get coverage effective

*Formerly Preferred Risk Policy Eligibility Extension

April 1, 2015 Changes

<http://www.fema.gov/nfip>



April 1, 2015 Changes

<https://www.fema.gov/media-library/assets/documents/99601>

**FEMA****Fact Sheet**

Federal Insurance and Mitigation Administration

How April 2015 Program Changes Will Affect Flood Insurance Premiums

The National Flood Insurance Program (NFIP) is in the process of implementing Congressionally mandated reforms required by the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA) that repeal and modify the Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters). The new law slows some flood insurance rate increases and offers relief to some policyholders who experienced steep flood insurance premium increases in 2013 and early 2014. Flood insurance rates and other charges will be revised for new or existing policies beginning on April 1, 2015. In addition to insurance rates, other changes resulting from Biggert-Waters and HFIAA will be implemented that will affect the total amount a policyholder pays for a flood insurance policy. Highlights of some of those changes follow. For full explanations and guidance, see WYO Bulletin (W-14053) and the Flood Insurance Manual.

The changes taking place in April include an increase in the Reserve Fund Assessment, the implementation of an annual surcharge on all new and renewed policies, an additional deductible option, an increase in the Federal Policy Fee, and rate increases for most policies. Key changes include:

- Implementing annual rate changes that set rates using rate-increase limitations set by HFIAA for individual premiums and rate classes:
 - Limiting increases for individual premiums to 18 percent of premium.
 - Limiting increases for average rate classes to 15 percent.
 - Mandatory increases for certain subsidized policyholders under Biggert-Waters and HFIAA.
- Increasing the Reserve Fund assessments required by Biggert-Waters.
- Implementing annual surcharges required by HFIAA.
- Guidance on substantially damaged and substantially improved structures, and additional rating guidance on buildings constructed before their communities' first Flood Insurance Rate Maps (FIRMs) became effective (known as pre-FIRM structures).
- Implementing a new procedure for properties newly mapped into the Special Flood Hazard Area (SFHA) and existing Preferred Risk Policy Eligibility Extension (PRP EE), a cost-saving flood insurance coverage option for property owners whose buildings were newly mapped into an SFHA. The premiums will be the same as the PRP, which offers low-cost flood insurance to owners and tenants of eligible residential and non-residential buildings located in moderate- to low-risk areas for the first year (calculated before fees and assessments) to comply with provisions of HFIAA.
- Reformulating expense loading on premiums, reducing the expense load on the highest-risk policies as an interim step while investigating expenses on policies as required by Biggert-Waters.

The changes will take effect on April 1, 2015.

OCTOBER 2014<https://www.fema.gov/media-library/assets/documents/99601>1

APRIL 1, 2016 FLOOD INSURANCE CHANGES

April 1, 2016 Changes

- Average premium increases 9%



April 1, 2016 Changes

■ Increased Federal Policy Fee

\$22 to \$25 Preferred Risk Policy
\$45 to \$50 All Others



■ Increased Reserve Fund Assessment

- Preferred Risk Policy
- All Other Policies



April 1, 2016 Changes

- New Lapsed Policy Rule
 - Newly Mapped into a Special Flood Hazard Area
 - Subsidized Policies



April 1, 2016 Changes

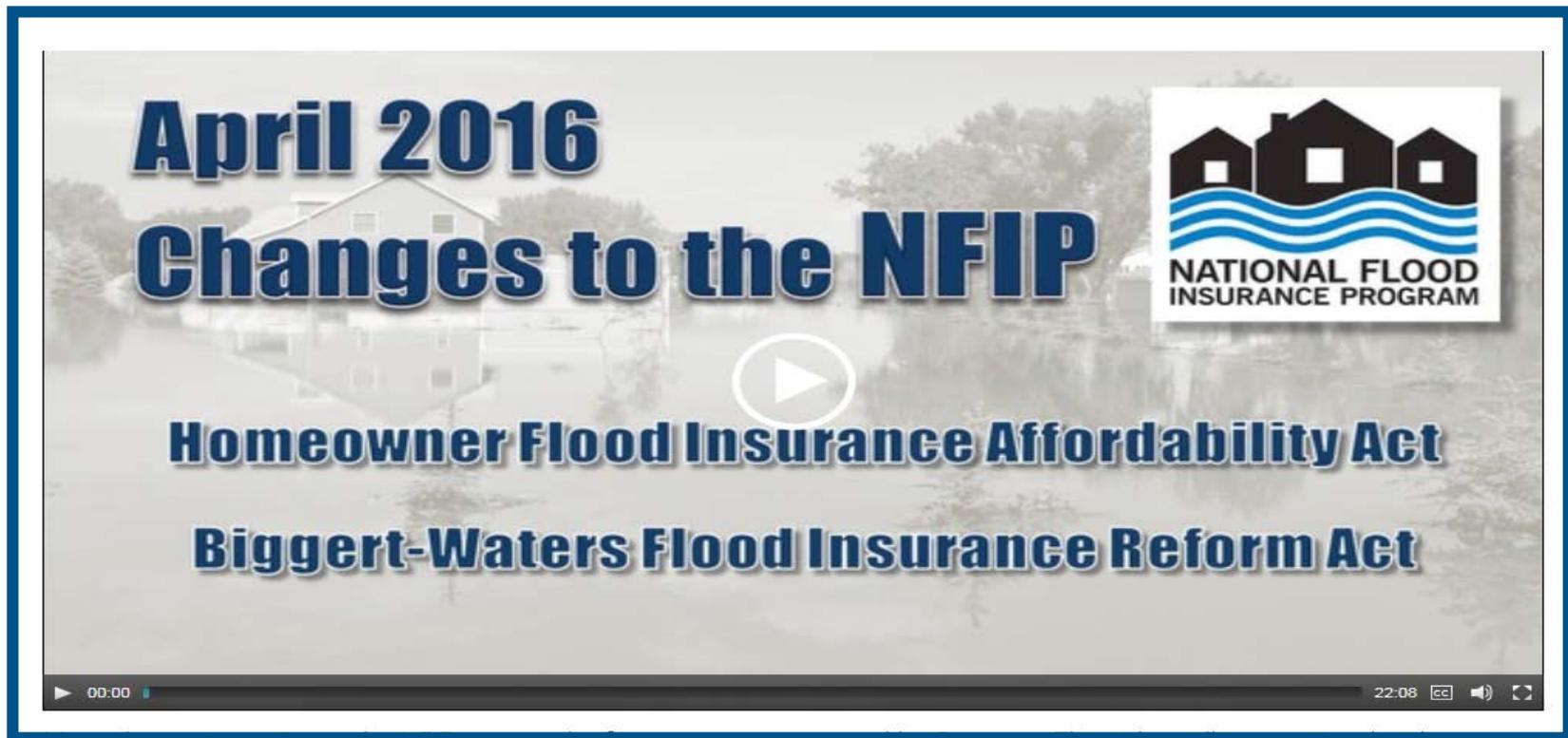
- Clear Communication of Full Risk



TOOLS & RESOURCES

New Video on April 1, 2016 Changes

<http://www.fema.gov/media-library/assets/videos/115675>



NFIP Online Training - EMI

<http://training.fema.gov/is/crslist.aspx>

**FEMA**
Fact Sheet
National Flood Insurance Program (NFIP) Training Transitions to online-only

ALL NFIP TRAINING COURSES NOW AVAILABLE ONLINE—FREE!

NFIP Training courses for insurance agents, claims adjusters, surveyors and community officials—traditionally delivered as classroom seminars and webinars—have moved online and are being offered through the FEMA Emergency Management Institute (EMI) Independent Study Program.

This move allows insurance agents, claims adjusters, lenders and other professionals 24/7/365 access to FEMA NFIP training right from their personal or business computer.

START TODAY

EMI Independent Study courses are free and available to anyone. The Independent Study catalog is available at <http://training.fema.gov/is/crslist.aspx>. Course exams require a FEMA Student Identification (SID) Number, which can be obtained at <https://ids.fda.gov/femaid>. Course content will be updated as Program changes occur.

Additional courses will become available in the weeks ahead.

Current online course list

AGENT COURSES

The Basic Agent Tutorial (IS-1101), <http://training.fema.gov/coursesoverview.aspx?code=IS-1101>

Theory of Elevation Rating (IS-1102), <https://www.trainint.fema.gov/coursesoverview.aspx?code=IS-1102>

Insuring Condominiums (IS-1108), <https://www.trainint.fema.gov/coursesoverview.aspx?code=IS-1108>

Writing Commercial Exposures (IS-1110), <http://training.fema.gov/coursesoverview.aspx?code=IS-1110>

Coastal Barrier Resources Act (IS-1113), <http://training.fema.gov/coursesoverview.aspx?code=IS-1113>

ADJUSTER COURSES

Claims Review for Adjusters (IS-1104), <https://www.trainint.fema.gov/coursesoverview.aspx?code=IS-1104>

Adjuster Customer Service (IS-1107), <https://www.trainint.fema.gov/coursesoverview.aspx?code=IS-1107>

Introduction to Flood Claims (IS-1112), <https://www.trainint.fema.gov/coursesoverview.aspx?code=IS-1112>

Understanding Assessment Coverage (IS-1109), <http://training.fema.gov/coursesoverview.aspx?code=IS-1109>

*FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain,

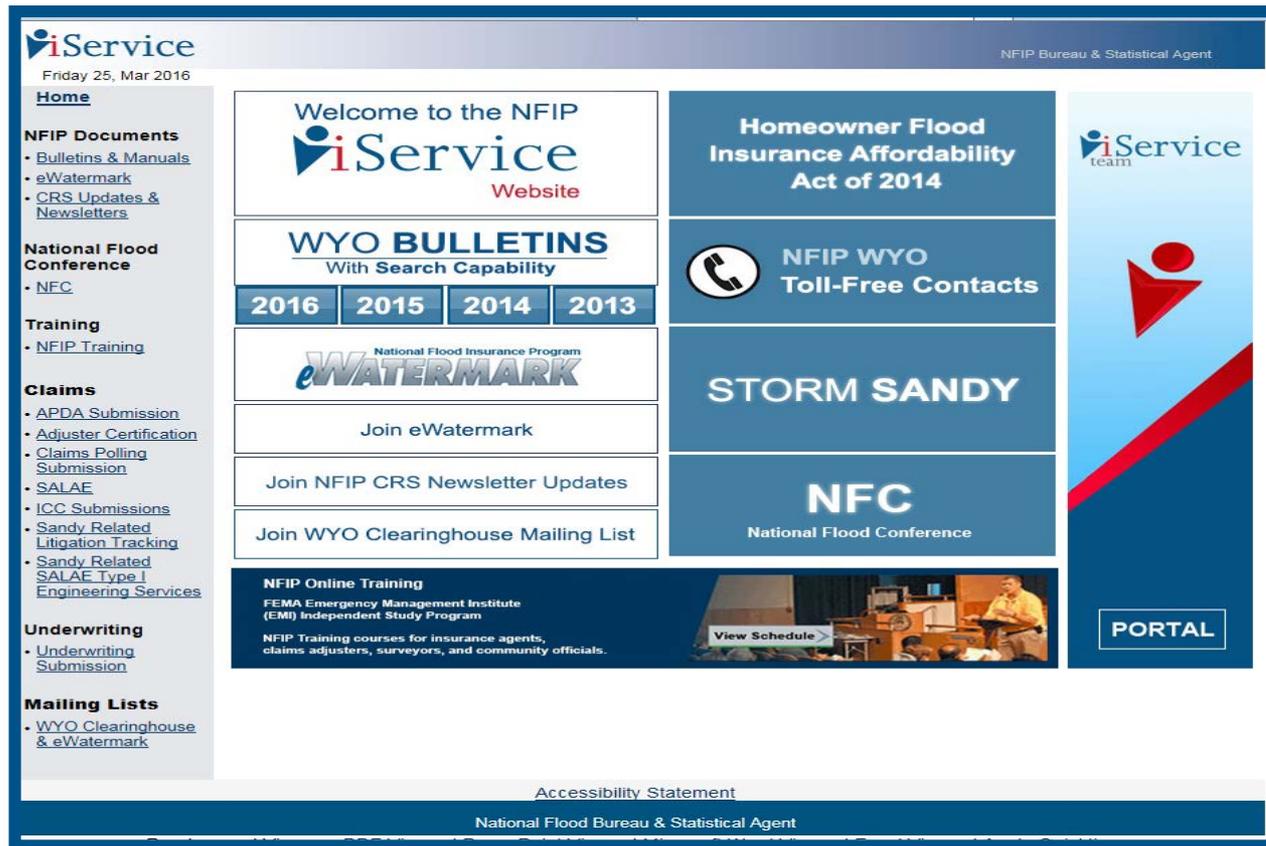


- ✓ Insurance Agents
- ✓ Realtors
- ✓ Lenders
- ✓ Community Officials



I-Service Home Page

<http://www.nfipiservice.com>



The screenshot shows the NFIP iService Home Page. At the top left is the iService logo and the date "Friday 25, Mar 2016". At the top right is the text "NFIP Bureau & Statistical Agent". The page is organized into several sections:

- Home**: A link to the home page.
- NFIP Documents**: A list of links including "Bulletins & Manuals", "eWatermark", and "CRS Updates & Newsletters".
- National Flood Conference**: A link to "NFC".
- Training**: A link to "NFIP Training".
- Claims**: A list of links including "APDA Submission", "Adjuster Certification", "Claims Polling Submission", "SALAE", "ICC Submissions", "Sandy Related Litigation Tracking", and "Sandy Related SALAE Type I Engineering Services".
- Underwriting**: A link to "Underwriting Submission".
- Mailing Lists**: A link to "WYO Clearinghouse & eWatermark".

The main content area features several promotional boxes:

- Welcome to the NFIP iService Website**: A large banner with the iService logo.
- Homeowner Flood Insurance Affordability Act of 2014**: A blue box with the text "Homeowner Flood Insurance Affordability Act of 2014".
- WYO BULLETINS With Search Capability**: A box with a table of years: 2016, 2015, 2014, 2013.
- NFIP WYO Toll-Free Contacts**: A box with a phone icon and the text "NFIP WYO Toll-Free Contacts".
- STORM SANDY**: A blue box with the text "STORM SANDY".
- NFC National Flood Conference**: A blue box with the text "NFC National Flood Conference".
- NFIP Online Training**: A box with a photo of a person and the text "View Schedule".

On the right side, there is a vertical banner with the iService team logo, a red location pin icon, and a "PORTAL" button at the bottom.

At the bottom of the page, there is an "Accessibility Statement" link and the text "National Flood Bureau & Statistical Agent".



FloodSmart

www.floodsmart.gov

Call toll free: 1-888-379-9531 or have us call you

Search FloodSmart.gov

FloodSmart.gov
The official site of the NFIP

HOME

FLOODING & FLOOD RISKS

ABOUT THE NATIONAL FLOOD INSURANCE PROGRAM

RESIDENTIAL COVERAGE

COMMERCIAL COVERAGE

POLICYHOLDER RESOURCES

PREPARATION & RECOVERY

RESOURCES

- > Agent Site
- > Agent Locator
- > Community Rating System
- > Community Resources
- > File Your Claim
- > Frequently Asked Questions
- > Glossary
- > Flood Facts
- > Media Resources
- > Toolkits
- > Email Updates

Wildfires Increase Flood Risk. Are You Ready?

Fires leave land dry, barren, and unable to absorb water.

LEARN MORE

Protect What Matters Spring Flooding Recent Changes New Flood Maps Flood After Fire

LATEST NEWS

When does your state focus on flood safety? Find out [here](#).

Find out more about the Preferred Risk Policy Eligibility Extension. [Learn More](#)

Typically, there's a 30-day waiting period from date of purchase before your policy goes into effect.

GET COVERAGE WITH A LOW-COST POLICY

Find out about our Preferred Risk Policy for homes in moderate-to-low risk areas.

LEARN MORE

WHAT COULD FLOODING COST ME?

This interactive tool shows the cost of a flood to your home, inch by inch.

LEARN MORE

One-Step Flood Risk Profile

HOW CAN I GET COVERED?

- Rate your risk
- Estimate your premiums
- Find an agent

Address:

City:

State: State/Territory

Zip code:

Residential? Yes No

GO

Insurance Policy

Call toll free: 1-888-379-9531 or have us call you

Search FloodSmart.gov

FloodSmart.gov
The official site of the NFIP

HOME

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POLICYHOLDER RESOURCES

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RESOURCES

- > Agent Site
- > Agent Locator
- > Community Rating System
- > Community Resources
- > File Your Claim
- > Frequently Asked Questions
- > Glossary
- > Flood Facts

How will the New Flood Maps Affect Your Flood Risk?

Flood risk changes from year-to-year. Enter your zip code to see if there have been any recent map changes in your area.

SEARCH YOUR AREA

What Does NFIP Reform Legislation Mean to You?

Premiums are changing to reflect actual risk and sustain the program—within an affordable framework.

LEARN MORE

Protect What Matters Spring Flooding Recent Changes New Flood Maps Flood After Fire



New FEMA Call Center

- 1-800-621-3362
- 8am – 6pm CDT
- www.fema.gov/nfip

**FEMA**Fact Sheet

National Flood Insurance Program

[NFIP Call Center Pilot Program](#)

FEMA's top priority is to support disaster survivors and help communities recover from the devastating effects of disasters. To accomplish this mission, FEMA is undertaking changes and improvements to the National Flood Insurance Program (NFIP).

As part of these improvements, FEMA launched an NFIP call center pilot program to better serve and support policyholders with the servicing of their claims. Flood insurance claims can be complicated, and policyholders may have questions in the days and weeks following a disaster. Not all questions can be quickly or easily answered by one's insurance agent.

Policyholders who may have questions about their flood policy can call 1-800-621-3362, Monday through Friday from 8 a.m. to 6 p.m. (CDT). Specialists will be available to assist policyholders with the servicing of their claims, to provide general information regarding their policies or to offer technical assistance to aid in recovery. The call center will also be open to disaster survivors who have general questions about the NFIP.

For those who prefer to put their concerns in writing, a "Request for Support" form will be posted at <http://www.fema.gov/national-flood-insurance-program-technical-support-hotline>, which can be e-mailed to FEMA-NFIP-Support@fema.dhs.gov.

Call center staff will be able to answer everything from basic inquiries to more complicated flood insurance questions such as, "What is covered under my policy? What documents are needed to file a claim? What if I have problems with my adjuster?" Staff will be trained to provide superior service and put customers' needs first.

Flood insurance plays a critical role in assisting survivors on their road to recovery. Like other types of insurance, it does not cover all losses but it is the first line of defense against a flood. While the payouts won't make the insured whole, our top priority is to ensure policyholders get what they are due under their coverage.

FEMA expects participating insurance companies and their contractors who assist in carrying out the program to continue to improve their customer-centric approach as they handle flood insurance claims. Policyholders should expect full transparency on how the claim is being adjusted, what elements of damage are covered under the Standard Flood Insurance Policy, what elements are not covered, and how costs are calculated for the loss. This initiative is part of FEMA's ongoing commitment to effective, long-term improvements to the NFIP.

June 2015

"FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards."

<http://www.fema.gov/media-library/assets/documents/106968>

NFIP Key Contacts

 FEMA Fact Sheet	
Federal Insurance and Mitigation Administration	
National Flood Insurance Program (NFIP) Key Contacts	
NFIP Help Center 1-800-427-4661 Hours: 8am – 8pm Mon. – Fri. EST	<ul style="list-style-type: none"> • General NFIP Information • NFIP Policy Loss History Information • NFIP Publications
NFIP Claims Call Center 1-800-621-3362 Hours: 8am – 6pm Mon. – Fri. CDT	<ul style="list-style-type: none"> • Assist policyholders with claims questions • General information on claims process • Technical assistance to aid in recovery
FloodSmart 1-888-379-9531 http://www.floodsmart.gov Hours: 24 Hours / Mon. – Sun.	<ul style="list-style-type: none"> • Policyholder Resources • Agent Site • Flood Facts & Flood Risks • Community Resources • Community Rating System (CRS) • Media Resources • Toolkits
FEMA Map Information Exchange (FMIX) 1-877-336-2627 http://floodmaps.fema.gov/fhm/fmx_main.html Hours: 8am – 6:30pm EST	<ul style="list-style-type: none"> • Flood Map Information & Inquiries • Flood Zone & Map Appeals • Information on Upcoming Map Changes • Letters of Map Change
FEMA Federal Disaster Assistance 1-800-621-3362 http://www.disasterassistance.gov	<ul style="list-style-type: none"> • File a Claim for Federal Disaster Assistance • Status of a Federal Disaster Assistance Claim
FEMA's Interim Office of the Flood Insurance Advocate https://www.fema.gov/safer-stronger-protected-homes-communities/interim-office-flood-insurance-advocate Revised: July 10, 2015	

Thank You for Attending



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FEMA