Proposed NFIP Changes for Agricultural Structures

ASFPM Early Bird Session
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Congress Directed GAO to Evaluate the Effects of NFIP on Agriculture

- **7/6/2012**: Biggert-Waters Act
- **3/21/2014**: Homeowner Flood Insurance Affordability Act
- **Aug 13 - Jun 14**: GAO Audit
- **Aug 13 - Jun 14**: GAO Report Published
- **Jun 15 - Jun 16**: White Paper Study
- **6/21/2016**: White Paper Published
- **Oct 16 - Sep 17**: Phase 1 - Research and Study
- **10/4/2017**: Final Study Report Published
- **3/7/2018**: Phase 2 Kickoff
- **12/28/2016**: CA AFOTF Tech Memo Published
- **Mar 18 - Dec 18**: Phase 2 - Policy Development
- **12/31/2018**: Publish Final FPM Policy
- **April 2019**: Insurance Updates to FIM
Phase I: Stakeholder Engagement and Analysis

- Study Achievements: technical foundation for proposed changes
  - Engaged over 300 Stakeholders across 14 States
  - Analyzed stakeholder input to determine common themes
  - Analyzed changes in agriculture industry
  - Analyzed legislative, regulatory, and insurance requirements

What are recent trends in agricultural development?

What challenges do stakeholders have implementing NFIP construction standards?

What challenges do stakeholders have insuring agricultural structures?
Phase I: Observations

There are varying interpretations of “Agricultural Structure”

There are varying interpretations of “Insurable Agricultural Structure”

The process and requirements to allow wet floodproofing for agricultural structures is unclear

Agricultural structures may have a lower damage potential and current insurance rates may be too conservative

Lending requirements drive the purchase of flood insurance

Insurance policy fees and surcharges are a concern to stakeholders
FEMA aims to promote a culture of preparedness and resilience through smart development and mitigation for agricultural structures.

- **Floodplain Management** - *how* to meet NFIP standards for construction, especially in wide and deep floodplains.
- **Insurance** - Address required insurance and associated mitigation credits; reduce adverse effects of mandated insurance for low-cost, low-damage potential agricultural structures.
Floodplain Management of Agricultural Structures

- Clarification of “Agricultural Structure”
- Clarification of construction standards for agricultural structures

Proposed Actions

- Floodplain Management Policy for Agricultural Structures
- Floodplain Management Guidance for Agricultural Structures
- Update to Technical Bulletin 7 – Wet floodproofing

Outcomes

*Enhanced policy and guidance will provide clarity and consistency for Floodplain Administrators and owners of agricultural structures*
Insuring of Agricultural Structures

- Clarification of “Insurable Agricultural Structure”
- Development of Insurance Credits for Agricultural Structures

Proposed Actions

- Agricultural Structure Risk Factor Rating Form
- Guidance in Flood Insurance Manual for using Risk Factor Rating Form

Outcomes

Special rating options for agricultural structures address financial concerns from insurance requirements
**Path Forward**

- **Concurrent Tasks**
  - Brief stakeholders and collect feedback at ASFPM
  - Create Agricultural Structure Rating Form
  - Draft Policy Development and Outline Guidance
  - Conduct Public Comment Period
  - Finalize Policy and Prepare Guidance
  - Update Flood Insurance Manual

*June 2018 ................................................................. Final FPM Policy 12/31/18 .......... Implementation*
Questions and Discussion