



Flood Insurance Committee Status Report 2020

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**ASSOCIATION OF STATE
FLOODPLAIN MANAGERS**

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Introduction and Overview

The ASFPM Flood Insurance Committee supports the 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 2019-2020, 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 (including the Office of the Flood Insurance Advocate) 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 (NFA)
3. Work with FEMA on issues affecting flood insurance, including insurance aspects of the Community Rating System (CRS), Pivot, Increased Cost of Compliance (ICC), Elevation Certificate, insurance training, and other related topics
4. Provide flood insurance-related information and assistance to members
5. Inform members of the removal of Coastal Barrier Resources System (CBRS) boundaries and potential impacts, issues, and concerns

2019-2020 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 the ASFPM's Insider to help keep members updated.

The co-chairs also monitored the Federal Register for notices that could affect the NFIP. On April 1, 2020, there were the most recent published changes to the Flood Insurance Manual.

COVID-19 created unique issues in the realm of flood insurance. At the end of March 2020, there was a memorandum issued that allowed the grace period to be extended from 30 to 120 days for a lapsed policy. Another memorandum followed soon after about remote adjustments for flood insurance claims and the special requirements for that. An unintended consequence of the extended grace period was that lenders force placed flood insurance after 30 days against policies that were not considered lapsed. This resulted in guidance lending regulators being issued in May.



2. Continue Liaison Activities with Other Flood Insurance Interest Groups

The 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 2019.
- Held two Insurance Committee Calls with members
- Attended three IBHS and FIPNC Flood Committee meetings
- Attended three FEMA Industry Days (held the day before or after FIPNC-IBHS meetings)
- Attended the 2019 National Flood Conference in DC and the Cleveland ASFPM conference

3. Work with FEMA on Issues Affecting Flood Insurance


There have been several issues and changes the committee has been following, including:

- The CBRS boundary information was shared and that issue is fairly well closed for now.
- Private flood insurance continues to increase across the country. The Flood Insurance Committee co-chairs are monitoring this situation for pros and cons of private flood insurance.
- FEMA issued draft of Technical Bulletin 7 focusing on wet floodproofing of agriculture and accessory structures. The Flood Insurance Committee hosted many meetings and provided feedback to FEMA during this project. At end of the day, FEMA decided not to address issues with flood insurance for agriculture. This takes this matter out of the scope of the Flood Insurance Committee. The new technical bulletin will focus on regulations and variances for our friends on the Regulations Committee.
- The new Elevation Certificate was issued in February where just the form expiration date changed. Official guidance was promised by FEMA, but there has been no official guidance issued with the new form about a transition period for the use of the new form. WYOs did receive an email stating they could use the older version, although a 2016 Bulletin said transition periods were not allowed. This has led to different state chapters interpreting what version can be used for how long. This updated form did not incorporate any of the changes that had been worked on and recommended by the Flood Insurance Committee working group on this topic. FEMA is still waiting on OMB for their approval.

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 two Insurance Committee conference calls
- Presenting an update at the annual ASFPM conference
- 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

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- 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 and a complete revamping of the website.
 - 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
 - Providing timely information on new flood insurance issues for the ASFPM Office to share on social media.

Private flood insurance continues to become prevalent and hence more visible as a topic discussed amongst members. Members are hearing about and coming across private policies more and more. Issues being raised and discussed include:

- The implementation of the 30-day waiting period if a property owner returns back to the NFIP and does not have a loan,
- The guidance for accepting private flood policies recently released by the lending regulators which could be viewed as allowing them to accept any type of coverage as long as they feel it covers their financial exposure
- Hearing some private insurers will not be as broad (i.e., not offer ICC) if there is no lender requirement

5. NFIP Transformation – Risk Rating 2.0 and PIVOT/PART

The Insurance Committee has been following this development and release of this new flood insurance rating program FEMA is creating, Risk Rating 2.0. An updated timetable was announced at the NFA in March 2019. The new timeline has Risk Rating 2.0 going into effect in October 2021, with rates being released April 1, 2021. As more information becomes available, it will be shared with the members.

As part of the NFIP Transformation, FEMA is moving to a new rating system (Pivot) and reporting system (PART). There have been significant challenges in accessing NFIP data in this new system, both due to technology and privacy issues. The Insurance Committee formed a work group comprised of NFIP State Coordinators and Emergency Managers and have been providing FEMA with feedback on what NFIP data they use and how plus issues and challenges they are running into. The Insurance Committee will work with FEMA to continue this dialog so the new system meets the needs of ASFPM members that use it.

Future Actions

The committee co-chairs will use feedback from the membership and what comes out of the 2020 conference to help formulate the work plan for 2020-2021. Work items from the 2020-2021 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 with their Transformation effort as well as future updates to the elevation certificate.

Pivot is the main issue related to insurance that is affecting members at the moment. States have limited access to insurance data in the new system and they are limited in how they are allowed to use the information they have access to because of concerns related to the Privacy Act. Community Rating System (CRS) communities can't easily get information on repetitive loss properties for their CRS program. The co-chairs of the Flood Insurance Committee will continue to use the work group to address and monitor issues with Pivot. That group had made their information available to ASFPM and Chad Berginnis has been taking the issues directly to FEMA. This monitoring and providing feedback will continue into 2021.

2019-2020 Committee Co-Chairs

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