

Note: The recommendations in this subcommittee report out are potential recommendations to FEMA as presented by the subcommittee to the NAC in a public meeting; only the recommendations discussed, deliberated, and voted on by the NAC will be forwarded to the FEMA Administrator in a memo.

Federal Emergency Management Agency

National Advisory Council (NAC) Meeting

Federal Insurance & Mitigation Subcommittee

Report Out

September 17, 2015

Chair: Nancy Dragani

Vice Chair: Dan Zarrilli



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Subcommittee Mission

To advise and provide recommendations to the FEMA National Advisory Council on strategies to lessen the loss of life and property from the impact of disasters; and ensuring through deliberation and promulgation of recommendations that representation, awareness, engagement, and integration of the whole community and FEMA's strategic goals are addressed.



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Charges

- 1. Provide input on the reauthorization of NFIP in 2017**
2. Review, evaluate, and provide feedback on Strategy 4.2.3: Reshape funding agreements with states, tribal governments, and localities to expand cost-sharing and deductibles.
- 3. Provide input on the implementation of Priority #4 in the FEMA Strategic Plan 2014-2018:**
 - Explore options for the integration of public assistance and mitigation programs, not limited to sections 404 and 406



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Issue #1

Topic: NFIP Operations

- On June 23, 2015, the US Senate Committee on Banking, Housing and Urban Affairs released a report on the NFIP that addressed the adequacy of the NFIP's structure and function in light of Superstorm Sandy related challenges.
- The report offered eight specific recommendations to improve accountability and effectiveness of the NFIP.
- As FEMA considers their response and implementation of these recommendations, the NAC offers the following guidance for consideration.



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Recommendation #1

- Training and professional conduct
 - Explore current best practices used in the insurance industry to train, assist, and evaluate adjusters and consider implementing when appropriate.
 - Develop and require ongoing professional education for adjusters and engineers who support the claims adjusting process; develop “Just in Time” training aids and disseminate “best practice updates” to adjusters and engineers in the field.
 - Develop a method to track the performance of adjusters and field engineers. This could be similar to the performance metrics used to measure cadre staff.



Recommendation #2

- Provide consistent, accurate guidance documents
 - FEMA should develop clear, written guidance for policy coverage and claims adjustments. While there may be a need for oral guidance on occasion, FEMA should develop a process that rapidly reviews and formalizes oral guidance in a written format that is disseminated to all participants.
 - FEMA should consider developing cadre staff focused on Quality Assurance/Quality Control to rapidly identify and correct errors, and recognize event specific trends such as wind versus flood damage (Katrina) or foundation issues (Sandy).



Recommendation #3

- Institutionalize Best Practices
 - Before Superstorm Sandy, FEMA pre-authorized “partial payments of up to \$30,000 to cover building systems and related repairs when prompt action was necessary . . . , extended the time a survivor could submit a claim, . . .and instituted a rapid claims process.” FEMA should analyze the benefits as well as challenges of these proactive financial options and consider formalizing and implementing them for future events.
 - FEMA has effectively used ad hoc appeals processes for Katrina, Isabel, and Sandy. FEMA should formalize the appeals process into a standing task force.



Issue #2

Topic: Flood Mapping

- Current, granular maps are critical to effective flood plain management. Much work is being done by the Technical Mapping Advisory Council on how to improve the floodplain mapping effort. As the NFIP and the TMAC consider improvements to the program, the NAC offers the following recommendation:



Recommendation #4:

- Significant events and recurring floods are occurring with increased frequency, limiting the value of the 100-year and 500-year flood maps. FEMA should consider a more granular and responsive approach to flood mapping that considers the extents and flood elevations, the effects of climate change, and the changing built environment.



Issue #3

Topic: Mitigation

- Flooding is the most costly repetitive losses disaster we face. Pre-disaster mitigation is critical to reducing repetitive losses.



Recommendation #5:

- Accelerate the implementation of partial credit for partial mitigation recommendations to identify premium credits for a range of mitigation measures other than elevation. In addition, evaluate how different land use controls (buyouts, density, etc) can be used to promote cost-effective mitigation

Recommendation #6:

- The NAC believes the original FY 2016 POTUS budget request of \$400 million for mapping and \$200 million for pre-disaster mitigation is critical to a resilient nation.



Issue #4

Topic: Affordability

- Recent changes to the National Flood Insurance Program (NFIP), including the Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014, are raising flood insurance premiums across the country and eliminating long-standing subsidies. Additionally, many flood-prone regions across the country include low and moderate income households. Therefore, as flood insurance rates increase, so will the possibility of home foreclosures and the loss of home value, with negative impacts in their communities.



Recommendation #7

- Explore a new pilot program, consisting of means-tested vouchers, mitigation loans, and multi-year policies, to promote affordability, mitigation, and reduced federal exposure.



Issue #5

Topic: 428 Pilot Program

- The NAC believes that the 428 pilot project is a more efficient and effective way to approach large Public Assistance projects. As FEMA considers moving this to a permanent program, the NAC has the following recommendations:



Recommendation #8

- The 428 (Alternate Procedures) should become a permanent program within Public Assistance. In establishing a permanent program, FEMA should:
 - a) Enhance outreach efforts to ensure jurisdictions are aware of the option to utilize 428.
 - b) Provide additional training to jurisdictions and Public Assistance officers.
 - c) Train subject matter experts who can support 428 and offer guidance to state and local jurisdictions.
 - d) Jurisdictions that participated in the pilot should be asked to help develop permanent 428 policy that specifically addresses Direct Administrative Costs and Benefit Cost Analysis processes.

▪ Recommendation #9

- Expand the available options for using unspent 428 funds (overages from projects). Current options are limited to:
 - Hazard mitigation activities that will reduce the risk of damage in future disasters.
 - Activities that improve future PA Program permanent work operations, such as training and planning for future disaster recovery operations.



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Next Steps

Continue working on current charges 1 and 3:

1. Provide input on the reauthorization of NFIP in 2017
2. Review, evaluate, and provide feedback on Strategy 4.2.3: Reshape funding agreements with states, tribal governments, and localities to expand cost-sharing and deductibles.
3. Provide input on the implementation of Priority #4 in the FEMA Strategic Plan 2014-2018:
 - Explore options for the integration of public assistance and mitigation programs, not limited to sections 404 and 406



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