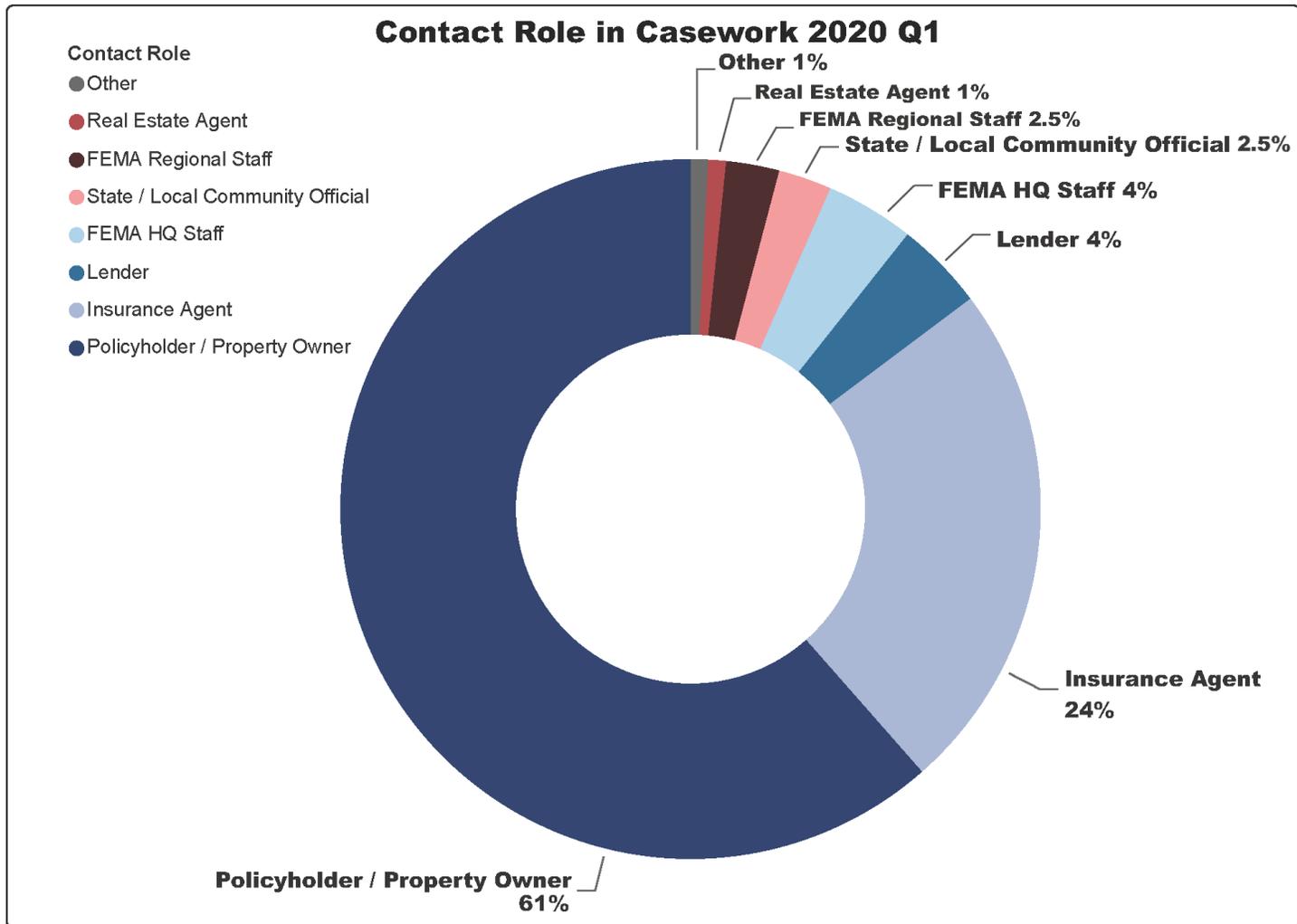




The Office of the Flood Insurance Advocate

Periodic Report: January to March 2020

Reducing complexity with compassion and fairness



OFIA Casework

- About 40 percent of first quarter cases came from counties where a declared flood disaster such as a hurricane, tropical storm, or severe storm occurred in the past year.
- The Office of the Flood Insurance Advocate (OFIA) formalized its partnership with the FEMA Mapping and Insurance Exchange (FMIX) call center and as a result, has received almost 200 percent more referrals from the call center.
- During the ongoing COVID-19 crisis, the OFIA received slightly more than the historical average of cases for Q1. The OFIA received a handful of cases related to the COVID-19 crisis.
- Roughly 24 percent of cases were from Insurance agents. More than a third of these cases were submitted by agents who had worked with OFIA before. 35 percent of the agents submitting inquiries for the first time were referred to the OFIA by their insurer.

Spotlight on Customer Casework

Customer Issue

In 2019, a National Flood Insurance Program (NFIP) policyholder was denied payment for a flood loss to their manufactured home and subsequently the insurer refused to renew the flood insurance policy. The notice of non-renewal prompted the policyholder to contact their insurance agent who reached out to the OFIA for assistance.

Background

It was discovered that when the policy was issued, the required information was not provided to the Write Your Own (WYO) participating insurance company. This resulted in the issuance of rates that are typically higher than the actual premium. While a property is rated using this method, a claim cannot be paid.

Resolution

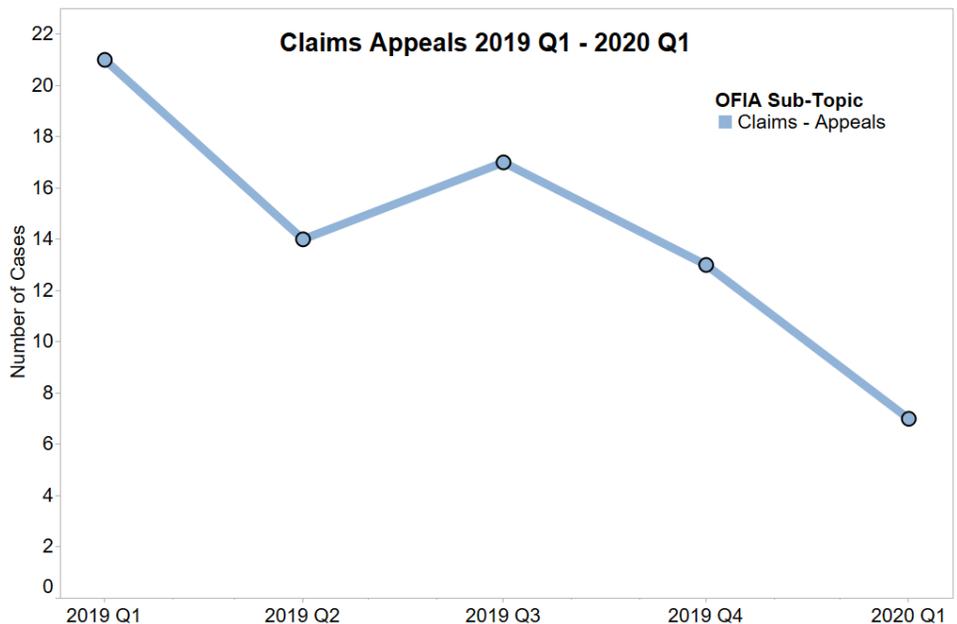
The OFIA coordinated with the FEMA NFIP office, the Federal Insurance Directorate (FID), and the WYO to determine that the policyholder's manufactured home qualified as a single-family home and the missing information was not required. The policy was re-rated with the correct premium; allowing it to renew for another year. This resulted in a refund of \$1,000. The re-rating also allowed the claim to be processed and the policyholder was paid almost \$77,000 in covered flood damage.



OFIA Trends

Claims Appeals

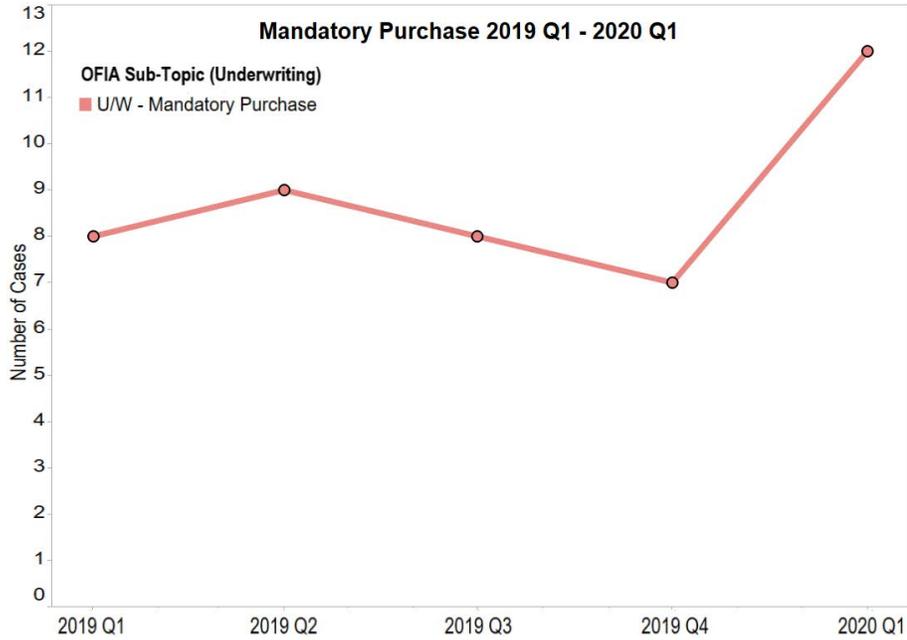
- Claims appeals cases have decreased significantly after peaking at the beginning of 2019.
- The appeals branch made improvements to the appeals process. The OFIA's analysis suggests that these changes are making an impact to the benefit of the customer.





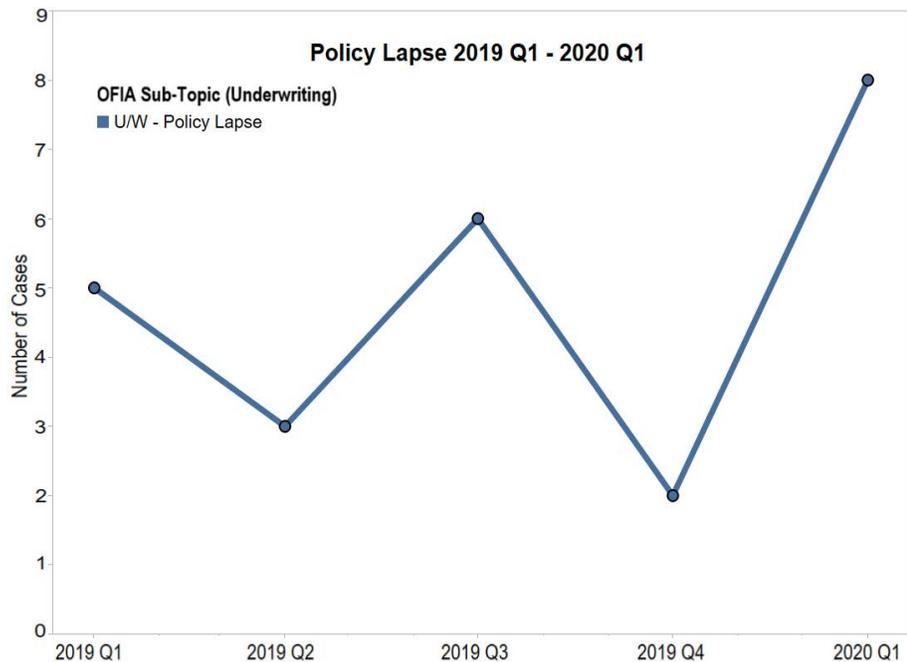
Mandatory Purchase

- Within underwriting cases, mandatory purchase and policy lapse issues trended upward after their largest dip in Q4 2019.
- OFIA analysis suggests that the rise in mandatory purchase cases may be associated with increased enforcement of the law following the release of new guidelines in June 2019 by lending regulators.



Policy Lapse

- Cases regarding policy lapses fluctuate regularly.
- In this quarter, there were more processing errors causing policy lapses than non-payment or late payment.
- One policy lapsed because the policyholder was unable to obtain an elevation certificate with COVID-19 restrictions in place. COVID-19 has had no other measurable impact on our casework or our service.



What We Heard from NFIP Customers

“You gave us a lot of information we did not have and were not aware of. We now have a lot to think about. Thank you.”

OFIA Impact

Since 2015, the OFIA has advocated for the concerns of National Flood Insurance Program customers with compassion and fairness. During this period, 20 percent of cases closed with a beneficial outcome and an average benefit of \$12,000.