



FEMA



DECEMBER 2015

The Annual Report of the Flood Insurance Advocate

OFFICE OF THE FLOOD INSURANCE ADVOCATE

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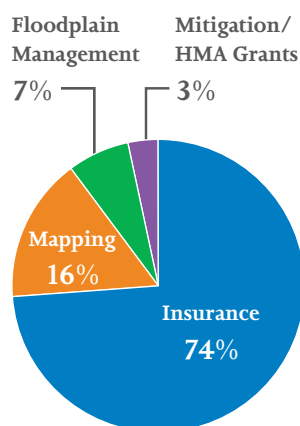


On December 22, 2014, the Federal Emergency Management Agency (FEMA) designated the Flood Insurance Advocate.

Message from the Advocate



CY2015 INQUIRY CATEGORIES



On December 22, 2014, the Federal Emergency Management Agency (FEMA) established the Office of the Flood Insurance Advocate (OFIA) on an interim basis and I was selected as the Acting Flood Insurance Advocate. In June 2015, the OFIA was permanently established and I was formally designated as the Flood Insurance Advocate by FEMA's Administrator. Since then, my priority has been to staff the office with experts in National Flood Insurance Program (NFIP) flood insurance, flood hazard mapping, floodplain management and Hazard Mitigation Assistance (HMA) grants; the OFIA's four primary focus areas. At the release of this report, our staff has grown to five (5) with a goal of nine (9) staff total.

In our first year, my staff and I carried out our mission to advocate for the fair treatment of policyholders and property owners by providing education and guidance on all aspects of the NFIP, identifying trends affecting the public and making recommendations for program improvements to FEMA leadership.

THE OFIA's FIRST YEAR

During our first calendar year (CY) of operations, the OFIA received a few hundred of email inquiries at insurance-advocate@fema.dhs.gov, spanning the four focus areas of the office — flood insurance (74%), flood hazard mapping (16%), floodplain management (7%) and HMA grants (3%). In general, the inquiries received were from our customers (policyholders and property owners). We also received referrals from Congressional representatives, as well as FEMA and Federal Insurance and Mitigation Administration (FIMA) leadership.

Throughout the year, we took steps to foster long-term programmatic improvements through collaboration across FIMA in meetings, work groups, and task forces; worked closely with the NFIP program offices to identify opportunities to improve outreach to and communication with our customers; provided feedback and input on proposed improvements to communications; and engaged stakeholders and staff in data gathering discussions. In particular, we began broader conversations within FIMA on the need for messaging and policy consistency and we are working to ensure our customers' needs and concerns are taken into account as the NFIP evolves.

In this report, we highlight five challenges and provide recommendations for each. As we move forward, the OFIA will continue to work collaboratively with FIMA's program offices to identify issues and work together to develop tools, resources and solutions that will support the fair treatment of all policyholders and property owners.

I would like to thank my team for their hard work and dedication to our mission, FIMA leadership for their support and desire to see this office succeed, and to the dedicated staff in the program offices and regions who show us daily their desire to treat NFIP customers fairly. I submit this report on behalf of the Office of the Flood Insurance Advocate.

Sincerely,

David Stearrett
Flood Insurance Advocate



This report addresses five key issues in the OFIA's four primary areas of focus in the National Flood Insurance Program (NFIP) — flood insurance, flood hazard mapping, Hazard Mitigation Assistance (HMA) grants, and floodplain management.

Executive Summary

During its first year of operations, the Office of the Flood Insurance Advocate (OFIA) received a few hundred inquiries while working to establish the necessary approaches, processes and procedures for full office operations to meet the mandate required in section 24 of the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA). While some inquiries were straightforward, many were complex and required significant attention.

This report addresses five key issues in the OFIA's four primary areas of focus in the National Flood Insurance Program (NFIP) — flood insurance, flood hazard mapping, Hazard Mitigation Assistance (HMA) grants, and floodplain management — that emerged over the course of the year. These issues are:

- The lack of actionable and timely data available to FIMA and the OFIA.
- Barriers in receiving Increased Cost of Compliance (ICC) payment.
- Application of the HFIAA surcharge, specifically default assumptions and limitations.
- Limitations on the issuance of prior-term refunds.
- Lack of understanding of, and the availability of, floodproofing certification/credit information.

The OFIA selected these issues for this report due to the challenges each present to the broader population of NFIP customers. The recommendations enclosed in this report are based on the OFIA's understanding of the issues, the ongoing challenges policyholders and property owners have with regard to these issues, and the OFIA's understanding of how to advocate for their fair treatment.

As these challenges emerged, the OFIA worked with the NFIP program areas, and subject matter experts, to discuss, understand and identify opportunities that exist to address these issues. Each challenge is presented in three parts: the key issue affecting our customers, the background of the issue, and the OFIA's recommendations for program office consideration. Additionally, program offices were provided opportunity to respond to the OFIA's findings and recommendations. Program responses are inserted as received.



The Office of the Flood Insurance Advocate (OFIA) operated on an interim basis, and in June 2015, the OFIA was permanently established.

Background

HFIAA, Section 24 (42 U.S.C. 4033), signed into law in March 2014, directed the Federal Emergency Management Administration (FEMA) Administrator to designate a Flood Insurance Advocate to advocate for the fair treatment of policyholders and property owners under the NFIP. (Pub. Law No. 113-80, Sec. 24 (Mar. 21, 2014).) On December 22, 2014, FEMA established the OFIA on an interim basis, and in June 2015, the Administrator designated a Flood Insurance Advocate and the OFIA was permanently established.

Consistent with Section 24 of HFIAA, the duties and responsibilities of the OFIA are as follows:

- **Obtain fair treatment** for NFIP policyholders and property owners when FEMA maps Special Flood Hazard Areas (SFHAs) and designates flood risk zones.
- **Educate** property owners and policyholders under the NFIP on individual flood risks, flood mitigation, measures to reduce flood insurance rates through effective mitigation, the Flood Insurance Rate Map (FIRM) review and amendment process and any changes in the flood insurance program as a result of any newly enacted laws.
- **Assist** policyholders under the NFIP and property owners to understand the procedural requirements related to appealing preliminary FIRMs and implementing measures to mitigate evolving flood risks.
- **Assist** in the development of regional capacity to respond to individual constituent concerns about flood insurance rate map amendments and revisions.
- **Coordinate** outreach and education with local officials and community leaders in areas impacted by proposed FIRM amendments and revisions.
- **Aid** potential policy holders under the NFIP in obtaining and verifying accurate and reliable flood insurance rate information when purchasing or renewing a flood insurance policy.

In focusing on these duties and responsibilities, the OFIA seeks to take into account the advocacy-related activities already taking place across the organization, while acknowledging the limitations inherent to any organization during the early days of operations.

THE OFIA's ROLE

The OFIA reports to the FEMA Administrator and the Associate Administrator for FIMA. This structure allows the OFIA to maintain its autonomy within FEMA, enables it to raise issues and concerns to the highest levels of FEMA and work directly with FIMA program offices on behalf of policyholders and property owners to address the most challenging and complex issues.

The OFIA's role is not to implement the NFIP, nor do the job of the program offices. The OFIA gets directly involved when a policyholder believes the outcome is unfair. The OFIA's long-term objective is to be fully engaged in only the most unique cases that are not readily solved by current policies and regulations.

Operating with a small staff, the OFIA's first year focused on establishing its position within FEMA. This included identifying the skillsets needed for the Advocate team, setting operational objectives, establishing policies and procedures that govern the OFIA's activities, and developing pathways to manage inquiries received by the office. The majority of the OFIA's staff comes from FIMA programs and have subject matter expertise in flood insurance, floodplain management, flood hazard mapping and HMA grants. Staff experience spans decades of service and each staff member possesses a keen understanding of policyholders' and property owners' needs and challenges.



The OFIA finds the lack of timely (e.g., up-to-date or real-time) data to be an impediment to providing quality responses to policyholders in a timely manner.

Trends, Issues, and Recommendations

Consistent with HFIAA, Section 24, which instructs the OFIA to advocate for the fair treatment of policyholders and property owners, the OFIA considered the range of inquiries received during the calendar year and identified five issues in its four primary categories that appear to affect significant segments of NFIP customers. The recommendations presented here are the result of the OFIA's expertise and discussions with program offices.

LACK OF ACTIONABLE DATA

The OFIA finds the lack of timely (e.g., up-to-date or real-time) data to be an impediment to providing quality responses to policyholders in a timely manner. Inquiries related to the eligibility of a property for a Preferred Risk Policy (PRP), or related to the status of a building as a Repetitive Loss (RL) or Severe Repetitive Loss (SRL) property, may be inadvertently responded to incorrectly as a result of unavailable claim and/or policy information. Additionally, the current legacy data system does not provide information regarding the status of newly purchased or renewed policies in the past 60 days, nor is the premium data provided sufficient to determine the total premium and applicable fees and surcharges being placed on the policy. As a result, FIMA must take the additional time necessary to contact and await responses from the Write Your Own (WYO) insurance companies and FEMA's NFIP Direct Servicing Agent (DSA) which delays customer response time.

BACKGROUND

NFIP collects necessary policy data through a Transaction Record Reporting and Processing (TRRP) plan. NFIP insurers submit all monthly financial reporting and statistical transaction reporting in accordance with the TRRP and the financial control plan. Transactions reported under the TRRP are analyzed by the NFIP Bureau and Statistical Agent. The TRRP plan, the age of the TRRP and the platform of the existing legacy system used to administer the TRRP function have a number of limitations including providing data that is 30 days old when released to the NFIP system of record. As a result, by the time the data is refreshed on a monthly basis, it is typically 60 days old.

RECOMMENDATION(S)

The OFIA recommends that FIMA identify an interim solution to collect, analyze and disseminate data in order to enhance current business processes and decision-making. While the NFIP information technology (IT) modernization effort underway will provide online access to timely data, it is not expected to be in place for at least five years.

PROGRAM RESPONSE

There is no doubt that the NFIP legacy system and the TRRP are antiquated and do not meet the needs of an organization committed to making data-driven decisions and enhancing the customer experience. FIMA has recognized actionable, timely data as a critical component to ensuring the needs of the customer are met and has developed a new insurance analytics and policy branch to tackle the issue. The Insurance Analytics and Policy Branch is already working with its private sector partners to develop mechanisms and processes to obtain policyholder information closer to real time. The branch does not need to wait until the legacy system modernization effort is complete to begin analyzing information from the NFIP's WYO insurance companies and DSA. FIMA will work with the OFIA in developing these mechanisms and processes in the future to ensure that real-time policyholder data needs are met, as much as possible.

INCREASED COST OF COMPLIANCE (ICC)

Based on inquiries received, the OFIA finds there is confusion among community officials and State and FEMA floodplain management staff regarding what is required to successfully trigger an ICC claim. FEMA's Floodplain Management Division and Building Science Branch guidance documents are incomplete and do not accurately capture all of the necessary ICC information that should be contained in the substantial damage letter provided by the community official. Currently, many community substantial damage letters do not contain an accurate market value and cost estimate for repairs or are not clear that the substantial damage determination is based on flood. As a result, ICC claims are being denied by insurers and slowing down the mitigation efforts of policyholders.

BACKGROUND

ICC coverage was created by Congress in 1998. The purpose of ICC is to provide eligible policyholders, whose structures are substantially damaged or repetitively damaged by flooding, up to \$30,000 in order to meet the requirement of bringing their structures into compliance with local floodplain management ordinance. The coverage availability and payment limits are subject to the terms of the Standard Flood Insurance Policy and maximum coverage limits, including all applicable NFIP rules and regulations. Eligible mitigation measures include floodproofing (for non-residential structures only), relocation, elevation and demolition. When properly utilized, ICC is a relatively fast and effective tool to mitigate substantially damaged structures. While \$30,000 may not be enough to offset the costs to completely fund a mitigation project, it provides a substantial financial resource towards the associated expenses.

RECOMMENDATION(S)

The OFIA recommends that the Building Science Branch update FEMA P-758, *Substantial Improvement/Damage Desk Reference 2010*, used by community officials, with specific guidance and examples on what must be included in the community's substantial damage letter. It is further recommended that the Floodplain Management Division update FEMA 301, *NFIP Increased Cost of Compliance Coverage — Guidance for State and Local Officials*, 2003. Finally, the OFIA recommends that the Federal Insurance Directorate and the Mitigation Directorate work together to develop additional materials to educate customers and stakeholders about the ICC process, including how ICC can be combined with HMA grants as a cost match.

PROGRAM RESPONSE

The Floodplain Management Division has begun an effort to update and develop outreach materials that will clarify the ICC process. This effort will update brochures and course materials currently designed to educate policyholders, local officials and insurance adjusters on the ICC requirements. The current ICC brochures and fact sheets are the homeowner's initial notification that ICC may be available to help with mitigation activities. After updating, the documents will help homeowners understand how "substantial damage" is determined and how that determination establishes eligibility for ICC. The outreach materials will also identify key steps in the ICC procedure so that a policyholder can understand where a claim may be in the process. The Floodplain Management Division has also begun an update of FEMA 301, *The NFIP Increase Cost of Compliance Coverage — Guidance for State and Local Officials*, 2003. Since the initial publishing of this document, there have been changes in the ICC regulations and process, which warrants a re-write of the publication and the integration of the current guidance. In addition, an update of the FEMA 480, *National Flood Insurance Program Floodplain Management Requirements, A Study Guide and Desk Reference for Local*

Officials, 2005, will reiterate the local responsibility in determining whether structures are substantially damaged based on the local ordinance, and the impact this determination will have on policyholders receiving ICC. Furthermore, the Division is updating materials used for adjuster workshops to better educate this audience on their role in the ICC process. The Floodplain Management Division is coordinating this effort with the Federal Insurance Directorate and the Building Science Branch and is expecting a release of the outreach brochures by June 2016. The manuals and course materials will be completed by beginning of fiscal year (FY) 2017.

The Building Science Branch has noted the recommendation to update FEMA P-758 with a discussion on the specific documentation required in the community's substantial damage determination to trigger an ICC claim to be made by the insured. Upon the next revision to FEMA P-758, the publication will include information on ICC and point to the newly published outreach materials that are described above.



HFIAA SURCHARGE

Policyholders continue to express frustration regarding the \$250 surcharge. This occurs primarily in the instances when:

- The owners of buildings house more than one family but it is their primary residence;
- When there are multiple buildings located on a primary residence's lot; and
- When spouses live in separate locations but cannot claim both houses as their primary residence.

Housing authorities are also concerned about the \$250 surcharge. They own properties that are rented out to low income individuals. Since the housing authorities cannot claim primary residence status, they are paying thousands of dollars in new non-primary surcharges that cannot be recouped.

Additionally, policyholders are required to verify the structure is their primary residence by supplying an insurer with supporting documentation. Notification is sent to the policyholder by the insurer at least 90 days prior to the policy renewal date. If the documentation is not sent back to the insurer verifying it is a primary residence, the default assumption is that the structure is not a primary residence and the policyholder will be charged a \$250 surcharge on the policy renewal invoice. This issue is exacerbated when the mortgagee pays the renewal premium for the higher amount, which causes an imbalance in the policyholder's escrow account, and may be difficult to be refunded once the policyholder submits the appropriate documentation to the insurer.

BACKGROUND

HFIAA mandated that every NFIP policy include an annual surcharge to be collected until, with limited exceptions, all subsidies are eliminated. The HFIAA surcharge is \$25 for policies that cover the property in the primary residence of the policyholder as defined by the NFIP, while policies for all other buildings will include a \$250 surcharge. The surcharge is not risk-based, and factors such as the flood zone do not change the surcharge. The NFIP defines a primary residence as a single-family building, condominium unit, apartment unit, or unit within a cooperative building that will be lived in by the policyholder or the policyholder's spouse for: (1) more than 50% of the 365 calendar days following the current policy effective date; or (2) 50% or less of the 365 calendar days following the current policy effective date if the policyholder has only one residence and does not lease that residence to another party or use it as rental or income property at any time during the policy term. A policyholder and the policyholder's spouse may not collectively have more than one primary residence.

RECOMMENDATION(S)

The OFIA recommends that an outreach strategy to insurance agents and other stakeholders be developed to communicate the surcharge to their customers when an application is being completed and when a policy is being renewed. Agents should accurately identify the residency of a building to ensure the appropriate surcharge is applied. Additionally, the OFIA recommends that the renewal invoice include communication to the policyholder about the surcharge amount and steps they can take if the building is a primary residence.

The OFIA also recommends consideration in exempting state and local housing authorities from being charged the non-primary residence surcharge, due to the unforeseen financial impacts for the owners of these types of buildings. In addition, the OFIA recommends consideration in the applicability of the non-residence surcharge for building owners who have spouses living in separate residences.

Finally, the OFIA recommends that additional educational materials be developed regarding the applicability of the surcharge.

PROGRAM RESPONSE

It is clear that confusion surrounding the HFIAA surcharge persists and that many policyholders object to paying the added fee, especially for non-primary residences. FEMA has communicated the changes to policyholders through the WYO insurance companies and has updated all training materials to reflect the April 1, 2015 program changes, which included the surcharge. Currently, FEMA Regional Insurance Specialists have been working closely with agents in their regions to educate them about the surcharge. Through a series of webinars hosted in late 2015, FEMA Regional Insurance Specialists have educated hundreds of agents in the program changes and that work will continue into 2016. FEMA's "HFIAA Surcharge Fact Sheet" created especially to address confusion on this issue is available online at www.fema.gov/media-library/assets/documents/105569 and other WYO insurance companies are using the Fact Sheet to directly inform their customers (www.selectiveflood.com/WebApplications/EDS/SelectiveFlood_PublicSite/client/pdf/HFIAASurchargeFactSheet.pdf). Similarly, FEMA has worked with many insurance industry publications to educate agents and carriers about the new requirements (www.insurancejournal.com/news/national/2015/04/01/362763.htm and www.iamagazine.com/markets/read/2015/03/30/brace-your-clients-for-new-flood-policy-surcharge.) FEMA will continue in 2016 to educate agents and policyholders about the requirements and the necessity of sending proof-of-primary-residence materials back to insurers in ensure the appropriate surcharge is reflected. FEMA will also discuss with WYO insurance companies ways to increase knowledge among policyholders.



PRIOR TERM REFUNDS

When a policyholder requests multi-year premium refunds, they are advised by their agent or insurer that, under current refund procedures, refunds are limited to the premium difference for the current policy term only. As a result, policyholders continue to voice frustration over what they perceive as FEMA charging them for more than their fair share of the risk and keeping it to pay back the debt for previously experienced losses.

BACKGROUND

The NFIP has limitations on its current procedures for refunding premiums for prior policy terms when policyholders request them for the following reasons, including, but not limited to:

- When a map is revised in a community and a policyholder's flood risk is reduced, but they were unaware of the change.
- When a policyholder with a building located in a B, C, or X Zone is sold a higher cost standard-rated NFIP policy when they applied for flood insurance even though they were eligible for a lower cost Preferred Risk Policy.

RECOMMENDATION(S)

The OFIA recommends Federal Insurance Directorate create additional educational materials to educate the insurance agent and other stakeholders about the process and what is to be expected in terms of rating and refunds. Additionally, the OFIA recommends the program consider authorizing multi-year refunds in the instances above, as well as taking another look at all of the refund procedures to ensure there is an element of fairness on behalf of the policyholder.

PROGRAM RESPONSE

FIMA understands a policyholder's frustration when they request multi-year refunds and are told that current refund procedures limit them to receiving the premium difference for the current policy term only. We understand their frustration with a perceived unfair practice and will continue to consider further revisions to the rules for prior term refunds to ensure equitable treatment for all NFIP policyholders.



FLOODPROOFING CERTIFICATES/CREDIT

From the inquiries received, and through discussions with FIMA's Risk Management Directorate, two issues have emerged that are the direct result of the changes made to the issuance of a new requirement for the revalidation of the floodproofing credit offered under the Standard Flood Insurance Policy.

The first, and most prevalent, issue of concern to policyholders is the limited amount of time for required documents to be submitted, reviewed and revalidated by FEMA to avoid a large increase to their annual premiums. Policyholders are notified of the need for the required floodproofing documentation 90 days prior to their policy expiring, and the renewal notice must be sent no later than 45 days prior to policy expiring. As a result, little time is being given for the process to run its course to preserve the existing floodproofing credit by the time the renewal notice is issued. Discussions with policyholders, stakeholders and program areas indicate that the time allotted for receipt, renewal and revalidation of a floodproofing certification is not sufficient.

The second issue is the outright loss of the floodproofing credit. Some policyholders have submitted all of the required paperwork only to discover that the building is no longer eligible to retain the floodproofing credit. Buildings identified as being elevated on piles, piers, post, columns or having foundation walls do not qualify for the revalidation of a previously granted floodproofing credit.

BACKGROUND

The OFIA received a number of inquiries related to the revalidation of existing floodproofing certificates, and/or the loss of the floodproofing credit. These inquiries came to the OFIA through the regional offices and, according to information obtained from FIMA's Risk Management Directorate, there are a significant quantity of these types of inquiries already being handled by the directorate.

Title 44 Code of Federal Regulations (CFR) § 60.3 (c) (4) requires that where a non-residential structure is intended to be made watertight below the base flood level, a registered professional engineer or architect must develop and/or review the structural design, specifications, and plans for the construction, and certify that the design and methods of construction are in accordance with accepted standards of practice for meeting all of the applicable provisions of the minimum floodplain management criteria. Furthermore, participating communities are required to maintain a record of such certificates, which includes the specific elevation (in relation to mean sea level) to which such structures are floodproofed.

In October 2013, FEMA made changes to its policy on the issuance or revalidation of the floodproofing credit in the NFIP Specific Rating Guidelines (SRG). These changes can be credited to the diligence of individuals in the Federal Insurance Directorate of FIMA, who identified a number of policies from Hurricane Sandy losses that were issued to buildings that received a floodproofing credit and also received large monetary settlements due to flooding. Because these losses run contrary to the expectation that floodproofed buildings are presumed substantially watertight and should be subject to little or no damage, FEMA decided to review all of the non-residential buildings issued a floodproofing credit in the past.

As a result of these changes, all new business applications seeking non-residential floodproofing credit had to be submitted to FEMA for review and approval. On or after December 1, 2013, the renewal of existing policies currently receiving non-residential floodproofing credit had to be re-underwritten, meaning policyholders had to reapply for

the credit and follow the procedures that were set forth for new business applications. In total, the review and recertification affected approximately 1,500 policyholders.

While FIMA has been following the new procedures, the NFIP WYO insurance companies, insurance agents and policyholders have not fully embraced or followed the changes. In speaking with policyholders and agents, the main reason appears to be a lack of complete understanding of the new procedures, as found in Section 5, Page 2 of the SRG. Compounding this issue, FEMA publications and documents do not address the changes. Publications such as Technical Bulletin 3-93 (TB 3-93) and FEMA P-936 were written and published prior to these changes. FEMA Form 086-0-34, commonly known as the *Floodproofing Certificate*, was also developed in 2012, again prior to the changes. Finally, conducting a web search for information on this topic yields little, if any, information.

RECOMMENDATION(S)

The OFIA recommends the Federal Insurance Directorate establish a new timeframe that better reflects the time that is needed for receipt, review and revalidation of a floodproofing credit.

The OFIA recommends that the Floodplain Management Division update FEMA P-480, *National Flood Insurance Program Floodplain Management Requirements, A Study Guide and Desk Reference for Local Officials*, and all associated training modules.

The OFIA recommends that the Building Science Branch add descriptive language of the floodproofing review process in their already scheduled updating of Technical Bulletin 3-93, *Non-Residential Floodproofing — Requirements and Certification*, and FEMA P-936, *Floodproofing Non-Residential Buildings*. The OFIA also recommends the updating of the TB 3-93 publication, as this technical bulletin is the one most widely used by our stakeholders who are designing, permitting, and/or issuing approvals of compliance.

The OFIA recommends the Risk Management, Insurance, and Mitigation Directorates review all published material related to this topic, and make updates that will specify the required documentation that is needed, or author new publications that will clarify the new floodproofing credit issuance/revalidation process.

PROGRAM RESPONSE

The Building Science Branch has begun the process to update Technical Bulletin 3-93, *Non-Residential Floodproofing — Requirements and Certification*. The updated bulletin will address compliant floodproofing solutions in the context of current codes, standards, regulations and certifications. This bulletin will also point readers to current How-To Guides such as FEMA P-936 *Floodproofing Non-Residential Buildings*. The bulletin will also include reference to published Federal Insurance Directorate guidance on submission of documentation necessary for review of flood insurance policy applications that claim or renew a floodproofing rating and credit.

As work has begun on the updated bulletin, the Floodplain Management Division and the Federal Insurance Directorate will be included in the review and concurrence process in order to insure the effort is coordinated and any disconnects are avoided. Completion of the updated bulletin is expected in FY2017.





As the OFIA looks forward into 2016, our highest priority continues to be the establishment of a more formalized framework to advocate for the fair treatment of policyholders and property owners.

Moving Forward

As the OFIA looks forward into 2016, our highest priority continues to be the establishment of a more formalized framework to advocate for the fair treatment of policyholders and property owners. Conducting case management is only one facet of the Advocate's role. To fully implement all of the OFIA's planned functions, the office needs to obtain sufficient staff, continue putting operational support systems in place, refine and make processes more efficient and increase its engagement with the program offices in areas that are of notable concern.

Yet underlying all of this, the OFIA has a continued need for access to timely, credible data. Access to, understanding of and analysis of data are a priority for the OFIA. It is only through data analytics that a deeper understanding of the evolving issues facing FIMA's customers is made possible. In the coming months, the OFIA will be working with FIMA leadership and the program offices to identify, generate and access more timely, relevant and active data sets to gain a full understanding of how the NFIP interacts with its customers. Only through a robust data analysis effort will the OFIA be equipped to provide insight into the key issues and trends that compel NFIP customers to seek assistance.

During calendar year 2015, the OFIA staff identified a range of issues that appeared to have significant underlying impact across the inquiries submitted to the office. These include:

- **Severe Repetitive Loss Properties, or (SRL).** It has been brought to the attention of the OFIA that numerous properties have been incorrectly classified as SRL. As a result, those policyholders are being subjected to significant premium increases. The OFIA will be looking at ways to identify those properties and explore avenues to have them properly categorized.
- **Flood Insurance Agent Education.** A high percentage of inquiries submitted to the OFIA indicated that the information received by policyholders from their insurance agents was inaccurate and/or incomplete. The OFIA is statutorily responsible for aiding potential policyholders under the NFIP in obtaining and verifying accurate and reliable flood insurance rate information when purchasing or renewing flood insurance. In order to meet this mandate, the OFIA will be researching the sufficiency of current insurance agent education standards and requirements.
- **Consistency Across Regions Related to Mapping Outreach and Messaging.** Policyholders and property owners continue to struggle with understanding the impacts to their property following a map revision. As there is not a common suite of materials used to educate the public, property owners and policyholders do not receive consistent information on the insurance implications, the requirements to purchase flood insurance and the flood map review and amendment processes. The OFIA will be working with the regions to identify opportunities to drive greater consistency in messaging, materials and outreach to policyholders and property owners throughout the mapping process.

During the coming year, the OFIA will be researching these issues to understand their broader impact across policyholders and property owners, making necessary recommendations to address these impacts and working with the Directorates on identified improvements. Finally, Advocate staff will maintain insight and participate as appropriate on FIMA's efforts related to the implementation of flood insurance reforms, the ongoing customer experience initiative and NFIP's 2017 reauthorization.





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