



Disaster Insurance: Are States and Insurance Companies Prepared?

National Conference of State Legislatures 2015 Legislative Summit

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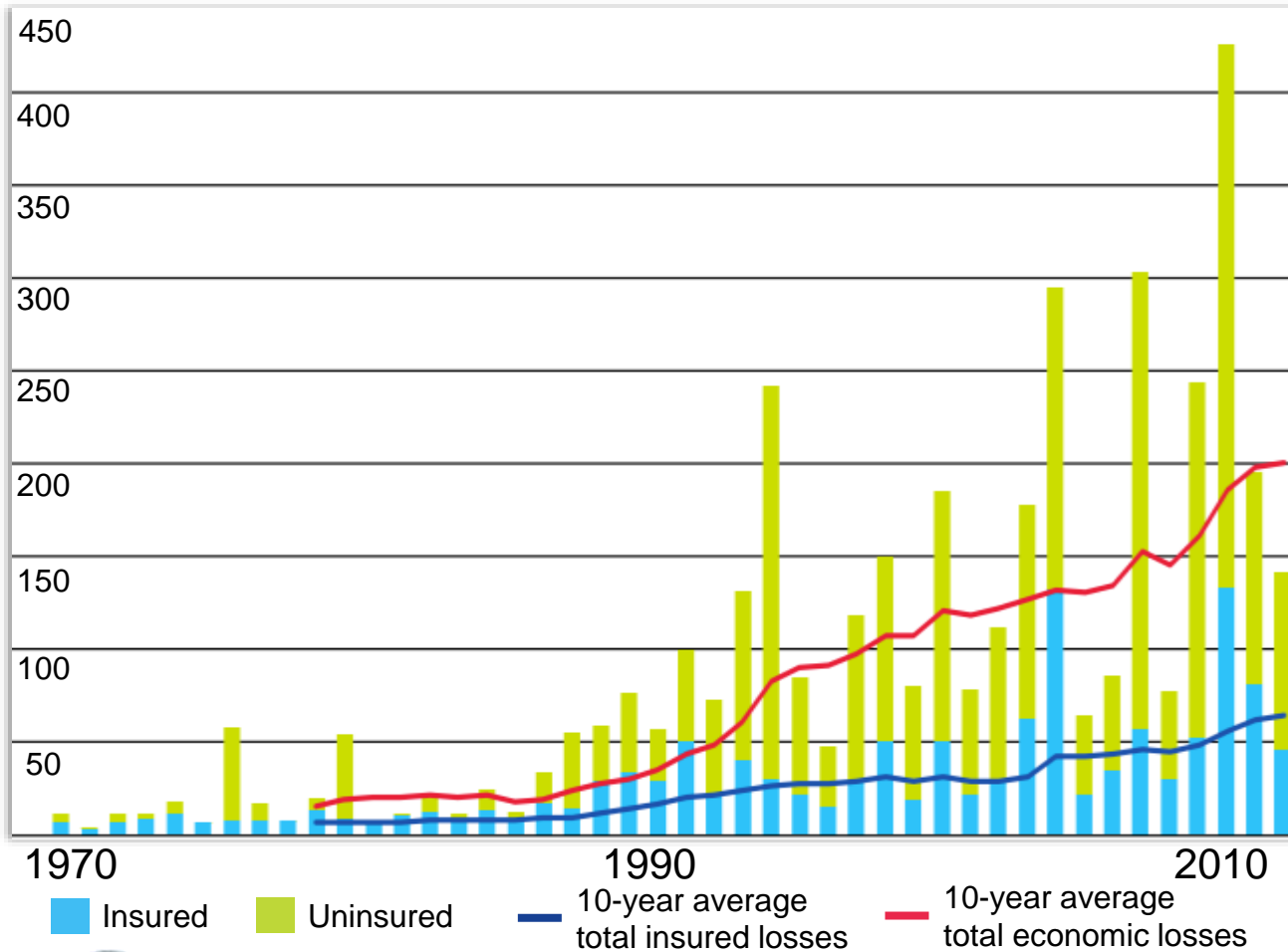
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Disaster costs are increasing, as is exposure, vulnerability, and risk

Insured losses vs. uninsured losses, in USD billions, 1970–2013



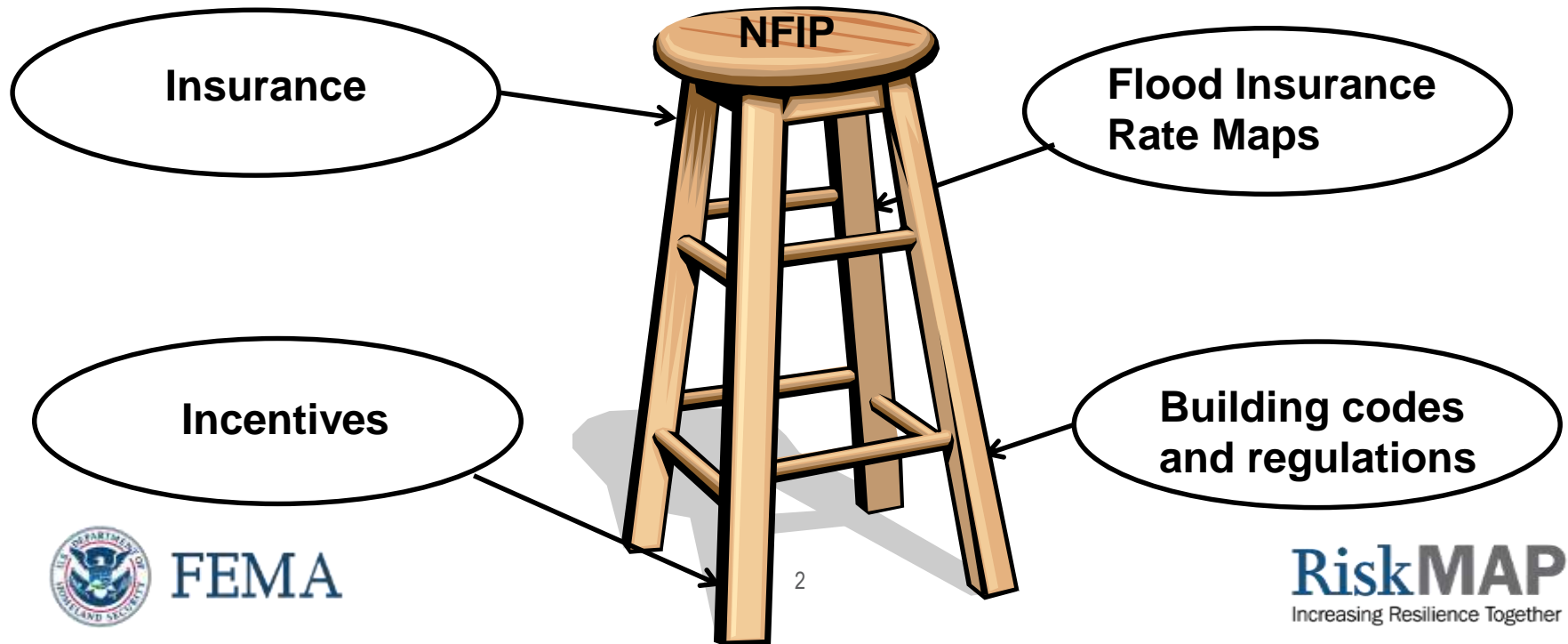
SOURCE: Swiss Re



RiskMAP
Increasing Resilience Together

The National Flood Insurance Program

- ▶ The NFIP is a voluntary Federal program enabling property owners in participating communities to purchase insurance against flood losses in exchange for adopting and enforcing regulations that reduce future flood damages. A participating community's floodplain management regulations, must meet or exceed the NFIP minimum requirements.



Why We Map

▶ A Flood Map (also known as a Flood Insurance Rate Map):

- Communicates flood risk to a community and its residents
- Informs local floodplain management regulations
- Determines insurance rates and the need to purchase insurance through the National Flood Insurance Program (NFIP), helping property owners financially protect themselves against flooding
- Sets minimum floodplain standards and building standards for the community
- Is modified when there are changes in population growth and development, and improved science including changes in climate and weather patterns.

Map development incorporates extensive technical data sets:



Hydraulics



Land use



Existing maps



Hydrology



Infrastructure



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Risk MAP: Increasing Resilience Together



January 2015: Executive Order 13690 and National Policy



The screenshot shows the White House website interface. At the top, there is a navigation bar with links for 'BRIEFING ROOM', 'ISSUES', 'THE ADMINISTRATION', and 'PARTICIPATE'. Below this, a breadcrumb trail reads 'Home • Briefing Room • Presidential Actions • Executive Orders'. The main content area features the White House logo and the text 'The White House Office of the Press Secretary'. There are social media sharing buttons for 'E-Mail', 'Tweet', 'Share', and a plus sign. The text 'For Immediate Release' is on the left and 'January 30, 2015' is on the right. The title of the executive order is 'Executive Order – Establishing a Federal Flood Risk Management Standard and a Process for Further Soliciting and Considering Stakeholder Input'. Below the title, it says 'EXECUTIVE ORDER' followed by a dashed line and the full title. The body of the order begins with 'By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to improve the Nation's resilience to current and future flood risk, I hereby direct the following:'. A section titled 'Section 1. Policy.' states: 'It is the policy of the United States to improve the resilience of communities and Federal assets against the impacts of flooding. These impacts are anticipated to increase over time due to the effects of climate change and other threats. Losses caused by flooding affect the environment, our economic prosperity, and public health and safety, each of which affects our national security.'

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- Executive Order 13690

Federal Flood Risk Management Standard

- January 30, 2015**
President signs Executive Order 13690
- February 5, 2015**
Draft revisions to 1978 Floodplain Management Guidelines are published for comment
- March - April 2015**
Listening Sessions conducted across the country and virtually
- May 6, 2015**
Deadline for public comment on draft revised Guidelines
- June 2015**
Agencies submit their Implementation Plan to White House

Flexible Approach:

- Utilizing best-available, actionable data and methods that integrate current and future changes in flooding based on science;
- Two or three feet of elevation, (depending on criticality), above the 100-year, or 1%-annual-chance, flood elevation; or
- 500-year, or 0.2%-annual-chance flood elevation



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Applying the Standard

Does Apply

- ▶ Federal agencies will continue to implement Executive Order 11988, but replacing the 100-year base in the Executive Order with the process identified in the Federal Flood Risk Management Standard.

Does Not Apply

- ▶ Executive Order 13690 **does not prohibit building in the floodplains.**
- ▶ EO 13690 **does not apply to private investments** in structures, facilities, or homes.
- ▶ The Standard **will not affect flood insurance premiums or the requirements for participation in the NFIP.** No change to:
 - community floodplain management requirements,
 - FEMA's flood mapping standards,
 - FEMA's levee accreditation regulations (44 CFR 65.10), or
 - rating/pricing practices of the NFIP.



Building Resiliency From the Bottom Up

- ▶ National resilience is built from the bottom up, community by community, inclusive of businesses, neighborhoods, faith-based organizations, ethnic groups, and civic associations.



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Building Resilience at the State Level



State Hazard Mitigation Planning



FEMA Hazard Mitigation Assistance (HMA) Programs

- ▶ Hazard Mitigation Grant Program (HMGP)
- ▶ Pre-Disaster Mitigation Program (PDM)
- ▶ Flood Mitigation Assistance Program (FMA)



Build Partnerships

- ▶ FEMA Mitigation Planners
- ▶ State Hazard Mitigation Officer (SHMO)

www.fema.gov/state-hazard-mitigation-officers



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Building Resiliency Across the Nation



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