Disaster Insurance: Are States and Insurance Companies Prepared?

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Roy Wright
Deputy Associate Administrator for Insurance and Mitigation
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FEMA
Disaster costs are increasing, as is exposure, vulnerability, and risk

Source: Swiss Re

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

1970
1990
2010

Insured
Uninsured

10-year average total insured losses
10-year average total economic losses

Source: Swiss Re
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.
Risk MAP: Increasing Resilience Together

**Goals**
- Deliver High-Quality Risk Data
  - Understandable Flood Maps
  - Credible data—reliable, accurate, watershed-based
  - Illustrations of possible Flood Depths
  - Usable Flood Risk Assessments

**Processes**
- Enhance delivery of Risk MAP Products
- Collaborate across all levels of government

**Products**
- Increase Awareness of Flood Risk
  - Tools to understand how flood risk has changed
  - Continuous engagement with communities
  - Enable communities to communicate flood risk to constituents

**Promote Community Mitigation Action**
- Support that allows communities to identify risks and promote:
  - Community resiliency
  - Sustainability
  - Reduced need for federal disaster assistance

**Reduce Risk to Lives and Property**
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.”

- Executive Order 13690
Federal Flood Risk Management Standard

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

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
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.

Infuse resiliency across community efforts and partners

- Land Use Planning
- Economic Development
- Capital Improvement
- Private Enterprise
- Critical Infrastructure
- Schools
- Advocacy Groups
Building Resilience at the State Level

State Hazard Mitigation Planning
- Organize Resources
- Implement Plan and Monitor Progress
- Assess Risks
- Develop a Mitigation Plan

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