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TESTIMONY

Reauthorization and Reform of the National Flood Insurance Program

Before the

Senate Banking Committee

By

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and

Board Secretary

Association of State Floodplain Managers

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Introduction

The Association of State Floodplain Managers is pleased to participate in this hearing about the National Flood Insurance Program (NFIP). We appreciate the opportunity to discuss our views and recommendations for the future of the program. We thank you, Chairman Brown, Ranking Member Toomey and members of the Committee for your interest on this important topic.

The ASFPM and its 38 state chapters represent more than 20,000 local and state officials as well as private sector and other professionals engaged in all aspects of floodplain management and flood hazard mitigation, including management of local floodplain ordinances, flood risk mapping, engineering, planning, community development, hydrology, forecasting, emergency response, water resources development and flood insurance. All ASFPM members are concerned with reducing our nation's flood-related losses. For more information on the association, visit www.floods.org.

Floods are this nation's most frequent and costly natural disasters and the trends are worsening. The NFIP is the nation's most widely used tool to reduce flood risk through an innovative and unique mix of incentives, requirements, codes, hazard mitigation, mapping and insurance. It is a partnership between communities, states and the federal government. The NFIP is the one tool in the toolbox that serves policyholders, taxpayers and the public well. Our testimony is intended to provide a better description of these interdependencies as well as 20 recommendations for Congress to consider to reform the NFIP.

The NFIP is a National Comprehensive Flood Risk Reduction Program

The NFIP was created by statute in 1968 to accomplish several objectives. Among other things, the NFIP was created to:

- Provide for the expeditious identification of and dissemination of information concerning flood-prone areas through flood mapping
- Provide communities the opportunity to voluntarily participate in the National Flood Insurance Program in order for their citizens to buy flood insurance and, as a condition of future federal financial assistance, to adopt adequate floodplain ordinances consistent with federal flood loss reduction standards
- Require the purchase of flood insurance in special flood hazard areas by property owners who are being assisted by federal programs or by federally supervised, regulated or insured lenders or agencies.
- Encourage state and local governments to make appropriate land use adjustments to constrict the development of land exposed to flood damage so homes and businesses are safer and to minimize damage caused by flood losses and minimize taxpayer costs for disaster relief
- Guide the development of proposed future construction, where practicable, away from locations threatened by flood hazards
- Authorize a nationwide flood insurance program through the cooperative efforts of the federal government and private insurance industry
- Provide flexibility in the program so flood insurance may be based on workable methods of distributing burdens equitably among those protected by flood insurance and the general public who benefit from lower disaster costs

Beyond merely providing flood insurance, the NFIP is unique as it integrates multiple approaches for identification of flood risk, communication of risk, and techniques to reduce flood losses. It is a novel collaborative federal partnership enlisting participation at the state and local level. It is a multi-faceted, multiple objective program — a four-legged stool as it is often called. The four legs of the stool are (1) floodplain mapping, (2) floodplain management standards, (3) flood hazard mitigation and (4) flood insurance. Altering one leg without careful consideration of impacts on the other three legs can have serious repercussions on reducing flood losses. The NFIP on the whole provides substantial public benefits as our testimony will further detail.

We must remember that 90% of natural disasters in the United States involve flooding, and all 50 states and 98% of counties have the potential to be impacted by a flood event. The NFIP, which is now over 50 years old, has paid more than \$70 billion in claims (and half of that has come in the past 15 years). But beyond paying insurance claims, the NFIP has also mapped one-third of the floodplains (1.2 million miles of streams, rivers and coastlines) — flood hazard data that is freely and widely available. It has invested more than \$1.3 billion in flood hazard mitigation for older, at-risk structures and into local flood mitigation planning. Because of the program, 22,571¹ communities have adopted local flood risk reduction standards — far more communities than have building or zoning codes, which have resulted in \$2.45 billion of flood losses avoided every single year. The NFIP has provided innumerable public benefits, direct monetary benefits to taxpayers, and significant benefits to policyholders.

A Pivotal Time for the NFIP – and a Window of Opportunity

Today, the NFIP is engaged in one of its most transformational actions in the past several decades — the implementation of Risk Rating 2.0. At its core, Risk Rating 2.0 is consistent with a reform that ASFPM and many other organizations have been calling for, which is to ensure that, through accurate insurance rating, we can communicate the relative level of flood risk to property owners and renters. While this is a simplified view and implementing a transformation like Risk Rating 2.0 is much more complicated, it is also an opportunity to implement several complementary reforms. For example, a seemingly widely supported reform from the last Congress was the need for a targeted, means-tested way to assist lower income property owners with NFIP premiums. Now, Congressional reform ideas can be tested against the NFIP’s more accurate rating approach in Risk Rating 2.0 to fine tune the approach to address affordability concerns. Also, Risk Rating 2.0 could serve to provide more credit for a wider range of mitigation activities as highlighted in a recent Congressional Research Service [report](#). Adjustments in the rating engine will be needed to ensure that this benefit occurs.

ASFPM is aware that the roll-out of any transformational change will require adjustments as it is implemented. Our primary concerns with Risk Rating 2.0 are focused on making sure that changes to the insurance part of the NFIP have not broken integral ties with the flood mapping, floodplain management, or mitigation elements of the program. For example, one reason that some communities may have chosen to adopt a better protection standard for buildings (a freeboard) was for insurance premium reductions. However, under Risk Rating 2.0, the benefits of elevating a structure for premium reduction are not understood and seem to be less than what was available under the previous rating model. This could drastically impact a community’s willingness to adopt standards that go beyond the NFIP minimums. Under Risk Rating 2.0, individual property level mitigation actions for existing at-risk buildings, such as installing flood vents, do not seem to be nearly as well incentivized as under

¹ FEMA Community Status Book accessed 5/24/22

the previous model, and it is concerning that Risk Rating 2.0, despite its important benefits, appears to provide insufficient recognition of mitigation actions to result in premium credit. The point is that we must strive to ensure that there is much better transparency and awareness of how the new, multiple variables affect flood insurance premiums. ASFPM is pleased to begin working with FEMA on a tool that could enable floodplain managers and others better understand the effect on various mitigation actions on NFIP premiums. We also encourage FEMA to continue to develop training and more specific outreach tools on Risk Rating 2.0. ASFPM has seen far too many ideas in the past that would change one element without consideration of how that change would impact the other legs of the NFIP (for example changes in insurance shouldn't weaken the role of either mitigation or floodplain management). We must ensure that reforms carefully contemplate the potential impacts to the comprehensive approach to flood risk management that the NFIP provides so that we strengthen the nation's overall resilience to flooding.

Today's NFIP must ensure that the nation is ready to address tomorrow's flood risk. Floodplain managers know development often results in increased flood heights, and we are observing changing weather patterns that result in shifting snowmelt/rainfall in the West, and nationally, more intense short duration storms are causing more flash floods. Additionally, unrelenting sea level rise (SLR) is beginning to affect communities from Florida and the Gulf of Mexico to Virginia, the Mid-Atlantic, New England, and Alaska. A 2017 [NOAA report](#) added a new upper boundary for SLR this century up to 2.5m (8 feet) by 2100 due to new data on the melting of the Greenland and Antarctic ice sheets. According to a 2018 [report](#) by the Union of Concerned Scientists, accelerating sea level rise in the lower 48 states, primarily driven by climate change, is projected to worsen tidal flooding and put as many as 311,000 coastal homes with a collective market value of about \$117.5 billion today at risk of chronic flooding within the next 30 years — the lifespan of a typical mortgage. America's trillion-dollar coastal property market and public infrastructure are threatened by the ongoing increase in the frequency, depth, and extent of tidal flooding due to SLR, with cascading impacts to the larger economy. Higher storm surges due to SLR and the increased probability of heavy precipitation events exacerbate this risk. Inland, the situation is only slightly better, but is still problematic. A 2014 [Climate Change Vulnerability Analysis](#) by the Milwaukee Metropolitan Sewerage District shows that we can expect a pattern of increasing precipitation intensity across a few larger events but a decrease in the size and frequency of many smaller events, which is also consistent with the National Climate Assessment. The mapping, mitigation, insurance, and floodplain management elements of the NFIP all have a role to play in addressing future flood risk.

More recently, issues of equity and social vulnerability have been recognized as needing to be addressed. FEMA's National Advisory Council's (NAC) [2020 report](#) made the focus on equity a centerpiece of the vision of the future of emergency management. It noted that "For disaster preparedness, mitigation, response, and recovery to drastically improve by 2045, emergency management must understand equity and become equitable in every approach and in all outcomes. The exacerbated impacts of disasters on underserved and historically marginalized communities across the United States showcases existing inequity." In 2021, ASFPM testified in the Senate supporting the NAC's recommendations, especially as it relates to hazard mitigation programs and the NFIP. ASFPM is pleased that since that time, FEMA has established an Equity Enterprise Steering Group to help create a FEMA-wide definition of equity and a framework for implementing equity into its programs. It has also elevated the issue in its newly revised strategic plan. Later in this testimony, we will detail more specifically how equity concerns can be addressed through the NFIP.

ASFPM is pleased that FEMA has provided a detailed set of legislative recommendations to reform the NFIP for consideration and commends the agency for its proactive engagement with Congress. There are several excellent proposals including those for establishing financial resilience (including reforming borrowing

authority), a means tested assistance program, and increases in coverage limits. However, we do have some concerns about proposals such as prohibiting NFIP coverage for certain properties, and additional reforms on private flood insurance. We will further elaborate on these in the remainder of our testimony as appropriate.

So, what will the NFIP of tomorrow look like? If we make the necessary adjustments and investments, the NFIP of tomorrow will be robust and fiscally-strong, with the ability to be resilient in the face of a changing climate. The program's floodplain management standards will be improved to reflect our nation's increasing flood risk and we will have modern flood mapping data everywhere so that land use managers, businesses, and homeowners can make informed decisions on flood risk. Aggressive mitigation functions will enable repetitive loss properties and other high-risk buildings to be mitigated quickly and individual mitigation actions will be incentivized through premium reductions. We also look forward to the day when new property buyers are not aware of the flood risk or history of the property they are purchasing. The key question today is, are we up to the task to make this vision a reality?

A Long-term Sustainable Financial Framework is Needed; Debt is an Issue

Until 2005, the NFIP had generally been self-supporting. In the 1980s, the program went into debt a few times and ultimately Congress forgave approximately \$2 billion. But from the mid-1980s to 2005, the NFIP was entirely self-sustaining and, when borrowing from the U.S. Treasury, the debt was repaid with interest. However, due to catastrophic floods in 2004, 2005, 2012, and 2016-2021, the program currently owes approximately \$21 billion to the U.S. Treasury, and since Hurricane Katrina in 2005 has paid \$5.26 billion in interest to the Treasury.

The NFIP was never designed to pay for catastrophic events. In fact, from 1968 to 1978 the concept was one of risk sharing with the private sector, with direction from Congress having the program actually providing a subsidy for pre-FIRM structures (structures built prior to availability of flood insurance rate maps). As recently as the late 1980s, internal communications show that the administration reaffirmed the federal treasury was essentially the reinsurer of last resort.

Congress and FEMA have made some progress toward putting the program on a sound financial footing as part of the past two NFIP reforms in 2012 and 2014, which ASFPM supported. Under BW-12, reforms (later modified by HFIAA-14) included changes that led to moving subsidized policies toward actuarial premium rates, allowing the NFIP to purchase reinsurance, and to establish a reserve fund. These changes help reduce the financial risk to the program (and ultimately to the American taxpayer) and better prepare for the ever-increasing number of catastrophic flood events. However, those reforms did have a consequence of exacerbating the issue of flood insurance affordability. We also note Congress' very significant action to forgive \$16 billion of the NFIP's debt in 2017, and point out that the aforementioned reforms put in place in 2012 and 2014 to put the program in a better fiscal position that continues today.

So what is next? ASFPM believes that Congress should consider reforms that don't endlessly put the NFIP at financial risk and at the same time will also assure that the program remains consistent with a primary reason for having a federal flood insurance program in the first place — to reduce the need for disaster declarations and subsequent taxpayer funded emergency spending bills. As a point of comparison, the federal crop insurance program now costs taxpayers approximately \$8 billion annually². Yet the program is not required to

²The latest CRS report on the Federal Crop Insurance Program looked at the average net payments for 10 years from FY2010 through FY 2020. <https://crsreports.congress.gov/product/pdf/R/R46686>

pay that debt back — with interest — while fulfilling almost exactly the same public policy goal; to reduce much larger costs to the taxpayers for agriculture disasters. Even those wishing to reform the crop insurance program aren't advocating elimination of all subsidies or considering the program a failure because the program results in taxpayer debt every single year; rather, reforms are targeted to certain subsidies, subsidy caps, and income limits.

- **ASFPM recommends forgiving the remainder of the current debt and adopting some form of a “sufficiency standard” as an automatic, long-term mechanism within the NFIP that ensures, after a certain threshold of flooding, the debt will be paid by the U.S. Treasury, much like other disaster assistance.³ Among other things, the sufficiency standard would consider the reserve fund balance, utilization of reinsurance, and ability of the policy base at that time to repay.**
- **At a minimum, the requirement for the NFIP to pay interest on the debt should be discontinued, or the interest and debt payments should be directed as reinvestments back into the program for needs such as flood mapping or mitigating flood-prone buildings, especially repeatedly flooded buildings.**

ASFPM is supportive of FEMA's proposal for a sufficiency standard by setting it at a 1-in-20 year level of claims. We worry that as we head into a more inflationary environment which would likely have the effect of increasing interest rates, servicing the debt will quickly become the largest financial risk to the NFIP. The fact is, today's NFIP has taken advantage of the numerous tools Congress has provided to make it more fiscally sound and is more of a public-private partnership than ever before; leveraging private sector financial risk management tools like reinsurance and catastrophe bonds, as well as enabling the market for private flood insurance. Much progress has been made over the past eight years and Congress should take the final steps by recognizing these steps and permanently put the program on a sound financial footing by addressing today's and tomorrow's debt.

Floodplain Mapping

Floodplain mapping is the foundation of all flood risk reduction efforts, including design and location of transportation and other infrastructure essential to support businesses and the nation's economy. The flood maps are also used for emergency warning and evacuation, community planning, siting and locating of critical facilities like hospitals and emergency shelters. Today FEMA has in place the right policies and procedures (i.e., requiring high-resolution topography (LiDAR) for all flood map updates), and is using the best available technology to produce very good flood studies. For example, FEMA is conducting pilot studies in Minnesota and South Dakota using very precise topographic mapping and automated flood study methods to develop base level engineering that can be used as an input into future flood studies. This gives communities faster access to

³ Most insurance systems have some trigger for socializing risk of extreme events, such as a sufficiency standard based on a pre-identified event (i.e., a one-in-twenty-five year or one-in-one-hundred-year event) beyond which mechanisms like guaranty funds pay losses. Adopting an explicit standard of this type for the NFIP would provide clarity as to what its funding sources should be and give Congress and taxpayers an understanding of when NFIP debt should be forgiven. Such an approach has been suggested by the American Academy of Actuaries for Congress to consider as part of a broader set of NFIP reform considerations in their updated 2019 report [The National Flood Insurance Program: Challenges and Solutions](#).

data to use for planning and development rather than waiting years for the data to be published on a Flood Insurance Rate Map. In coastal studies, FEMA now uses the state-of-the-art ADvanced CIRCulation (ADCIRC) model for storm surge analysis.

Today, flood risk maps only exist for about one-third of the nation – only 1.2 million of 3.5 million miles of streams, rivers, and coastlines have been mapped. Also, even some of today’s maps are many decades old, or were updated before the current standards to redraw boundaries based on more accurate study data and topography. ASFPM has repeatedly expressed concern that there is still a large inventory of pure “paper” maps that have never been digitized and modernized with newer flood study procedures. Many other areas have never been mapped at all, so there is no identification of areas at risk and communities have no maps or data to guide development to be safe from flooding. This is a significant problem, especially in areas experiencing rapid development adjacent to municipalities.

In many of these areas the effective FEMA maps do not show smaller watercourses, especially in the upper reaches of the watershed. Why? The old guideline for mapping these small streams was that you needed about 10 square miles of land draining into the stream for it to reach a threshold for FEMA mapping in rural areas. It is also less common to prioritize mapping in primarily agricultural areas with only scattered development.

If there is no flood map and there are not strong land use standards for development of these rural areas, which consider the flood hazard associated with these smaller streams, the development happens without consideration of the flood risk. This is what is happening in thousands of subdivisions across the country: areas that used to be cornfields and cow pastures are developing into subdivisions with tens of thousands of housing units. Later, after there is significant development already built at risk and often after a flood or two, it becomes a priority for the FEMA mapping program. Then the dynamic changes and everything becomes adversarial. People think FEMA put their structure in a floodplain when in reality they were in a floodplain all along but the floodplain was not mapped. The property owner is mad because they have to buy flood insurance at high premiums because flood elevations were unknown. Realtors are upset because it is a surprise and may have an impact on the future salability of homes. Meanwhile local elected officials fight to minimize the size of the mapped floodplain, spending thousands of dollars on competing flood studies. The entire dynamic can change if maps showing risk are available before development starts. We must map today’s corn fields and cow pastures to assure that quality flood mapping precedes development.

Historically, NFIP flood mapping was done to primarily support two functions of the NFIP: flood insurance rating and floodplain management standards. As a result, two pieces of data were typically produced: the 100-year and the 500-year flood. However, as the NFIP grew and as flood risk management became more important, the nation’s citizens look to the FEMA flood maps as the primary source of any kind of flood risk information for a given area.

In 2012, Congress, for the first time, authorized a National Flood Mapping Program (NFMP) as part of the NFIP reform legislation which took this more expansive view of flood mapping. It required, among other things, several new, mandatory types of flood risks to be shown on the nation’s Flood Insurance Rate Maps (FIRMs) beyond the 100-year and 500-year flood including:

1. All populated areas and areas of possible population growth located within the 100-year and 500-year floodplains;
2. Areas of residual risk, including areas that are protected by levees, dams, and other flood control structures and the level of protection provided by those structures;

3. Ensuring that current, accurate ground elevation data is used;
4. Inclusion of future conditions risk assessment and modeling incorporating the best available climate science; and
5. Including any other relevant data from NOAA, USACE, USGS and other agencies on coastal inundation, storm surge, land subsidence, coastal erosion hazards, changing lake levels and other related flood hazards.

Unfortunately, ASFPM is not aware of any single flood map in the entire country that exists today where all of these data sets exist on either a FIRM panel or in the accompanying data FEMA provides. Therein lies the problem. We have had a National Flood Mapping Program authorized since 2012, but many key elements have not been implemented. In fairness to FEMA, since 2012 progress has been made on improving the quality of the existing flood maps, in use of high resolution topography, and in the area of communicating information to communities and the public (either through the mapping process itself or through technologies and tools). Nevertheless, we believe these additional elements that Congress required are essential for an effective national flood mapping program. It is our understanding that lack of sufficient resources and funding has hampered FEMA's ability to implement these provisions of law.

ASFPM believes this gap in data is contributing significantly to the increasing flood losses in the nation. A 2018 [study](#) shows that the total US population exposed to serious flooding is 2.6–3.1 times higher than previous estimates, and that nearly 41 million Americans live within the 100-year floodplain (compared to only 13 million when calculated using FEMA flood maps). This translates into 15.4 million housing units. The same study indicates that over 60 million people live in the 500-year floodplain.

In 2020, ASFPM completed the update to its 2013 report [Flood Mapping for the Nation](#), which modeled the costs to fully implement the National Flood Mapping Program under the 2012 Biggert-Waters Reform Act and complete the initial flood mapping of the nation. We conclude that it will cost between \$3.2 and \$11.8 billion to complete flood mapping in the nation and then cost between \$107 and \$480 million to maintain these maps as accurate and up-to-date.

To improve flood mapping in the nation:

- **ASFPM recommends the reauthorization, funding, and enhancement of the National Flood Mapping Program (NFMP).**
- **ASFPM supports an increased authorization for the National Flood Mapping Program to between \$800 million to \$1.8 billion annually in order to accelerate the completion of the job of initially mapping the nation in five years and getting to a steady-state maintenance phase.**
- **FEMA must complete the initial flood mapping of the entire nation to get ahead of development and must prioritize the elimination of the un-modernized paper map inventory in the nation.**
- **ASFPM urges consideration of an immediate surge of flood map funding investment to jump-start the completion of mapping the nation and associated new mapping tasks to provide critical information to guide the newly enacted significant investment in the nation's infrastructure.**

ASFPM is appreciative of the committee's efforts and recognition of the need for flood mapping by initially including \$3 billion in the Build Back Better bill. Although that was subsequently cut to \$600 million in the House passed version and Build Back Better is currently stalled in the Senate, we are nonetheless heartened by Congress' recognition of the need to support increased funding for flood mapping. **A stepped up commitment to mapping flood risk should really go hand-in-hand with our major infrastructure investment; otherwise, we risk making costly and important infrastructure vulnerable to both today's and tomorrow's flood risk**

One of the numerous legislative NFIP reform proposals in recent years is to establish a process for "Community Flood Maps" that directs the TMAC to develop and establish a set of standards, guidelines, and procedures for states and lower-level government units to use in mapping flood risks and developing "alternative maps" to NFIP FIRMS, and directs the FEMA Administrator, within 90 days of receipt of such map, to certify the map for use by NFIP, if an NFIP map for the area has not been updated or reissued by FEMA during the preceding 3 years. **There are already multiple mechanisms in the NFIP for communities to take greater involvement in updating their maps through the Letter of Map Change Process or by becoming a Cooperating Technical Partner (CTP).** Also, the 90-day period for FEMA to certify the maps for use is very short in comparison to the process used to vet new FIRMS. This new process could set up a situation where well-resourced communities can implement new maps that may not be done to the same standards and vetted as rigorously as FIRMS, but less-resourced communities will need to wait until their community is selected for FEMA-initiated mapping updates.

Another new provision of concern allows the inclusion of relevant cadastral features including, for each cadastral feature the associated parcel data and to the maximum extent practicable, using public and private sector address data, the address of that feature. Cadastral feature information, including parcel identification information, is arguably beyond FEMA's ability to both identify and maintain. In addition, currently there are major problems for FEMA with disclosing Personal Identification Information (PII) under the Privacy Act, thus, the suggestion of including such information in NFIP map products would be stymied unless these hurdles can be overcome.

We are also concerned about another reform proposal, a substantial new subsection establishing the right to appeal a FIRM and a process for resolution of the appeal. While we support inclusion of a process for state or local governments and property owners to appeal a FIRM, we are concerned that the process as written could be subject to abuse, is partially duplicative of the existing Scientific Resolution Panel (SRP) already established, and does not recognize steps that FEMA has implemented to improve the map appeals process since this section was initially drafted. The section seems to be biased toward development interests who may use the new proposed process to delay mapping certifications, while attempting to grandfather construction before new maps are completed. Additionally, the idea of giving credits for "partially successful appeals" when it was not the fault of FEMA or its contractors, especially when the appeal is based on data that was not available at the start of the mapping project, is concerning. With no consequence for initiating a frivolous appeal, the process incentivizes use of appeals to delay map implementation.

- **ASFPM does not support creating a parallel but separate mapping approach to develop community flood maps; rather, we strongly support strengthening and expanding FEMA's existing, popular Cooperating Technical Partners program**
- **ASFPM recommends that detailed cadastral information not be included on the Flood Insurance Rate Maps. IF Privacy Act concerns can be overcome it would be best to use a separate vehicle to present**

that data. Additional comments on this issue can be found in the following Floodplain Management section.

- **ASFPM is concerned about complicating the appeals process which could result in delays for communities and citizens receiving good flood risk information.**

Floodplain Management (Floodplain Regulations, Training, Public Education)

To participate in the NFIP, states and communities must abide by minimum development standards and designate a NFIP coordinator. At the state level, this means that there is a NFIP coordination office that provides technical assistance and training to communities and the public, serves as a repository for the state's flood maps, ensures the state has sufficient enabling authority for communities to participate in the NFIP and is the lead agency to ensure that state development is consistent with NFIP minimum standards. At the local level this means that over 22,500 communities participate in the NFIP and have adopted minimum development and construction standards to reduce flood losses. As floodplain areas are identified and mapped throughout the nation, NFIP participating communities must adopt and enforce local floodplain management standards that apply to all development in such areas. **We are pleased that, in response to a petition filed by ASFPM and the Natural Resources Defense Council, FEMA has embraced the call to re-evaluate and update its minimum floodplain management standards. These have not been updated since the 1980s.**

NFIP standards are the most widely adopted development/construction standards in the nation as compared to building codes, subdivision standards, or zoning. FEMA has estimated that for approximately 6,000 of the NFIP participating communities, the only local codes they have adopted are their floodplain management standards. Today it is estimated \$2.4 billion of flood losses are avoided annually because of the adoption and implementation of minimum floodplain management standards. Often communities decide to adopt standards that exceed the federal minimums. For example, more than 60% of the population in the United States lives in a community that has adopted an elevation freeboard — which requires the first floor of the building be at an elevation that is at least one foot higher than the base flood (or 100-year flood).

Why do communities participate in the NFIP and adopt local standards? State floodplain managers around the nation who have enrolled nearly all of the communities in the past 40 years know a major reason is to make flood insurance available to their citizens. If a community hasn't joined (there are still about 2,000 communities not in the NFIP), it is usually compelled to do so when a resident gets a federally-backed mortgage and needs to have flood insurance. While there are some non-participation disincentives in terms of restrictions on some forms of disaster assistance, such disincentives are weak and very limited. For most communities, they are not much of a disincentive at all, but getting flood insurance is a strong incentive. We must ensure changes to the insurance element of the NFIP do not undermine this incentive.

To enable the NFIP to provide better technical assistance to the approximately 22,500 communities in the NFIP, the Community Assistance Program – State Supported Systems Element (CAP-SSSE) was developed in the 1980s. This cost sharing program invests in building capability to do floodplain management at the state level in order to assist the communities in the state with their NFIP participation responsibilities because it would be impossible for FEMA to either directly assist that many communities or for the program to provide funding assistance to all communities in the program. It is important to recognize that while communities must

meet the minimum NFIP standards, they do so within the laws and framework that differ in each state, making it important states provide that assistance. For a modest investment of what has historically been \$10 million annually⁴, CAP-SSSE has leveraged state investment and staffing to create and maintain the capability to do effective floodplain management at the state and local level. The entire floodplain management budget (100%), which includes staffing, community and state technical assistance, and the Community Assistance Program (CAP-SSSE), is funded from the Federal Policy Fee. However, the CAP-SSSE program has not heretofore been explicitly authorized.

The technical assistance provided through a robust, authorized CAP program is an excellent, proven framework to address equity and social justice issues as states with a comprehensive state floodplain management program can assist far more communities that are disadvantaged or have lower capacity to implement a floodplain management program than can any program providing direct federal assistance. There are simply too many communities needing assistance for a direct federal model to be successful.

- **ASFPM recommends that a community assistance program that would provide resources to states be explicitly authorized with funding double its historic level (to maintain and expand community technical assistance through effective state floodplain management programs.**

Buyers and renters can always use additional hazards information to make more informed decisions. Nationally speaking, there are widely varying levels of real estate disclosure requirements among states and local jurisdictions as they relate to the risks of flooding. These have considerably varying levels of effectiveness. In addition, there is currently no way for a prospective home buyer or realtor to determine if FEMA has ever paid out a flood insurance claim for a property or public or individual disaster assistance to the property or neighborhood post-flood. Access to this data would provide more complete flood history for the property in order to help potential buyers make critical, risk-informed decisions.

- **ASFPM supports a national real estate disclosure requirement for a property's flood history to ensure a minimum, consistent level of disclosure everywhere.**
- **ASFPM supports, as part of the national real estate disclosure requirement, FEMA being mandated to provide prospective buyers, renters, property owners, and lessees full access to NFIP flood claims and flood related disaster assistance data (IA and PA if applicable) thereby providing knowledge of flood claims and damage data to support effective decision making, risk awareness and management, and, where appropriate, mitigation or ultimate removal of buildings from high risk areas.**

ASFPM is supportive of FEMA's proposal for disclosure; however, we note that there are no requirements placed on FEMA to provide insurance or disaster assistance information that would more fully inform buyers and lessees. ASFPM believes that in order for a national disclosure requirement be effective, there should also be a requirement that FEMA provide and make available the data the agency it has, as well.

⁴ We note that in that past few years CAP funding has increased, in the most recent notification of federal financial assistance published this summer, total funding is now \$15 million

On a related topic, for more than three years, ASFPM has been engaging FEMA to address access to certain policy and other data that might be classified as personally identifiable information (PII) under the Privacy Act. Previously, state and local floodplain and mitigation managers had access to information such as historic claims data, provided the data was used for official purposes like implementing local floodplain management codes, mitigation planning, or applying for hazard mitigation funds (such as through the Flood Mitigation Assistance program, which prioritizes repetitive and severe repetitive loss structures). In recent years, however, two events conflated to inordinately and severely restrict these data — Inspector’s General identification of inappropriate uses of data were discovered and the implementation of FEMA’s new PIVOT data management system with an accompanying reporting tool — neither of which was contemplated with the need to provide these data to those involved in flood mitigation or floodplain management.

Today, FEMA has implemented a highly cumbersome system, where some states and communities cannot even agree to FEMA’s accompanying legal restrictions under which some of these data are provided. Further, it is the DHS Privacy Office – that has dictated this burdensome overall approach. While we hope to see some administrative improvements, we are not optimistic that FEMA can solve this administratively on its own. In just the past two weeks ASFPM learned of a situation where an ASFPM member, who is also a local consultant that assists communities flood mitigation assistance grant applications, expressed worries about the record amount of funding in the Flood Mitigation Assistance program recently approved by Congress in the Infrastructure Investment and Jobs Act (IIJA). He indicated that he was aware that his state currently contains some 11% of the repetitive loss properties in the nation, but neither the state nor the communities have had much success in obtaining timely, updated lists of repetitive loss properties and that his states’ communities would likely end up “losing out” on a rare opportunity to address such properties with federal resources through the one-time surge in FMA funding.

- **ASFPM would like to see FEMA provide more-timely and less burdensome access to historical coverage and claims loss data, including all repetitive flood loss data for communities and states for purposes such as CRS participation, FEMA mitigation planning and hazard mitigation assistance program administration.**
- **One approach may be for Congress to allow limited Privacy Act exemptions to improve disclosure and understanding of flood risks and to develop tools that allow access to this data without disclosing any personally identifiable information of the property owner.**

Flood Hazard Mitigation

The NFIP has two built-in flood mitigation programs: Increased Cost of Compliance (ICC) and Flood Mitigation Assistance (FMA). These NFIP funded mitigation programs have resulted in more than \$1.3 billion in funds to reduce risk to thousands of at-risk, existing structures. The National Institute of Building Science’s Multi-Hazard Mitigation Council, in its research about FEMA flood hazard mitigation projects, determined that such projects resulted in \$6 in benefits for each \$1 spent. ICC and FMA have mitigated, on average, 1,850 buildings annually between 2010 and 2014. ASFPM strongly supports both programs.

ICC is the fastest way to get flood mitigation done and is paid for 100% through a separate policy surcharge. Since it is simply part of a flood policy it isn’t run like a typical grant, allowing funds to be available to the owner much quicker. It is a transaction between the insured and insurance company. Historically, 60% of ICC claims are

used to elevate a building and 31% of the time ICC is used to demolish a building. Other techniques used are floodproofing or relocation of the building out of the floodplain altogether. From 1997 to 2014, ICC has been used to mitigate over 30,000 properties.

ASFPM has been frustrated for several years over the pace of FEMA's implementation of its own authority to make ICC much more useful. In 2004 ASFPM worked with Congress to add triggers to ICC, so currently there are four of them in the law:

- A building being substantially damaged,
- A building classified as a repetitive loss,
- A building where another offer of mitigation is being made,
- And the Administrator's discretion to offer ICC when it is in the best interest of the flood insurance fund.

Of these four, only the first trigger is being utilized: when a structure has been determined to be substantially damaged. While FEMA claims it also applies ICC to repetitive loss properties, it is only applied to that subset of repetitive loss properties that have also been substantially damaged. The point is that there are three ICC triggers *in existing law* that could also be used in a proactive, pre-disaster sense. We are pleased to note that there is demonstrated Congressional recognition of the value of investment in pre-disaster mitigation.

ASFPM believes ICC needs several other adjustments by Congress to be more effective. First, while ICC is collected on every policy, FEMA believes the statute requires the ICC claim be counted toward the total claim limit. This means a home that gets a \$250,000 damage claim, the amount available for ICC is \$0. Second, the ICC claim limit is too low. Estimates to elevate a home range from \$30,000 to \$150,000 with an average closer to \$100,000. While \$30,000 is very helpful, it often does not come close to covering the mitigation cost, to be practical or feasible, especially for lower income homeowners.

- **ASFPM recommends the ICC claim limit be in addition to the maximum claim limit under a standard flood insurance policy and that ICC can be triggered by any hazard event, not just flooding.**
- **ASFPM recommends the "base" ICC claim limit be raised to at least \$90,000, with the ability to purchase optional additional amounts of coverage.**
- **ASFPM recommends that Congress specifically allow FEMA to utilize the available ICC amount for both demolition and acquisition costs as a means of compliance, when the claim is assigned to the community and deed restricted as open space.**
- **ASFPM recommends Congress waive any rulemaking requirements that may be an impediment to quickly implementing the pre-disaster triggers for ICC and allowing demolition and acquisition costs.**

While ASFPM appreciates several aspects of FEMA's proposal for changing ICC (transforming it into Flood Compliance and Mitigation Coverage or FCM) we do have concerns. We do not see where ICC would be triggered by non-flood events. As wildfire risks become more pronounced or in tornado prone areas, compliance with flood codes is based on substantial damage from any source so triggering ICC should also not be limited to just being triggered by a flooding event. We are confused in the differences between the proposed legislative text and the analysis on base and additional coverage. While we acknowledge and are supportive of a base coverage amount of FCM at 20% of the statutory structural limit (currently for residential structures that

would increase ICC to \$50,000), it appears that the proposed legislative text is only for base coverage in an amount equal to 20% of the policy's amount of building coverage which we would oppose as wholly inadequate. Because the mandatory purchase requirement is only for the balance of a building's loan, many may be under-insured. Or in other instances, where the cost of housing is simply low. Limited availability of funds to comply with local flood codes would be exacerbated by tying FCM to the actual building coverage versus statutory structural limit and would further increase inequities in the program. While we would rather see a base amount of ICC higher than \$50,000, raising the base amount to that level and having the ability to purchase an additional coverage to 20% of the statutory structural limit (or doubling the base amount) would significantly improve FCM. Finally, ASFPM also supports the ability to provide FCM funding in a more up-front manner.

FMA operates like a typical grant program where a community applies through the state with a grant application. Further, FMA also funds other types of mitigation that can address issues on the neighborhood- or community-scale such as stormwater management systems to reduce flood risk and flood mitigation plans. In recent years, the priority for the FMA program has been repetitive loss and severe repetitive loss properties. While this is an important objective, ASFPM worries that an exclusive focus on such projects is increasingly resulting in a gap where no assistance is available for properties that desperately need assistance, such as older pre-FIRM, non-repetitive loss structures for which insurance rates may be increasing significantly and may be tomorrow's repetitive loss structures. This is especially true as FMA is becoming the only, reliable pre-disaster source of hazard mitigation funding for individual property mitigation as FEMA is increasingly using its other pre-disaster mitigation program, BRIC, for large infrastructure projects.

- **ASFPM recommends that accommodations be made for these single home properties as well, when FEMA formulates its new policy guidance.**

Repetitive loss claims unnecessarily drain the National Flood Insurance Fund, and today, there are at least 160,000 repetitive loss properties. Because increased flooding keeps adding more repetitive loss buildings, hazard mitigation efforts have been insufficient to reduce flood damage to older structures and ultimately to reduce the overall number repetitive loss properties. Current mitigation programs within the NFIP have been underfunded and have been unable to reduce the overall number of repetitive losses in the country. ASFPM appreciates that the Congress provided a one-time, multi-year surge in funding for the FMA program to significantly address the growing number of repetitive loss properties and improve the financial stability of the NFIP. This, combined with increased annual funding will greatly help reduce the repetitive loss building in the nation.

While we acknowledge repetitive loss claims impact on finances of the NFIP, we also fundamentally believe that refusing NFIP coverage on a property is contingent upon a legitimate offer to mitigate. We have seen too many instances where property owners of such properties have no other alternatives but to continue to live in harm's way because they cannot afford other mitigation options — this is a significant equity issue. Given that the NFIP flood insurance rates are on the path to actuarial soundness, ASFPM is puzzled by FEMA's proposal to create the "extreme repetitive loss" designation in order to exclude such properties from future NFIP coverage. It would seem that such properties would have a very difficult time getting private coverage as well. ASFPM opposes such schemes unless the refusal of NFIP coverage was a result of the turning down of a legitimate offer of mitigation.

ASFPM supports improvements to FEMA mitigation grant programs, like FMA, to better address equity and social vulnerability. Increasingly, it is recognized that traditional benefit-cost analysis (BCA) that focuses primarily on damages and losses avoided favor high value homes and communities, and do little to recognize issues of social vulnerability. Further, FEMA’s longstanding, restrictive interpretation and limited application of the Uniform Relocation Act (URA) assistance results in inequities, especially for those vulnerable populations who ultimately cannot participate in a mitigation project due to the inability to secure comparable safe, sanitary and affordable housing. At a minimum, all property owners and tenants associated with a buyout should be considered as displaced persons and therefore be eligible for URA benefits. We’ve offered ideas in the past such as excluding costs of complying with other federal laws like URA and environmental compliance laws from BCA calculations, which would result in mitigation grants being more equitable, as well as making progress on environmental justice issues.

The timing of the availability of mitigation funding for buyouts post is critical. If funding is not available in a timely manner, a property owner is more likely to use their flood insurance claim to repair flood damage rather than consider a buyout of the property to permanently remove the flood risk. H.R. 7842, introduced in the House of Representative by Rep. Casten and Rep. Blumenauer would allow for voluntary buyouts in lieu of a flood Insurance claim. The process would provide for expedited mitigation when the property owner expresses interest in a voluntary buyout regardless of the location of the property in relation to an area designated as having a special flood hazard.

- **To address FEMA’s equity goal in its strategic plan, FEMA should consider changes to its approach for benefit-cost analysis to more fully account for the range of benefits, consider all those applying for a buyout and tenants as displaced persons eligible for Uniform Relocation Act benefits, and exempt the costs associated with assistance provided through Uniform Relocation Act and compliance with other federal and state health and environmental regulations from the benefit-cost calculation.**
- **As part of NFIP reform, Congress should consider incorporation HR 7842 including its expansion of Uniform Relocation Benefits in FEMA mitigation programs and the innovative offer of a buyout in lieu of a flood insurance claim.**

Flood Insurance

Flood insurance is the easiest way for a property owner to manage their flood risk. It was also viewed by the original authors of the program as a way to more equitably share risks and costs of development decisions. Yet too few property owners and renters carry flood insurance. Today it is estimated 10% of the population lives in an identified floodplain and that number is projected to grow to 15% by the year 2100 based on natural population growth and future conditions (land use, development, and climate change). While the NFIP provides some standards to reduce flood losses to new development, it has not encouraged or helped communities avoid development in high flood risk areas. It is also estimated the number of policies increasing by 100% and the average loss per policy increasing by 90% in 2100.⁵ The point is that these trends show growth in the human occupation of flood hazard areas and the potential damage that may result. As we have pointed out earlier, there are many more miles of rivers, streams and coastlines that aren’t even yet mapped (which is why it is not

⁵ *The Impact of Climate Change and Population Growth on the National Flood Insurance Program through 2100.* 2013.

surprising that 25% of NFIP claims and 1/3 of federal disaster assistance come from outside of mapped floodplains)⁶.

Flood Insurance Affordability

The aforementioned 2020 NAC report describes how the NFIP “inadvertently assists the wealthier segment of the population by serving only those who can afford flood insurance.” Although reforms in 2012 and 2014 did put all properties on the path to full risk rating, it also affected flood insurance affordability. Unfortunately, a long-term solution to affordability was not included in either BW-12 or HFIAA. However, through Risk Rating 2.0, FEMA argues that in addition to making the program more equitable, it also will result in making flood insurance more affordable to those who are likely most sensitive to higher flood insurance rates, fixing the legacy rating approach which resulted in low-value homes paying too much and high-value homes paying too little. Additionally, ASFPM has identified three reforms that may have an impact on flood insurance affordability.

Over the past several years, the need for a means-tested program to provide premium subsidies to address affordability concerns has gained traction. ASFPM is very supportive of the concept. We point out that such a program must include two provisions: 1) that the subsidy is shown separate from the premium so that the policyholder better understands the underlying flood risk, and 2) that the subsidy be paid for outside of the NFIP and therefore by taxpayers versus NFIP policyholders as the benefits accrue to society at large versus other NFIP policy holders. It seems appropriate that such a program would be inclusive of an equity standard that has been proposed by FEMA’s National Advisory Council, FEMA’s new strategic plan, and the Administration’s Executive Order 13985 on equity and racial justice.

- **ASFPM supports a needs based, equitable flood insurance premium assistance program. Consistent with FEMA’s recent proposal, ASFPM believes that this should be appropriated versus establishing a new cross-subsidy within the program, and that in communication with the property owner or renter, the subsidy should remain separate from the premium in order to properly communicate flood risk.**

In 2014, to meet House PAYGO rules, there was a large surcharge imposed on non-primary residences, small businesses and other non-residential structures. The surcharge is neither risk-based nor need-based. Premium increases and surcharges have led to a notable reduction in policies in force, declining from a high of 5.5 million to about 5.1 million today.

- **ASFPM recommends the elimination of the PAYGO surcharge established in 2014 to improve flood insurance affordability and equity with private flood policies. This will take an additional cost burden off of small businesses.**

A third reform that is presently being debated is the cap on flood insurance premium increases. ASFPM does not have a specific recommendation on a suggested rate cap; rather, we would remind the committee that generally rate caps that are too aggressive (too high) reduce the glide path to actuarial risk rating and therefore could

⁶ FloodSmart Flood Facts. Webpage accessed 3/14/17.

exacerbate the problem of flood insurance affordability, while rate caps that are lower could help with flood insurance affordability and give owners time to consider and implement rate reducing flood mitigation options.

The Private Flood Insurance Market

A recent article describes the failure of another private insurance company in Florida which was unable to secure enough reinsurance for the hurricane season⁷. Between a serious fraud claims issue and tight reinsurance market (including for Citizens) the property and casualty market, especially for homeowners, is suffering in Florida. While Congress has recently focused on expanding the opportunity for private flood insurance in the US, ASFPM is very concerned about FEMA's recent proposal to not extend NFIP coverage to new construction in special flood hazard areas and non-residential business properties. ASFPM believes this is bad public policy, and a wrong approach for the NFIP that further severs the relationships between flood insurance, flood mitigation and flood mapping.

One of the original reasons for the NFIP to exist is to create an alternative to disaster assistance so that the property owner might be able to indemnify disaster losses (and lessen the burden on the taxpayer that would otherwise be paying for pure disaster assistance) and to make families and businesses more whole. And the reason that the NFIP stepped into this void is that private flood insurance was simply not available. In the 50+ years since that time, while models have changed and risk is more well known, basic actuarial principles still apply — insurers will not concentrate risk in an area and flood insurance is still a risky bet. Imagine from a customer experience perspective you buy a new home, only to find that you must get private flood insurance. Yet the area has just experienced a major flood and you cannot find a private insurer that will write a flood policy. What do you do? What are the impacts on the local real estate market and on communities? The certainty of availability that the NFIP provides along with changes to make it more financially resilient as well as having the private sector as a partner writing side by side in flood is a good model that provides the necessary backstop to property owners.

Since 2012, previous NFIP reforms have led to a robust private market for flood insurance. Reforms to stimulate more private market participation have worked as intended. ASFPM very much believes a strong NFIP can co-exist with the private market offering flood insurance as long as both are on equal playing fields. In other words, neither the NFIP nor the private market should be at a competitive disadvantage. The result can be coverages that complement each other. For example, private insurers depend on NFIP maps and agree local floodplain regulations help all insurance by reducing risk, yet private policies do not have to include the Federal Policy Fee to help pay a share of the flood mapping and floodplain management costs. The wholly unfair PAYGO surcharge has allowed private policies to be written using FEMA rate tables and the private sector is profiting on the difference between the loaded NFIP policy (with surcharges and fees) and private sector policy that does not have to charge such fees. ASFPM further believes that with the increase in the number of private flood insurance policies, it is even more important that the NFIP continue to be widely available when the private sector no longer writes policies in an area due to the concentration of risk or claims.

In 2019, the mortgage regulators issued a final rule that directly conflicts with statute when it comes to what type of flood insurance policy qualifies to meet the mandatory purchase requirement. While rulemaking had gone on for some years, the “discretionary acceptance” approach appeared in the latest, final version with no opportunity to comment. The primary issue is that Congress mandated that private flood insurance policies that were sold for properties to meet the mandatory purchase requirement had to have coverages and deductibles “at least as broad as” a NFIP policy. This means that such private sector policies must have a

⁷ <https://lisamillerassociates.com/newsletter-story/another-property-insurance-company-fails/>

coverage similar to ICC, to provide resources to come into compliance with flood codes and have deductibles that aren't too excessive — a cheap flood insurance policy does a property owner no good if the deductible exceeds their ability to pay. Yet the “discretionary acceptance” alternative would allow policies without these provisions. Such a loophole hurts property owners and will lead to greater dependence on federal disaster assistance — contrary to the foundational goals of the NFIP. Additionally, the private flood insurance market that has grown rapidly the past seven years has done so without the loophole being in effect.

- **ASFPM recommends Congress eliminate the Lender regulators 2019 “discretionary acceptance” rule that allows lenders to decide whether to accept private policies not meeting the specific requirements set by Congress for private flood policies.**

The private insurance industry uses FEMA flood maps in various ways: sometimes to calibrate their risk assessment models, and sometimes to determine basic eligibility of their private flood insurance product. Certainly the most impactful part of flood mapping for private industry is the identification of where the mandatory purchase requirement is in effect. Industry officials that ASFPM talks with all support the floodplain management efforts in a community that provides a meaningful program of risk reduction. Given that 100% of the Federal Policy Fee goes to mapping and floodplain management, it is only equitable that private policies help pay for these functions and that they are not just borne by NFIP policyholders.

- **ASFPM recommends an *equivalency fee*, equal to the Federal Policy Fee, be assessed on all private flood insurance policies sold to meet the mandatory purchase requirement.**

As private flood insurance becomes more widely and easily available, provisions must be made to ensure such policies can only be made available to meet the mandatory purchase requirement if the community participates in the NFIP. Why? For thousands of communities in the NFIP, the primary reason for joining the program is the availability of flood insurance to meet the mandatory purchase requirement. As a requirement of joining, communities agree to adopt and enforce local floodplain management standards. As a result, floodplain management standards are the most widely adopted in the United States – exceeding the coverage of building codes, subdivision regulations and zoning. The adoption and enforcement of these codes, in turn, reduces future flood risk to the individual, businesses, communities and taxpayers. ASFPM members understand that once you remove the incentive for joining (flood insurance availability) thousands of communities may rescind their codes, drop out of the NFIP, and rely on the private policies to meet needs of property owners without the administrative burden of adopting and enforcing local codes and the likely future result of more development in flood risk areas. Particularly susceptible to this are small communities with low policy counts and where more development will occur. As stated earlier in this testimony, most communities in the nation already participate in the NFIP. And while the private industry is still emerging, let's be partners in persuading communities to comprehensively reduce flood losses. Finally, this fee has no cost to the private insurance industry.

- **ASFPM recommends that when private flood insurance policies are sold to meet the mandatory purchase requirement, they can only be sold for that purpose within NFIP participating communities.**

Finally, ASFPM is concerned about the availability of private claims and policy data for the purposes of floodplain management and flood mitigation planning and programs. For decades FEMA has provided these data to local and state officials to assist with substantial damage determinations, flood recovery, flood mitigation grants, Community Rating System participation and flood mitigation planning. There should be a requirement that private flood insurance providers share comparable policy data to state and local floodplain managers.

Other Flood Insurance Issues

Community floodplain managers often hear complaints about the NFIP centered around what is covered and what is not; and the inability to get additional coverages like living expenses as part of a NFIP policy. ASFPM has been impressed with FEMA's customer experience initiative after Superstorm Sandy with FEMA committing to improving the insurance product it sells. Yet FEMA is constrained by a cumbersome rulemaking process that can take years to complete.

- **ASFPM recommends Congress give FEMA the flexibility to offer additional flood insurance policy options and make changes to existing options without the need for extensive rulemaking.**

Consistent with ASFPM's overall philosophy laid out in this testimony, the roll-out of Risk Rating 2.0 should strive to do no harm to the floodplain management and flood mitigation elements of the NFIP. As the roll-out of the program continues, while recognizing the many benefits of Risk Rating 2.0, many of our members have expressed concerns about how this will impact floodplain management and flood mitigation. ASFPM has been engaging with FEMA to answer questions on how these changes will affect how floodplain managers assist property owners, how it will impact mitigation grant programs, and to ensure that tools and information is developed to address these issues. We urge the Committee's continued oversight to ensure that the roll-out of Risk Rating 2.0 recognizes and addresses the needs of all of the NFIP's partners and stakeholders.

In Conclusion

Floods are this nation's most frequent and costly natural disasters and the trends are worsening. The NFIP is the nation's most widely used tool to reduce flood risk through an innovative and unique mix of incentives, requirements, codes, hazard mitigation, mapping, and insurance. At the same time, we understand the four main pillars of the NFIP are interconnected; and making significant changes to one pillar without thoughtful consideration of the impact on the other three can erode the program overall. The NFIP is a key tool in the toolbox that serves policyholders, taxpayers and the public well.

The Association of State Floodplain Managers appreciates this opportunity to share our observations and recommendations with the Committee. For any questions, please contact Jana Henderson, ASFPM Secretary at jhenderson@mema.ms.gov; Chad Berginnis, ASFPM Executive Director at cberginnis@floods.org; or Merrie Inderfurth, ASFPM Washington Liaison at merrie@floods.org.