



FEMA

Office of the Flood Insurance Advocate

<http://www.fema.gov/national-flood-insurance-program-flood-insurance-advocate>

March 2018

The OFIA's Mission

The Office of the Flood Insurance Advocate (OFIA) advocates 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 Office of the Flood Insurance Advocate

Four focus areas: Flood insurance, floodplain management, flood hazard mapping, and Hazard Mitigation Assistance (HMA) grants

Three Primary Duties:



Provide assistance to individual policyholders and property owners, especially in the most complex of cases



Identify trends and issues that appear to be impacting a broad range of FIMA's customers



Make recommendations to FIMA and FEMA leadership intended to address the issues faced by customers and support programmatic improvements

The OFIA's Inquiry Management Process

Customers who remain frustrated and confused may request assistance with an unresolved issue from the OFIA's website through the **"Ask the Advocate"** inquiry submission



An inquiry is submitted to the OFIA from:

- Policyholders & Property Owners
- Regions (per escalation procedure)
- Congressional Affairs (through CAD)
- Industry Contacts

The OFIA:

- Notifies and gathers any available info on the inquiry from the Region
- Researches pathways to address the issue
- Identifies and utilizes out-of-the-box solutions

If necessary, the OFIA:

- Engages the relevant program office
- Works with other functional experts
- Finds a resolution to the inquiry

Lastly, the OFIA:

- Notifies the policyholder or property owner of the final outcome(s)
- Identifies pathways available to the policyholder or property owner

“Ask the Advocate”: The OFIA’s Casework

- The OFIA intends to respond to each inquirer within two (2) business days of receiving the submission. Each inquiry is assigned to a staff member who sees it from start to finish.
- Inquiry Responses:
 - Must be consistent with statute and regulations
 - May be resolved within the OFIA and require no program coordination
 - May validate an answer already provided by the program office
- The personal attention given to each inquiry by telephone or email keeps the inquirer updated on the progress of their inquiry as it is being researched.
- It also lets them know that they are heard and their issue is important to the OFIA, helping to positively change the outward image of FEMA case by case.



Complex Casework: Program Engagement

- Complex cases or identified concerns often require program coordination and support. The most prominent areas requiring program engagement are Underwriting, Claims and Mapping.
- In these instances, the OFIA works with the designated POC in the program office to:
 - Obtain in-depth understanding of the issue or concern, collect related history, and identify possible resolution pathways
 - Facilitate questions and requests from the OFIA to their program office (e.g., data requests, issue and inquiry related information)
 - Coordinate the Directorate's and/or Branch's response to the OFIA
- If it is determined that a different answer is possible, the program directs the company, or mapping contractor to change course. This is most common for insurance rating.



Outcomes Achieved by the OFIA

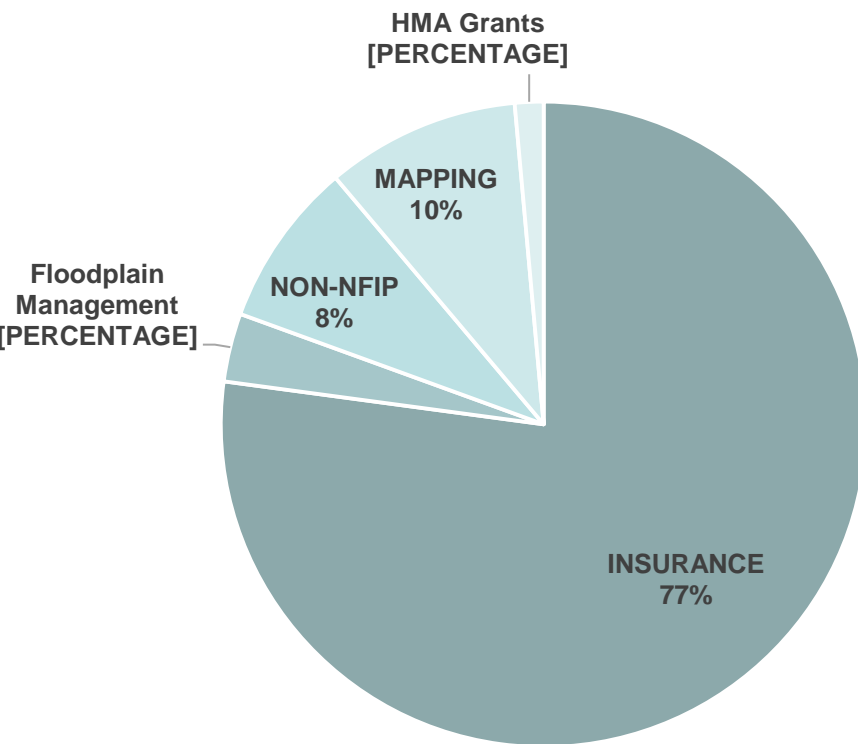
Through our casework, the OFIA has worked to achieve beneficial outcomes for NFIP customers such as:

- Helping to stop home foreclosures
- Correctly applying BW-12 provisions to restore grandfathering
- Assisting customers in obtaining refunds
- Reduction in premium payments
- Assisting customers with receiving accurate claims payments



Inquiry Traffic Breakdown

Inquiry Breakdown



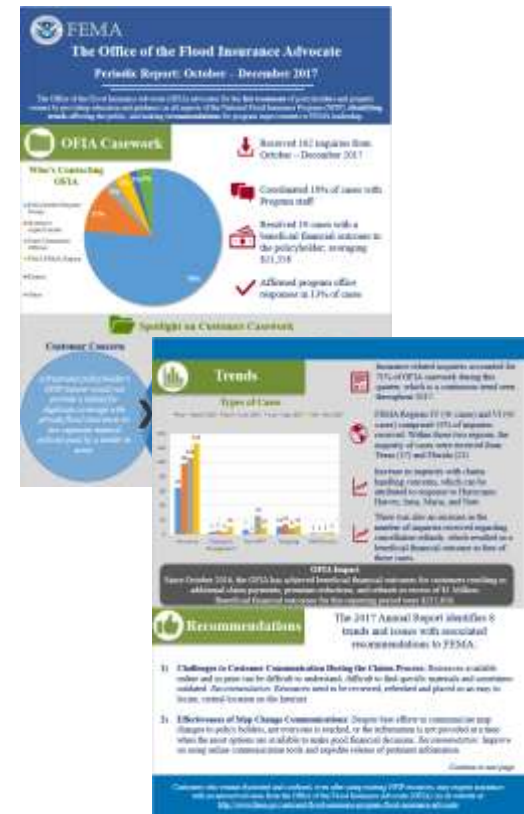
- Approximately 77% of inquiries received by the Advocate's office focus on Insurance related topics including underwriting, policy rating and claims
- Most inquiries are complex and cross multiple program areas (insurance, mapping, etc.)
- Findings continue to indicate an overall need for:
 - Increased agent education and training requirements
 - Clear, consistent communication with policyholders and property owners
- The number of more general inquiries are expected to drop as the programs strengthen materials and resources



Data Driven Reporting

- Through its casework, the OFIA's goal is to gather information and actionable data for FIMA Directorates, particularly concerns and trends that affect a broad population of policyholders and property owners
- Periodic reports highlight inquiry traffic, emerging concerns and inquiries of note
 - The OFIA's "No Surprises" policy ensures that program offices will always be informed of issues before escalating to leadership
 - Periodic reports are currently issued quarterly to FIMA and FEMA leadership
 - The OFIA issues ad hoc reports as necessary to highlight significant concerns and issues
- Our data analytics also allow us to improve and add to our stock of FAQs so that customers can self-serve.

Periodic Report



The OFIA's Annual Report

- Annual Reports are the primary form of reporting for the OFIA
 - Typically 5 – 7 concerns are identified from the inquiries submitted over a year
 - Concerns are discussed with FIMA and NFIP leadership to validate the OFIA's observations with its narrow data set
- Reports focus on issues that appear to impact a broad set of policyholders and property owners or have significant financial impact on a subset of the policyholder population
- The Annual Report is published on a calendar year basis and made public through a multi-step process
 - The report is made available in a phased rollout (internal to the Deputy Associate Administrator and FEMA Administrator first, and then to FIMA leadership)
 - Once made public, Congress receives the first public copy, then notification is sent to industry that the report is available on the OFIA's website



2017 Annual Report Findings (1/4)

- Challenges to Customer Communication During the Claims Process
 - Gaps exist and more detail is needed in NFIP materials
 - OFIA recommends:
 - Developing an infographic and revising the NFIP Flood Insurance Claims Handbook
 - Updating the NFIP Flood Claims Process factsheet
 - Reviewing the Answers to Questions about the NFIP
- Effectiveness of Map Change Communications
 - Stakeholders are frustrated to learn about changes after a revised flood map becomes effective
 - OFIA recommends:
 - Expanding eligibility for discounted premiums
 - Increasing coordination with FEMA Regional offices to ensure timely information is available



2017 Annual Report Findings (2/4)

- **Misunderstanding Regarding Zone A**
 - Stakeholders are frustrated when they are located in Zone A where detailed studies are not available
 - OFIA recommends:
 - Revising the instructions for Elevation Certificates
 - Developing policyholder or homeowner material advising how to use an Elevation Certificate in Zone A
 - Revising Publication 265, Managing Floodplain Development of Approximate Zone A Areas (1995)

- **Lack of Premium Reduction Following a Lower-Level Abandonment**
 - Policyholders are frustrated when they continue to be charged for full coverage in the abandoned lower-level story
 - OFIA recommends:
 - Revising the Hurricane Sandy Recovery Advisory (RA7)
 - Developing a memo and presentation to promote awareness about retrofits that may be necessary for a building to be considered elevated



2017 Annual Report Findings (3/4)

- Basement Determination Made at the Time of Loss
 - Policyholders are confused when their slab-on-grade structure is determined to have a basement at the time of loss
 - OFIA recommends:
 - Incorporating more specific training for NFIP adjusters that clearly defines the appropriate application of basement coverage limitations
- Lack of Refunds for Duplicate Coverage with Private Insurance
 - Policyholders perceive it as unfair when they cannot cancel their NFIP policy for a refund and replace it with private flood insurance already purchased
 - OFIA recommends:
 - Clarifying that a cancellation request received for a paid renewal prior to the effective date of the renewal can be processed for full premium refund
 - Allowing an NFIP policy to be canceled for duplicate coverage when secured with a non-NFIP source



2017 Annual Report Findings (4/4)

- Severe Repetitive Loss (SRL) Mitigation
 - Owners of properties designated as SRL properties are frustrated that they are unable to obtain funding for flood mitigation projects
 - OFIA recommends:
 - Evaluating the effectiveness of the current cost benefit analysis tools for identifying ways to maximize the mitigation of SRL properties
- Lenders Requiring Coverage Where a Claim Would Not be Paid
 - Policyholders are frustrated when a lender requires flood insurance for buildings on a property that have a full replacement cost value below the minimum NFIP deductibles
 - OFIA recommends:
 - Disallowing the sale of flood insurance where the amount of coverage for the building is less than the applicable minimum NFIP deductibles
 - Communicating that the NFIP no longer offers coverage in these instances and waiving the flood insurance requirement



The OFIA's focus for 2018

- Four issues emerged during the development of the 2017 report that the OFIA identified as needing more research in 2018:
 - Annual premium increases exceeding standard caps on increases
 - Requirement to purchase an elevation certificate for flood insurance
 - Insufficient mitigation funding
 - Improved communications regarding insuring and rating condominium buildings
- OFIA is planning increased outreach across FEMA, the industry and the public
 - The OFIA is now operating at full staffing allowing the OFIA team to be more fully engaged with FIMA product and service improvements and bringing the customer voice to the ongoing improvement conversation
 - The OFIA is working to identify appropriate engagement points with industry and will be reaching out to organizations like NFDA on an individual basis

Looking Ahead

- Continue to strengthen data analytics capabilities to gain a deeper understanding of policyholder and property owner challenges
- Expand outreach activities with specific focus on populations with limited resources (e.g., those lacking online access, etc.)
- Strengthen the OFIA's relationship with FEMA's Regional offices through increased engagement to better understand policyholders' and property owners' challenges
- Increase awareness within FIMA of the OFIA's role in supporting FIMA's ongoing program improvement efforts





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