

# Office of the Flood Insurance Advocate

*Reducing complexity with compassion and fairness*

Association of State Floodplain Managers  
OFIA 2018 Annual Report and Progress Report



FEMA

# The Office of the Flood Insurance Advocate

- The OFIA advocates for the fair treatment of policyholders and property owners by providing education and guidance on all aspects of the NFIP. The OFIA assists **frustrated and confused policyholders and property owners** affected by the NFIP.



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

<https://www.fema.gov/flood-insurance-advocate>

# Resources to visit on your way to the OFIA

Insurance Agent or [Insurer](#)

Local Community and  
State Officials

FEMA Flood Map Service  
Center:

[www.msc.fema.gov](http://www.msc.fema.gov)

NFIP Help Center  
1-800-427-4661

FloodSmart

[www.floodsmart.gov](http://www.floodsmart.gov)

FEMA Regional Offices:

[www.fema.gov/fema-regional-contacts](http://www.fema.gov/fema-regional-contacts)



FEMA Map Information eXchange (FMIX)  
1-877-336-2627

[www.floodmaps.fema.gov/fhm/fmx\\_main.html](http://www.floodmaps.fema.gov/fhm/fmx_main.html)  
(Live Chat Service)

# 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

Elements of our casework approach include:

- **Responsiveness:** The OFIA intends to respond to each inquirer within one (1) business day of receiving the submission.
- **Customer Service Centric:** Each inquiry is assigned to an advocate representative who sees it from start to finish. The personal attention given to each inquiry by telephone or email keeps the inquirer updated on the progress of their inquiry, as well as ensures the individual is heard.
- **Expertise:** The OFIA provides expertise across all components of the NFIP and all 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 OFIA's Annual Report

- The OFIA uses its casework to gather information and actionable data for FEMA
- The analysis helps identify trends that affect a broad population of policyholders and property owners or have significant financial impact on a subset of the policyholder population
- 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 leadership to validate the OFIA's observations with its narrow data set
- The Annual Report is published on a calendar year basis and provided to Congress and the general public

# OFIA 2018 Annual Report and Summary



The Annual Report Summary  
OFFICE OF THE FLOOD INSURANCE ADVOCATE

CALENDAR YEAR 2018

*The OFIA 2018 Annual Report will be available online at:*

[www.fema.gov/flood-insurance-advocate](http://www.fema.gov/flood-insurance-advocate)

- Each year, OFIA delivers an **Annual Report** to the FEMA Administrator with recommendations for NFIP program improvements to ensure fair treatment of policyholders and property owners.
- **In 2018**, the OFIA received a variety of cases from policyholders requiring **assistance navigating the claims process**,
- From this 2018 casework, OFIA identified **four customer frustrations warranting more systemic solutions** to reach fair outcomes for policyholders:
  - Confusion Regarding Premium Increases
  - Confusion Regarding Condominium Coverage
  - Claims Impacts When Assuming a Non-Primary Residence
  - Lack of Refunds for Prior Policy Terms After a LOMA Is Issued

# OFIA 2018 Annual Report Recommendations

| Frustration                                     | Recommendation  |
|---|---|
| <b>1. Confusion Regarding Premium Increases</b> | <ul style="list-style-type: none"><li>•<b>Modify the description of a misrating</b> contained in the NFIP Flood Insurance Manual to exclude losses incurred after the initial flood insurance application.</li><li>•<b>Develop a mechanism to transition a property from one rate class to another</b> while remaining within the maximum amount of premium chargeable under the law.</li></ul> |



# OFIA 2018 Annual Report Recommendations

| Frustration  | Recommendation  |
|--|---|
| <b>2. Confusion Regarding Condominium Coverage</b> | <ul style="list-style-type: none"><li>• Update or create <b>new educational material</b> that includes information about how the Residential Condominium Building Association Policy (RCBAP) and Dwelling Form policy interacts at the time of loss.</li><li>• Develop a <b>procedure to identify condominium unit-owners</b> with Dwelling Form policies within a building <b>covered by an RCBAP</b> and ensure they receive new or updated materials.</li><li>• Develop a <b>disclosure form</b> to be signed by the owners of condominium units at the time of application for flood coverage and make it available to insurance agents.</li><li>• <b>Price Dwelling Policies</b> that are covering a unit that is already <b>covered by an RCBAP differently</b> than a unit that is in a building not covered by RCBAP.</li></ul> |

# OFIA 2018 Annual Report Recommendations

| Frustration  | Recommendation  |
|--|---|
| <b>3. Claims Impacts When Assuming a Non-Primary Residence</b> | <ul style="list-style-type: none"><li>• Instruct the NFIP insurers, that at the time of Application, <b>residency status must be correct and not assumed</b> either primary or non-primary.</li><li>• Instruct NFIP insurers to <b>identify and review policies initially quoted and paid for by policyholders as if they were for a primary residence, but issued as if they were for a non-primary residence</b> on or after April 1, 2015, particularly PRPs.</li><li>• Instruct NFIP insurers to <b>validate the residency status of each dwelling at the time of loss. If the status is incorrect, the claim should be adjusted</b> based on the amount of coverage originally requested before the coverage limits were reduced by the policyholder's underpayment of premium. The claim should not be delayed while the policy is being corrected.</li></ul> |

# OFIA 2018 Annual Report Recommendations and Responses

| Frustration   | Recommendation  |
|---|---|
| <b>4. Lack of Prior Term Refunds After a LOMA Is Issued</b> | <ul style="list-style-type: none"><li>• FID should <b>allow rating endorsements for Letter of Map Amendment (LOMA) removals back to the date of the effective flood map or up to five years, whichever is later.</b></li><li>• FID should <b>revise the NFIP Flood Insurance Manual to reflect the updated procedure.</b></li><li>• The Risk Management Directorate (RMD) should <b>update all LOMA outreach materials to educate policyholders on the allowance of premium refunds for policy terms.</b></li></ul> |

# OFIA Progress Report on Annual Report Recommendations



OFIA Progress Reports will be available online at:  
[www.fema.gov/flood-insurance-advocate](http://www.fema.gov/flood-insurance-advocate)

- In 2019, **OFIA published the first Progress Report** to track progress made on implementing OFIA recommendations from the Annual Reports.
- Key findings include:
  - **Program progress on all 2015-2016 recommendations.**
  - **45% of all 2015-2016 recommendations are fully implemented.**
  - **Positive outcomes** for completed issues  
*For example customers who were denied prior-term refunds in 2015 can now receive up to five years of refunds.*
  - **75 to 85% reduction in related casework.**
- **OFIA's next Progress Report** tracking progress implementing the **2017-2018 recommendations** will be issued in **2020**.

# Improving the NFIP Customer Experience



FIMA has made substantial progress by completing implementation of OFIA recommendations and resolving systemic issues impacting policyholders and property owners.

*OFIA Progress Report is available online at:*

[www.fema.gov/flood-insurance-advocate](http://www.fema.gov/flood-insurance-advocate)

- OFIA's input has contributed to the following:
  - Increases in the amount of premium refunds.
  - Increase in the availability of lower premiums.
  - Increase in the number of educated customers.
  - Increase in awareness to NFIP resources to maximize premium savings.
- The following NFIP changes are intended to reduce customer frustration and NFIP complexity:
  - **Policyholders will receive notification detailing eligibility for low-cost premium options after a map change**, such as the Preferred Risk Policy (PRP) and the Newly Mapped (NM) rating procedure.
  - Property owners will **remain eligible for premium discounts using the NM rating procedure for an additional year after a map change** when notified by their lender they must purchase flood insurance.

# Resource Page

1. **FEMA's NFIP webpage** ([www.fema.gov/national-flood-insurance-program](http://www.fema.gov/national-flood-insurance-program)): NFIP informational and guidance for policyholders and materials for Property Owners, Insurance agents, Claims Adjusters, Lenders, etc.
2. **FloodSmart** ([www.floodsmart.gov](http://www.floodsmart.gov)): Information on flood insurance, understanding costs, and activities before and after a flood.
3. **Insurance Agent or Insurance Company**: Generally should always be the first contact to a policyholder when there are questions or concerns about their specific policy.
4. **NFIP Information for State & Local Officials**:  
<https://www.fema.gov/information-state-local-officials>
5. **NFIP Help Center** (1-800-427-4661): General information about the NFIP or advice on how to obtain a property loss history report.
6. **FEMA Regional Offices** ([www.fema.gov/about-agency](http://www.fema.gov/about-agency)): Information about the NFIP, specific questions about flood insurance or mapping related events.
7. **Office of the Flood Insurance Advocate** (<https://www.fema.gov/flood-insurance-advocate>): Assist with unresolved issues after using utilizing existing NFIP resources.



# FEMA

<https://www.fema.gov/flood-insurance-advocate>