

NAR Insurance Committee Report

May 10, 2016

The committee met at 11:00 AM, 5/10/16, in the Maryland Suite, Marriott Wardman Park Hotel. Maria Wells, called the meeting to order.

There were many topics discussed, with the main issue centering around Flood Insurance. The main area of interest was the passage of the Ross Murphy Bill, HR 2901. The house passed the bill by a vote of 419-0. The bill provided for the transferability of moving from NFIP to a private carrier and back again without losing "grandfathered" status. Of course the push is on to get the Senate to pass the bill before the election. FEMA has expressed no concerns with the passage of the bill.

The House is also working on drafting legislation that will reauthorize the NFIP. The main interests are affordability, rate reform, more accurate flood maps and mitigation.

We had three updates on regulatory issues centering around flood insurance and Natural Disaster Policy. In a nutshell, we are watching the flood insurance issues and are working to become a major player in that arena with some success. There is no real movement in the Natural Disaster topics at this time. I have been reassigned to this work group as Scott Louser has been appointed chair of the Flood Insurance Work Group.

We heard from Scott as he presented the Flood Insurance Work Group Report. Most of the work was done by David McKey the previous chair as Scott has just taken over. The last meeting formalized the work into the report (copy attached).

We had a presentation from David Stearrett, Director of the Office of the National Flood Insurance Advocate's office. He was very informative. The office is still getting up and running and isn't fully staffed yet. Despite that, they have done some good work. The office has gotten a number (mostly coastal) of people into the proper flood rating who were inappropriately placed either by improper maps or insurance companies misreading the rate structure. Those people have or are getting a refund from NFIP for overpaying for their coverage. The office is working to change the rate structure so that it's more reflective of the true risk for homeowners. He confirmed that the highest single family rate currently in the actuarial scale is \$63,500.00/year, regardless of the value of the home.

We heard a report from David McKey, vice chair and chairman of the Disaster Policy Work Group stating that this group has just formed and has yet to meet.

Finally, we heard presentations pertaining to mitigation programs that are designed to move, raise or protect behind barriers, property in high risk flood areas.

The first was Tim Trautman, Charlotte NC Mitigation and Engineering Program. He reported that they are 60% mitigated in that area, and have given up to \$100,000.00 to individuals the raise their homes or move them.

The second was Roderick Scott, L&R Resources (specialists in historic property mitigation). He was quite interesting and very convinced that mitigation is the long term solution to the flooding problems in the U.S. He showed slides of some major buildings being moved or elevated.

In all it was a very busy meeting and one that showed some real advancement in the goals and objectives. At this time there are no definite plans on when the work groups will meet.

Thank you for allowing me to serve on this committee.



Greg Larson