



Final Transcript

**HUD DEPT. OF HOUSING & URBAN DEVELOPMENT: Flood Insurance
- External**

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SPEAKERS

Virginia Holman
Susan Bernstein

PRESENTATION

Moderator Ladies and gentlemen, thank you for standing by. Welcome to the Flood Insurance External conference call. At this time, all participants are in a listen-only mode. Later, we will conduct a question and answer session. [Operator instructions]. As a reminder, today your conference is being recorded.

I would now like to turn the conference over to your host, Virginia Holman. Please go ahead.

Virginia

Thank you, Lois, and welcome to today's National Flood Insurance Program webinar, as part of the training that we're trying to give relative to dealing with disasters. We all know that flood insurance is a very important part of that toolkit. So we will go over—but luckily we have somebody from FEMA who will deal with it.

Let me go over some logistics first. As Lois said, the audio is being recorded. We're going to provide the playback number, a PowerPoint, and a written transcript, probably in a week or so. It will be available on HUD Exchange in our Archives section. We'll send out a Listserv when it's posted, but it will also be in the Training Digest on HUD Exchange. I did send everyone out handouts this morning, the PowerPoint and some other materials from FEMA. They're also available on the Control Panel, the panel on the right-hand side of your screen. If you just go down to Handouts, you'll be able to download them. But they will also be posted along with the transcript on the HUD—in our archives.

We're not going to take live questions today because we have such a large audience, but we do want your questions, so there are some other ways to ask your question. Again, in the Control Panel on the right-hand side of your screen there's a box that says Questions. If you just enter your

question there, we'll monitor those and answer them as we're able to. Or after the webinar is over, if you've got questions or comments on flood insurance, you can send them to housing.counseling@hud.gov and put the webinar topic in the subject line.

In about 24 to 48 hours, you're going to get a thank you email from GoToWebinar. The email's going to tell you that this is your certificate of training. Please be aware that there is no attachment. It is just that email, so print it out or save it for your records.

Again, going to our Archives section, there's a new function on it where you can get credit for the training when you log onto the webinar on the Archives. So, play with it and that will work for any of our class webinars. Again housing.counseling@hud.gov is our main mailbox if you've got questions on this topic or any other, send them to that mailbox and hudexchange.info is where you can find all of our information on housing counseling programs. Again, I said we will watch for your questions.

I'm now going to turn it over to Susan Bernstein from FEMA, who will handle your topic today. It'll take a moment for her screen to come up.

Susan Is it showing?

Virginia There it is.

Susan Oh, good. Okay. All right. Thank you, Virginia. I'm Susan Bernstein and I work at the National Flood Insurance Program at FEMA, and I've been there forever. It's been a very long time. I just want to make sure everybody knows these are my opinions. It's a very complex subject but I'm using regular terms and regular language for everything. If anybody ever has a question about their policy, please direct them to their agent or their insurance provider for any specifics. Because, policies are a contract.

I'm going to go over some insurance basics, then I'm going to work on the NFIP history, we'll talk a little bit about how the program works, the community group SAFE [ph] and how everybody works together to make us safer. I'm going to talk about the NFIP policy—what it covers, what it doesn't cover, a little bit about claims processing because that's when people have the hardest time and that's when we start to see them. And if we have time, we're going to do some questions.

So, insurance basics, insurance is about protecting property against [audio disruption].

Virginia Susan, we've got one comment that you need to click the button that will make it full screen.

Susan Okay. Where is that? Tell me.

Virginia Down at the bottom there's a little bar for volume and right next to it is sort of the TV screen, if you could click on that.

Susan Tell me again. On the bottom right?

Virginia On the bottom right, there's several icons. The one farthest on the right that looks like a TV screen or a monitor.

Susan TV screen or monitor. Is this it? Okay. Something's happening. No, that isn't it. How do I do this? On the bottom right? I don't see it.

Virginia It's in the orange toolbar.

Susan Okay, in the orange toolbar, okay, thank you, you're going to see a little monitor. Maybe this is it. Yes. There you are. Thank you very much. Sorry for that. Okay.

Virginia Okay, thank you.

Susan Okay. Insurance is about risk and protecting what you own and being responsible for what you own. It's what we do is we spread risk. A person who has a house would use an insurance company to make sure that they're protected. The insurance company is spreading the risk among many policies they don't expect to have to pay out on.

An insurance policy is a contract between a property owner and the insurance company. You buy your insurance policy from an insurance agent. There's all different sorts, of course. There's homeowners and car insurance and things like that and homeowners insurance specifically excludes flood damage. So, that's where the NFIP eventually came into play.

You may hear terms like underwriters and they are the people that are figuring out how much it's going to cost for you to get your insurance.

And then there are adjusters. Adjusters come and they review the claim and look at your damage. They adjust the damage. And that's when somebody has a claim.

Through time, floods do a lot of damage. Floods do more damage than all other forms of natural disasters combined. That's why homeowners insurance doesn't cover flood damage. It's too much and the private companies don't want to pay for it. Oh, I'm sorry. I moved forward.

Over time we've heard of big floods like the Johnstown Flood. There was a giant hurricane in 1938 that killed thousands of people on Long Island. Through the last century—and there's some wonderful pictures about flood situations and things like that—but through the last century, the government was called on more and more often to help with floods.

Mother Nature is very hard to deal with and it kept happening over and over again. We started to realize that you have to prevent them from happening, you have to know the risk and build in higher places and not put people at risk by living next to rivers and by the ocean. For all the occasions when risk happens, when bad things happen, to have insurance to make sure you have something to pay your damage.

Flood damage is costly. It is also a combination of who's addressing it. Floods are local and the community is part of addressing it. They need to make sure that people don't build in high-risk places and things like that. The NFIP is a combination between local, state, and federal, making sure that people build more safely, basically.

In 1968, the National Flood Insurance Program was created by the National Flood Insurance Act. The concept is money is earned through insurance premiums and it doesn't quite take taxpayer money like it had in the past to pay for flood damage. So the money comes in from the insurance premiums and we have a claims process, so it's not having to go to your government and ask for help to fix your home and all that. It's the policy that knows how much your home costs and how much is covered.

We also fund other things. We fund disaster assistance and millions and millions of dollars' worth of planning and mitigation, fixing buildings, making sure future buildings are better. So insurance is a great product. It makes sure we have the money to pay claims and we usually do.

Over time, the very basic NFIP has grown. Lenders are involved.

Lenders—federally backed lenders require insurance if people are in a naturally high risk area on their community flood map. And that's been going on since 1973. Since 1994, that was strengthened and residences were included so homeowners all across America, millions of people every year are told by their lenders that they are required to have flood insurance. They go to their insurance company and they get it.

People are scared of flood insurance, but it's there and it's available.

There's about more than five million flood insurance policies sold every year. And we want more. Through time, things have gotten even more strengthened. We have a lot of customer awareness requirements, so talking to you folks is a great thing. There are training requirements. Agents are regulated by their state insurance department that they are required to take flood insurance training every year so they can help their policyholders.

More recently we had a lot of changes that required that people be rated to their full risk. Since 2014, we've seen—people need to get elevation certificates to make sure their flood insurance costs are as low as possible. Older homes are being greatly affected by this. Their insurance costs are

going up because they were built before better planning was begun.

That's a tough thing. So, Congress changed our rules and we're adapting.

Who can purchase flood insurance? Anybody who owns a house or a building of any sort can purchase flood insurance. Renters and tenants, they can purchase flood insurance for their things, their contents, or their personal property.

Who sells flood insurance? It's sold by agents for approximately 60 of the bigger companies—Farmers and State Farm and all of those companies are out there selling NFIP flood insurance through their agents. That's the way we want it because we want flood insurance to be normal and to be a regular product that people buy when they have a house.

It's a federal, state, and community kind of situation. The NFIP gathers premiums and we pay the claim. We also do the mitigation with states and communities. We offer grants, mitigation grants and a bunch of other grants. We oversee the states.

From there, the states, they oversee their communities. States impose building codes for things like electrical codes and sewers and all sorts of

things like that. And they also impose the National Flood Insurance Program requirements on their communities. They assist their communities with making this happen.

FEMA money is passed down. We give it to the state and the state works with the communities to get it to property owners. Say, if a property owner wants to elevate their house, they work with a contractor and they get a plan for building the house better. They work with their community to get grant money through the states down from FEMA.

The communities also have—they are very important. Every community has their own building codes and every community has their own flood maps and their own elevation requirements. The community has a flood plain manager that imposes all of that. This is a really complex kind of process, but we've been doing it for 50 years and the states know their role and the communities should know their roles. FEMA and our regions help take care of helping them do that and all of that.

We see the NFIP as a three-legged stool. I like that phrase. That involves identifying flood risk. Those are the flood maps. Every community in the US pretty much has a flood map that shows where the risk is—where the

highest risk and the moderate risk is. We believe just about every place has some flood risk. So first you identify the flood risk.

Another leg of the stool is to mitigate damage, to build better, make sure homes are elevated or the lower floors of businesses are flood-proof. The best thing we want is for people not to build in the high-risk area. There's a lot of people. They have to build somewhere and it happens. So there are a lot of safer building codes for high-risk areas and things like that. That's mitigation.

And then the third leg of the stool is having insurance available because floods are going to happen, houses are going to get damaged, people are going to lose things. Having insurance is the way to protect yourself.

We've talked a little bit about mitigating flood risk and that's identifying. Some of the things that FEMA grant money is used for are removing houses from the flood plains, demolishing the highest-risk homes, relocating them, rebuilding. There's other things people can do to their houses that make it a little better. But the bigger thing is really to get the house out of the flood plain or above the flood plain.

Again, the lenders have a role in this. I'm going to throw this out periodically through this call. Make sure that the people you talk to know that their lenders are going to want to make sure they have insurance and they're going to be involved in this. It's very complex and I want them to know that. The lenders also care about this because the buildings that they give loans on are their collateral. That's how they make money. They want those buildings to be in good shape and they require homeowners insurance. Because floods weren't covered once, it's thought to be ignored. But everybody really cares about it now, especially the lenders.

These are a couple of flood maps. The one on the left is an older map. There aren't many of these left. They started out on paper, large yard by yard size pieces of paper. The dark area is the high risk, zone AE, which is the main high-risk flood zone inland. There are also the E zones which are wave, high wave velocity coastal high-risk areas.

The map on the right is a newer map. This is what we hope that they will all look like very soon. The river is the blue part. The green part is the high-risk area where houses should be elevated. Their property owner will need to show that they have an elevation certificate when they get flood insurance. And it's more expensive to get flood insurance in that area.

The yellow area is a low-risk area where flood insurance is very cheap.

Floods can happen there, too. Approximately 25% of the claims paid by the NFIP are for lower-risk areas.

We offer flood insurance in any community that has joined the NFIP.

This is just a quick slide to talk about—there are limits to the NFIP coverage. Most of—95% of the policies that have NFIP coverage are for single-family homes, singles or [ph] four families. They can get up to \$250,000 coverage for the building and up to \$100,000 for their contents, their furniture, their stuff, like that. You have to purchase the two policies separately. A renter would just go to their rental insurance people and say, can I get flood insurance and they just get contents insurance. A homeowner would want to get both because they've got a building to protect and they've got contents inside of it.

Okay. There are other insurers. Above our \$250,000 cap, there's something called excess coverage and there are a lot of insurers out there that offer it because we take the brunt. The NFIP would pay the first \$250,000 worth of damage or up to the limit of the coverage. Also there are basic non-NFIP providers for basic flood insurance coverage. They've

started to show up since the 2014 changes to the NFIP law. We just want people to be covered. We want them to have insurance. We don't care if they get it from the NFIP or somebody else so long as it has good coverage just like ours.

There are actually three different kinds of policies a person will get. There's the regular homeowners policy, which is for one four-family homes. That's the most of our policies; 95% of the NFIP policies out there are for regular one four-family homes.

There is also the residential condominium building association policy. Condominiums are complex. It's a shared ownership and they have to share the insurance, too. That's what condominium associations do. They take care of that stuff. The NFIP policy we sell to condos, the homeowners association, and that can be very complex. If people are in states where there are a lot of condos, which is often all over now, most of the agents probably have an idea of what's going on with condo policies and they can handle that.

There is also a commercial policy, the general policy. That covers larger than four-family homes, more like apartments and things like that. That

can get complex, too. That's retail and whether the contents are more expensive and stuff like that.

Most of what I talk to people is the one- to four-family homes and the basic coverage.

I'm moving into what you have with insurance. When somebody gets a flood insurance policy, they purchase the policy which is a contract, often boilerplate language that will not change. The NFIP policy is [indiscernible] regulation. It's published in the regulations. The language comes from the federal laws over time. It hasn't changed in a very long time, about 20 years, I think. When we change things, we change them with our internal rules and our manuals and we make sure that the insurance companies know what the changes are and things like that.

So, a person who has a policy—that's going to be boilerplate language that's not going to change. And they will also have a dec page, a declarations page. That's the document that changes. It includes your lender's name and if you purchase building contents, if you've purchased a building coverage, or if you've purchased condo coverage. Your lender's name will be on the dec page. If it is in a high-risk AE zone, that

would be listed on the dec page. The elevation information would be listed for high-risk homes, things like that.

There are a couple of other, sort of, kind of like NFIP policies. We call one of our policies the lowest-risk policy that we offer, the preferred risk policy. It's for houses in low-risk areas. It runs below \$400 a year. So that's for buildings, and renters—I believe renters can get it if they are in a low-risk area and that's only going to be about \$100, I believe. You have to have a favorable loss history, no flood history.

You may hear something about the group flood insurance policy. That's not really a policy. It's a grant that we offer after major disasters. It goes through the state to the most needy people. It makes sure that they have three years of coverage. There are federal requirements when people accept disaster assistance, and if they're in a high-risk area, they will be required to get flood insurance. That can be expensive.

So the group flood insurance policy, the GFIP, lasts for three years. It offers a smaller amount of coverage. It gives both building and contents and it hopefully will get the people over the hump. But they will be required to purchase insurance after three years or they won't get disaster

assistance again. HUD is probably involved in imposing some of those requirements, I have a feeling.

The NFIP covers a covered building and that is defined as two or more exterior walls, a fully secured roof, permanently affixed to a foundation, and it has to resist flotation. We insure mobile homes, manufactured homes, but they have to be tied down according to the manufacturer's requirements to make sure that the foundation is solid. We do not cover pools, fences, uninsured extra buildings, or cars. The NFIP is there to help people with insuring their homes and it doesn't go that far.

I'm going to talk in a little while about protected coastal areas, where we're not allowed to offer insurance. The community has to join the NFIP and that means they have to impose elevation codes, make sure their maps are up. That was more important in the '80s and '90s, but most communities in the US are participating in the NFIP, so it's less of an issue.

The NFIP is a single building policy. That means that every building needs its own policy. The dec page will show the policy address or the P.O. Box or something that clearly identifies a single building. There are

problems when agents don't understand the NFIP and the homeowner may expect that a policy covers the detached garage. It doesn't, only 10%, and that's one of the complex little things.

Every building has its own risk. There are different levels, the water level, the expected flood level is different. So you need to have a different policy for each building. For any insurance, if a person gets an addition or fixes up their home or does anything new to the home, they should tell the insurance provider because costs can change, premiums can change if the house is worth more or less. You want to address that. You don't want it to come up when there's a claim and you don't have the coverage that you expect.

This is a wonderful picture. We've been passing this around the flood insurance world for a long time. I believe that little red trailer at the bottom, that is properly tied down probably but all the rest of them would not be insurable under the NFIP.

If somebody gets an NFIP policy, they have four types of coverage in there. They have building coverage if they purchase it. They have contents coverage if they purchase it. But they also have some little odds

and ends. There is coverage C which is debris removal or a little bit of money you get paid actually minimum wage to do the cleanup or to prepare beforehand and you have to document that for your insurance company in your claim.

We also offer in all of our policies, we offer the increased cost of compliance. That is, if you have a claim, there is \$30,000 included in the claim that could cover making the house meet the NFIP-related requirements. That means really elevating the house. It might be elevating your electrical; it might be things like that. And \$30,000 is not going to pay to elevate a home, but it's something to help with.

The NFIP has a waiting period. A lot of—health insurance might have a waiting period or something like that. It's not that strange. Basic flood insurance has a 30-day waiting period. There are exceptions to that. When somebody buys a home and gets a loan, there is no waiting period after closing. Your insurance is active from the first day. If a map is revised, there is only a one-day change so people can adjust more quickly. The NFIP does not cover a flood in progress, so somebody can't go out and buy a flood insurance policy when their land has started to flood. We don't do that.

I mentioned before coastal areas. The NFIP does not cover buildings that are built in protected coastal areas. There are three laws that address that. The Coastal Barrier Resources Act, Coastal Barrier Resources System, and the worst protected areas, they are shown on flood maps. I have just been told that they are no longer going to be shown on flood maps in the future.

This is another area where we share with another agency. It is the US Fish and Wildlife Service that decided the maps and decides where these coastal areas are and what is a protected area. We offer some websites and some links to them and you can submit your address to them if there is a question, but in most cases you cannot get an NFIP policy in one of these protected areas. If the house was there before 1987, there may be some—a little area where you might be able to get it but basically we want to support the protection of coastal barrier animals and the land and the creatures and everything that live there. We support this law. So we can't sell flood insurance there.

I mentioned before, communities have to choose to participate. They join the NFIP and once they join the NFIP they impose elevation requirements

and they enforce their building codes and they enforce their flood maps.

Lenders look at community flood maps all across America for every [indiscernible] loan they write, millions and millions of loans. They look at a map; they have a company that looks at the map for them and guarantees a proper determination and they tell their homeowner you have to get flood insurance. They should give them a few months. If a closing is really fast, that may be hard, but the homeowner gets homeowners insurance, but they should also get flood at the same time.

People like to fight the NFIP, but we don't understand why. We just think we're the best thing in the world.

HUD is a lender at times, I believe, and you'd be responsible for making sure that if a building is built, it's not built in a high-risk area and if it is, that it meets all the elevation requirements for that area.

These are some pictures of elevated homes in coastal areas. The one on the top left is pretty much, that is a high, high-risk area. You can see the ocean behind it. The area underneath it is open to allow the water to flow. There's no obstructions. If there were things built under there, that would raise the cost of the insurance. The one on the right, this is a house that's

been elevated and you can't tell. It looks really pretty. It didn't ruin it.

The left one on the bottom, that also looks okay. It looks like a pretty new house, elevated. And the one on the right, you can see that one. They may actually have an elevator in there. We're not sure, but that's another house that's been elevated very high. Floods go very high in coastal areas.

Now that we're towards the end of the conversation, I wanted to talk about what is a flood. The NFIP defines a flood as a general and temporary condition of partial or complete inundation and it goes on like that. But basically, if the water covers an area that wasn't covered before, if it is two or more acres or two or more properties, the NFIP policy will be active. Most floods do cover two houses or it might cover the street in front of the house, the crosswalk, or something like that. That would be considered two properties in need and the NFIP would be there.

The NFIP does not cover things like sewer backups or bad plumbing or things like that that are contained in one house. You might talk to your people who are talking about insurance with you about getting some kind of a rider on their homeowners to cover sewer backup or something like that.

A couple of other words in here that are important. You're looking for the flow of water where it didn't usually come. But mud flow—that is a complex situation. That involves scientists and engineers coming to look at what the mud looks like, how it flows, did it flow like water. But it's something that the NFIP covers out west a lot. After fires, when there's no vegetation left to hold down the ground, floods flow very fast. They pick up a lot of mud and it's like a big, dirty, wet, muddy water. So the NFIP would be there.

Now I want to talk a little about reporting claims. The NFIP is basic insurance. You report your claim to your agent or their company. An adjuster comes out. They process the claim. They look at the claim. You might not see everything in the beginning. Part of the cleanup might involve tearing out the walls, because if it's wet behind the walls, you're going to have to tear them out. New damage will show up. A property owner just needs to contact their insurance adjuster, let them know that there's more damage, and they can move on and process more money and that sort of thing.

Most NFIP offers—will offer up to \$10,000 or more in advance payments as soon as they can so the property owners can get started on their repairs.

A check would be written to the lender, too. That runs into problems, but that's the federal requirement. Sometimes lenders only give the money out in little pieces and that can be an issue between the homeowner and the lender. It can be a real problem.

We do want people to get back to their home as soon as possible. That's why the advance payments can get them started. Homeowners have rights. We have the NFIP insurance advocate's office. There is an appeals process when claims are denied or part of the claim is denied and the property owner can come to FEMA. They can also sue their insurance provider if they don't believe they've given them what they deserve. But one thing I'd encourage you is to talk to people about working with their adjuster. A flood claim is not something that's finished one week after the flood happens. There's going to be stuff going on for months.

Property owners should be encouraged to be vocal, to let their insurance provider know if they don't feel they're being taken care of. We find people are afraid of flood insurance. But it's insurance, you're paying for it, and you deserve a good policy, and you deserve a good claims process.

The NFIP does not cover everything from water or a big flood that comes in. We don't cover the loss of revenue for commercial situations. We don't cover the loss of access to the property. A lot of these might be commercial, but we get angry homeowners who are very angry they can't get back to their house. We're very sorry, but until their community clears the house, they can't get back. And we don't cover additional living expenses. The FEMA disaster assistance process might offer some rental assistance or something like that. Or if they've lost their home and they have homeowners insurance, that they've had damage loss beyond the house, for that they might have rental coverage under the homeowners policy.

We do not pay to help people upgrade the interior of their house, their electric. We will pay to get them back to where they were. We will pay to get them back to a safe house. But if the community sets new elevations and new requirements for their electrical, that may not be covered by the NFIP.

So, coverage, as I mentioned before, is basic building coverage. To be part of the building coverage is something that's built in. It's the walls, it's the wallboard, it's carpeting, wall-to-wall carpeting is a built-in kind

of thing. Contents would cover something that's looser—something like a throw rug, your kids' clothing, your clothing, your furniture. You can think about how bad it would be if you don't have contents coverage and a flood hits your house. All the couches, the bottoms of the couches are going to get wet, so they have to be thrown away, probably. Your rugs, your carpeting, the wallboard, all of that is going to be damaged or destroyed. Floods are bad and we want people to get coverage.

There is going to be less coverage if you have part of a house that's underground. That's a basement. We don't call them basements; we call them things like lowest level. But if part of the home is below ground on all four sides and the water can't get back out again, that makes it even more dangerous. There's only going to be basic coverage. You wouldn't get any wallboard—you'd get your basic wallboard. You probably don't get rugs down there. It's basic coverage. We don't want people to have areas of their home that are underground. It's not safe. We're learning over the years how unsafe that can be.

Anything else? A community—every community has a flood map. Most of them should also have base flood elevations beside it. Those are the elevations that they expect homes to be started at. The living part of the

house has to be above the base flood elevation. It's a complex term that means how often the floods are going to come to that elevation. It's on those maps. They'll say something like, BFE 14 feet, BFE 1,012 feet above sea level, things like that. A community will help people with it, or FEMA will help you with it, help you understand what it is.

Coverage B. We're back again with contents coverage. It might be called personal property; it might be called contents. This is for people's stuff. This is for the renter's things. This is for portable air conditioning, a portable microwave. I love this; I added the artwork and furs. We know so many people with furs. It covers a little bit of that. I think that was added in the '90s.

There are some limits. We only cover \$2,500 in collectibles and artwork. Something to think about is in a kitchen. We might replace the lower part if that's what's damaged, but we probably won't replace the upper cabinets. That goes towards matching and I believe we pay to match but we wouldn't replace something that's not damaged by the flood.

So let's see. Here are some helpful websites, FEMA sites, the NFIP. If you were to go www.fema.gov and search for the NFIP you would find us.

I work at—one of my jobs, one of my several hats, is I work at FloodSmart. I answer people's questions. I answer Ask the Expert questions. So there's www.floodsmart.gov. But you can search for FloodSmart and you'll get it. But also, I put FEMA's disaster assistance address down here. This is for after disasters when people need help. And that's my email and there's the full FloodSmart email, even though they will both get there.

That's my presentation. Are there any questions?

Virginia

Susan, we do have a written-in question asking about coverage. "How are co-ops covered?"

Susan

Co-ops are like apartment buildings. Each owner, probably they don't share ownership. So the person up on the fourth floor in apartment 4D is probably not going to worry about paying for the lobby if it's damaged. But if you're in a co-op on a lower floor, you would probably—you'd talk to an agent, you'd be able to get contents coverage. I'm not sure exactly how it works. I believe that there's something with whether there are four walls, is there supporting walls and that sort of thing. But it's definitely something that somebody needs to talk to their insurance agent about.

One of the things people submit when they get a flood insurance policy, they have to get photographs of the house so we can see the lowest level and what it's built like. So that may come in to the co-op situation.

It's not a total question and answer, but that's—it might be covered. Talk to your agent.

Virginia Thank you, Susan. We have another question about viewing flood insurance maps. "Is there a website you can view the maps without having to go to your town?"

Susan If you go to fema.gov, you can just hit the flood maps. What I will do is, I will share the website with you both. I'll give it to the presenters. Can you add that to what we share with our audience?

Virginia Sure, absolutely.

Susan You folks on the phone, you can always go to floodsmart.gov and you can give me an address and I'll get you a flood map. That's one of the things I do for people all the time. I will share that afterwards.

Virginia Here's another question about, "If a client accepts FEMA money and is required to elevate their home, but they don't and the next storm hits, how would that be covered?"

Susan If they accepted grant money to elevate the home and they didn't do it. Oh, they're going to be in big trouble. There are time periods. You have to get this elevation done within two or four years. FEMA seeks money back if the job isn't done.

The state is the one that distributes it, so I have a feeling we would, if we found out about it, hit the state up for it and we would say, we've learned that this property was not mitigated, somebody's living there, never had a house on it. What's going on? The state would be in trouble with us, so they would move downward and they would let their community be known—there's some violations going on. There's something called the 1316 Action when mitigation isn't done as it's supposed to. It's not a good thing. If you promised to do something, you need to do it.

Virginia I see there's a second part to that. I misunderstood the question. "If the homeowner accepts money, the grant money, do they have to elevate?"

Susan

It might be another—it might be, there's one of the attachments is called Five Ways to Mitigate and I don't know if I—can I open it? It's a real quick—maybe it is opening. It's a very quick visual about five ways to mitigate. The basic ways are to destroy the house and not build there again. But people can also elevate and—it's taking its time—anyway. But there are a wide variety of things they can do—some of them like filling the basement with pebbles and living in upper areas of the house. So it's not always elevating.

If a property owner accepts money to elevate a house or to do something, they're going to have given the community or the state their plan. And that's the plan they have to stick to and they have to do it within four years or two years or something like that. It's a step-by-step process, the grant process.

One of the things we want people to do, as I talk about these, is to actually move the house and never build there again. That's probably the best thing.

Are there other questions or did I not address that correctly?

Virginia Thank you. We do have a question about coverage. “Is there a special policy for technology items like phones, computers, video games?”

Susan I believe they’re just covered—electronics is covered under contents. [Overlapping voices] because it hangs out around the house. And yes, that’s a terrible thing after a flood, when people don’t have contents coverage and they learn about it afterwards. It’s very hard.

Virginia And also, “Is coverage available for vacation homes, rental properties?”

Susan Yes. A property owner can get a policy for any home they have, for anything they own. The issue with vacation homes is the NFIP has a very small surcharge for primary residence. It’s part of the 2014 changes to our laws and anything not a primary residence has a \$250 surcharge. So it’s going to cost \$250 more than your regular home. It’s going to be more expensive just to start off. But so many people have coastal homes in the Carolinas and they have insurance from us and they have excess coverage that goes above the NFIP because the damages can be so bad there.

So, yes. You can get a policy for any property you own if the community participates in the NFIP.

Virginia Here's one question. "If the house needed to be elevated and apparently they did do that, but now the occupants need wheelchair accessibility?"

Susan I know that there's a provision—for those elevated homes right on the coast that have to be way up there—there's a provision for elevators. I don't know that we would pay for it, but there's a way to cover it under the NFIP policy. You'd let your agent know you have something special, if it's covered, how do I get it covered, that sort of thing.

When you're talking about accessible, is that what you mean, elevators and things like that?

Virginia Yes, something like that.

Susan The coastal houses, some of them are required to be 20 feet in the air and you're not going to be able to get a ramp up there. So there is a provision somewhere in community flood plan requirements allowing it and it's

covered somewhere in the 40 pages of the NFIP policy but definitely talk to your agent.

Virginia I think that this is a situation in which, would the insurance still cover it if the additional repairs needed to be done after the elevation?

Susan If it's not related to a flood damage, probably not. Porches often, a ramp is part of a porch, and there may not be as much coverage on outer areas of the house. But if you have a ramp and that porch is tightly attached to the house, there are some requirements on how it's attached, and it's damaged in a flood, that ramp would be rebuilt so that the person could get in their home. In most cases, it's a covered item, I guess.

Virginia One of the things that I wanted to tell folks is that we do have a number of questions and it looks like we won't get time for, but we will add to what we post in the Archives, the frequently asked questions, and we'll have Susan give us the answers and we'll put them in the Archives section. So don't feel that we're ignoring your question. We just haven't had time to get to them all.

HUD DEPT. OF HOUSING & URBAN DEVELOPMENT

Host: Kristen Villalvazo

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Moderator

Thank you, ladies and gentlemen. That does conclude our conference for today. Thank you for your participation and for using AT&T Executive TeleConference. You may now disconnect.