

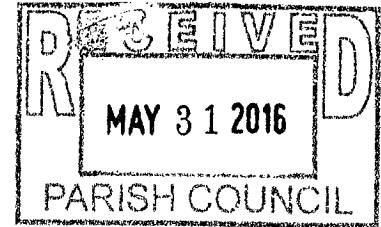


FEMA



May 24, 2016

Tiffany K. Clark  
Council Secretary  
St. Charles Parish Council  
P.O. Box 302  
Hahnville, Louisiana 70057



Dear Ms. Clark:

Thank you for your letter dated April 7, 2016, to W. Craig Fugate, Administrator of the Federal Emergency Management Agency, Department of Homeland Security, transmitting the St. Charles County Parish Council's Resolution urging the U.S. Congress to include local and state stakeholders in the process of drafting legislation to reauthorize the National Flood Insurance Program (NFIP). I am encouraged by your parish's continued support of the NFIP.

I appreciate your concerns for both the solvency of the program and to ensure that it still offers affordable financial protection to those at risk from flood hazards. We are exploring mechanisms that allow us to improve both aspects of the program, with a focus on our customers.

We share your goal of reestablishing the public's trust and reliance on the program to better enable it to help mitigate their flood risk and make our nation more resilient. FEMA's priorities in advancing the NFIP center around four key areas:


- 1) Customer Service Reset - A key priority is to initiate a customer service reset for the NFIP with the Flood Insurance Advocate and the customer experience industry experts' recommendations in mind;
- 2) Improved Understanding of Risks - We will evaluate the recommendations from the Technical Mapping Advisory Council's reports to determine implementation strategies for our organization and our partners;
- 3) Reducing Risks - In fiscal year 2015, FEMA obligated more than \$71 million in prior fiscal year Flood Mitigation Assistance Program grant funds for mitigation activities benefitting approximately 293 properties. These measures are expected to provide a savings to the NFIP of approximately \$142 million in reduced claims payments. Additionally, from \$307 million in grant applications from state and local communities, FEMA awarded \$150 million for grants for mitigation activities. These projects will further reduce future claim payments by the NFIP and reduce the loss of life and damage to property from flooding. FEMA is buying down risk in the nation and will continue to build on these successes; and
- 4) Engaging Private Sector Insurers - FEMA has explored re-insurance and insurance-linked securities as a way to improve the financial stability of the NFIP. FEMA is currently working with the re-insurance industry on catastrophic flood modeling, gathering quotes to pilot re-insurance for the NFIP, and exploring how to pay for re-insurance. FEMA plans on performing an administrative test this year and will be getting the contracts, processes, and

Tiffany K. Clark  
May 24, 2016  
Page 2

procedures in place for purchasing re-insurance, with the intent of initiating an entry test program (or pilot) in the months that follow. The test program will be modest. Based on the experience of the administrative test and the pilot program, FEMA will evaluate its next steps.

Our priority is a sustainable program that meets the needs of customers across the Nation. To that end, we want to ensure a timely reauthorization of the program and will continue our work toward that goal.

Sincerely,



Roy E. Wright  
Deputy Associate Administrator  
for Insurance and Mitigation