



David Maurstad
Deputy Associate Administrator, Federal Insurance and Mitigation Administration
Senior Executive, National Flood Insurance Program
Federal Emergency Management Agency

August 20, 2021

Dear Administrator Maurstad:

The National Association of Professional Insurance Agents¹ (PIA) strongly supports Risk Rating 2.0 (RR 2.0). The use of RR 2.0 will hasten the NFIP's progression toward the use of actuarially sound rates commensurate with the level of flood risk facing individual properties. However, we are increasingly concerned that the lack of communication between FEMA and agents who sell NFIP policies is already negatively affecting consumers.

Agents need information and education to provide a quality customer experience as RR 2.0 is implemented. PIA is fielding a steady stream of questions about RR 2.0 from our professional independent agent members, many of whom sell homeowners' and flood insurance policies. Agents, in turn, receive daily inquiries from policyholders and lenders about the effect RR 2.0 will have on their property transactions and mortgages.

PIA conveyed our concerns about the lack of information being provided to agents over several meetings with FEMA held throughout this spring and summer. Agents are now expected to successfully renew policies eligible for early transition between Oct. 1 and Mar. 31, even though many agents still do not have a thorough understanding of RR 2.0.

We are asking for FEMA's assistance to enable agents to deliver a coherent rollout.

1. **Consumers need education.** Most flood insurance policyholders have never heard of RR 2.0. Even those who are aware of it likely have only a passing understanding of its potential effect. Insufficiently educated consumers may already be confused, and their confusion will be exacerbated upon their receipt of documentation prompting them to renew their existing policies at legacy rates. What can PIA do to help educate consumers about, and prepare them for, RR 2.0?
2. **Agents need more information about RR 2.0.** Agents' points of access to the rating engine will vary by Write-Your-Own carrier (WYO), so individual WYOs are best suited to train their agents on the platform they will use. However, agents would benefit from a more thorough explanation of RR 2.0, including the role of elevation certificates, how

¹ PIA represents independent insurance agents in all 50 states, Puerto Rico, and the District of Columbia.

and when current policies will transition to RR 2.0, and in-depth review of the phases and pathways outlined in the Industry Transition Memo. FEMA's current training course is a helpful introduction, but additional information on these issues in varying formats, like FAQs and one-pagers, combined with agent-focused communications and marketing plans, would be helpful to agents, and, by extension, to policyholders. PIA stands ready to assist FEMA in its communication efforts. What can PIA do to assist in educating agents on RR 2.0?

PIA and its members are working hard to ensure that RR 2.0 succeeds because policyholders deserve a smooth rollout of the new rating system. However, we are very concerned about the consequences for policyholders if agents are not adequately trained or prepared for the Oct. 1 implementation of RR 2.0.

Sincerely,

Mike Becker
CEO
National Association of Professional Insurance Agents

CC:
Jeffrey Jackson, Assistant Administrator, Insurance (Acting)
Federal Insurance and Mitigation Administration
Federal Emergency Management Agency