



Fort Bend Economic
Development Council
1 Fluor Daniel Drive
Sugar Land, TX 77478

August 31, 2021

The Honorable Deanne Criswell
Administrator
Federal Emergency Management Agency
500 C Street, Southwest
Washington, D.C. 20472

Dear Administrator Criswell:

I am writing you today to request a delay of at least 6 months to Risk Rating 2.0, Equity in Action, a program your agency intends to implement October 1, 2021. While we acknowledge that the current system needs reform, I am certain you agree that NFIP policyholders, the program itself, and the nation deserve solicitation and consideration of public comments, timely rate disclosure, and transparent disclosure of the data, assumptions, and methods used to develop rates under this new approach. We believe a minimum of 6 months is needed to address the following concerns.

- (1) Consumers have not been given their new property-specific actuarial rates in sufficient time to make an educated decision about procuring flood insurance under the existing rate program or Risk Rating 2.0.
 - a. New policies require 30 days to become effective
 - b. Risk Rating 2.0 is slated goes into effect October 1, 2021
 - c. The last day for purchase under the current rating system is August 31, 2021
 - d. For most, new FEMA Risk Rating 2.0 rates remain undisclosed, now just days before the cutoff on the prior program
- (2) Because FIRMs have been decoupled from rate-setting, communities and policyholders have lost map appeal challenge opportunities under Risk Rating 2.0
 - a. Communities and policy holders should be able to appeal rates when inputs and assumptions concerning risk may be misstated or unfounded
 - b. The appeals process exists today, and the burden of proof lies on FEMA to sustain their findings. The new system seems to abandon fundamental consumer protection and oversight of rate development, which leaves policyholders helpless.
- (3) Discounts to Pre- FIRM and Grandfathered policies are abandoned under Risk Rating 2.0, breaking decades of commitment between FEMA and those policyholders.
 - a. FEMA is breaking a promise to 20% of the policy holders nationwide that fall into these categories, through no fault of said policyholders. These homeowners and small business owners have played by the rules. Please intervene to ensure, at minimum, that a reasonable transition plan be established to limit annual increases proportionate to property value (e.g., annual rates shall not exceed 1 percent of insured property value).

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- (4) Leveed areas should be excluded from Risk Rating 2.0 or given the option to continue under the current rate methodology until and unless FEMA adheres to existing administrative procedure and the Information Quality Act to disclose and substantiate the levee condition and performance data that is being used in production of the rates for these areas.
- USACE levee safety data used in Risk Rating 2.0 is, according to USACE, overwhelmingly “simplified” and “screening level,” non-quantitative data that is ill-suited to rate actual risk and set NFIP rates
 - Numerous entries within the USACE-administered National Levee Database (NLD) are outdated and inaccurate.
 - Only one of the five models FEMA used to develop rates under Risk Rating 2.0 could accept the USACE data and be applied to leveed areas

For these and other reasons, we respectfully request that you work with states, local communities, the Congress, and policyholders to truly make Risk Rating 2.0 a viable reform of the NFIP. We urge you to delay application of the new rates for no less than 6 months to address these important concerns. Thank you for your leadership to help increase vaccination against COVID-19 and the Delta Variant. I beg you to apply your talents, wisdom, and direct pandemic work and experiences to genuine vetting of the Risk Rating 2.0 proposal to overhaul NFIP price-setting. We need real information, genuine dialogue, and time to get this right.

Thank you for your attention to this matter. Please contact us if you have any questions about this urgent request.

Sincerely,

Jeffrey C. Wiley
President/CEO

cc: Senator Cornyn, Senator Cruz, Representative Al Green, Representative Troy Nehls
David Maurstad



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