

United States Senate

May 6, 2021

The Honorable Deanne Criswell
Administrator
Federal Emergency Management Agency
500 C Street, S.W.
Washington, DC 20472

Mr. David Maurstad
Deputy Associate Administrator of Insurance and Mitigation and Senior Executive of
National Flood Insurance Program
Federal Emergency Management Agency
500 C Street, S.W.
Washington, DC 20472

Dear Administrator Criswell and Deputy Associate Administrator Maurstad:

I write to request information from the Federal Emergency Management Agency (FEMA) regarding the new National Flood Insurance Program (NFIP) rating system, Risk Rating 2.0. This new system represents the most significant change in NFIP insurance premiums since the program began, and includes rate increases and new policy mandates that will take effect as soon as October.

The NFIP is in desperate need of reform. According to FEMA data, since the inception of the NFIP, Florida policyholders have paid more than \$19 billion in premiums, but only collected approximately \$5.6 billion in claims reimbursements. This equates to a nearly 4 to 1 ratio of premiums paid to claims reimbursements.

While I support FEMA's intentions to provide more accurate and transparent flood insurance pricing, I have serious concerns about Risk Rating 2.0's potential negative impact on Florida families and businesses. As proposed, Risk Rating 2.0 could significantly and unfairly increase premiums for Floridians.

FEMA needs to ensure that Risk Rating 2.0 and the NFIP is improved in a way that is fair for Florida's families. We saw the negative consequences of hiking premiums after the Biggert-Waters Act of 2012 caused costs to skyrocket, hurting policyholders and harming the state's real estate market. It's wrong to unfairly hurt policyholders.


The Honorable Deanne Criswell and Mr. David Maurstad
May 6, 2021
Page Two

Florida policyholders have already contributed more than their fair share in premiums to make the NFIP financially sound. Additionally, Florida's superior coastal building code standards and hurricane loss mitigation efforts have further reduced exposure for the NFIP. Florida's rates should commensurately reflect these important risk-mitigating factors.

With Risk Rating 2.0 implementation on the horizon, there are still many questions surrounding how FEMA will implement this program, the types and sources of any data that will be used to calculate risk, how risk would be factored into different types of areas, and impacts to grandfathered policies. Congress has yet to receive a full briefing on this new proposal. Given these lingering concerns and uncertainties, I respectfully request a briefing from FEMA on the Risk Rating 2.0 program and its potential impacts on Florida families and policyholders.

Thank you for your consideration and attention. I look forward to working with you to address these important issues.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rick Scott". The signature is stylized and cursive.

Rick Scott
United States Senator