



# RIMS LEGISLATIVE SUMMIT

SEPTEMBER 12-13 | WASHINGTON, DC

2018

The RIMS Legislative Summit is the chance for RIMS members to see what goes on in Washington, and to actively participate in government. There was lots to discuss during our 2018 session held in Washington, D.C. on September 12 and our trip to Capitol Hill on September 13. But our top priority as an organization was to meet with members of Congress to discuss the reauthorization of the National Flood Insurance Program (NFIP).

Over the past 20 years, the NFIP has been eligible for reauthorization more than 40 times, and 39 times Congress moved to extend it without adopting much-needed reforms. With a November 30, 2018 deadline approaching, RIMS had to take strategic action since any lapses in the program would have severe effects on the ability to purchase homes or renew insurance for properties in the high-risk flood-plain. With advances in catastrophe modeling, granular data and analytical techniques, the NFIP and private industry can better communicate, manage and insure flood risk.

RIMS has long supported efforts to make the program more actuarially sound, while promoting a more efficient framework for providing flood insurance. As advocates for the commercial industry, RIMS applauds the work that the House of Representatives has accomplished with passing H.R.

2874, the 21st Century Flood Reform Act in the hopes it will also reauthorize and reform the NFIP until Sept. 30, 2022.

Other issues on the agenda were the support of national standard for data security. We urged members of congress to introduce legislation that replaces the current patchwork of state and federal regulations for data breaches with a national law that provides uniform protections across the country.

RIMS also voiced its support for the ADA Education and Reform Act of 2017 (H.R. 620), which ensures greater protection of individuals with disabilities while providing business owners with the opportunity to remedy alleged Americans with Disabilities Act (ADA) infractions before incurring unnecessary litigation costs.

Additionally, the Terrorism Risk Insurance Act (TRIA) is set to expire in December 2020. As Congress begins to draft legislation to reauthorize the program, RIMS members offered their experience as a resource to members.

RIMS members met with more than 60 members of Congress to discuss these issues and others, share concerns and present strategies for improvement.

## RIMS Legislative Summit Focuses on NFIP Renewal

by Justin Smulison

WASHINGTON, D.C.—The menacing presence of Hurricane Florence turned the focus at the RIMS Legislative Summit to the National Flood Insurance Program (NFIP), an ever-important issue for business owners across the country.

The NFIP has been extended several times in the past 20 years and the next deadline to reauthorize the program is Nov. 30. The summit's timing was especially relevant as Hurricane Florence approached the Eastern Seaboard just 300 miles south of the summit.

### An Industry Perspective of Federal Legislative Issues

Moderated by Whitney Craig, RIMS director of government relations, a panel discussion, "NFIP & Beyond" featured insight from Jennifer Webb, counsel for the Independent Insurance Agents and Brokers of America, and Joel Wood and Blaire Bartlett of the Council of Insurance Agents & Brokers and its CouncilPAC.

The panelists came to a consensus that a reauthorized NFIP was critical, and that upcoming midterm elections would influence the amount of time an extension would be granted. They acknowledged that a gap in coverage is certainly not ideal and said their offices are working on a bi-partisan resolution.

Bartlett said that improving NFIP through privatization will be a give-and-take process.

"To its credit, FEMA has done what it is able to do as far as claims processing goes. They have taken a multiyear look. If you want to open up the private markets, that will have to be balanced with some claims legislation—we're going to have to give in some on claims language," Bartlett said, noting that, "If Hurricane Florence does hit the Carolinas, some of the members may not be will-



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ing to call out the federal government the way New Yorkers did after Hurricane Sandy in 2012.”

And while there were some civil disagreements, the trio did find some common ground. For example, FEMA’s flood maps were rebuked for failing when put to the test by a real flood as seen in Houston in 2017 following Hurricane Harvey.

“I think we can agree that NFIP needs some modernizations, but there’s a way to do that without closing down a program that is being used by 5 million people,” Webb said. “We didn’t see that in Texas but we could see it in the Carolinas.”

### **Congressional Staff Panel**

This panel featured two senior congressional staffers for the U.S. House of Representatives – John Y. Hair, financial services committee designee for Congressman John Duffy (R-WI); and Lucas West, legislative director for Congressman Blaine Luetkemeyer (R-MO).

Discussions largely centered on NFIP reauthorization, Hurricane Florence and the upcoming elections.

“We have just over two months to get it through before the expiration and

it’s really on the Senate. We’re putting pressure on the Senate for a long-term, five-year bill that actually makes some reforms,” Hair said.

Also discussed was the Terrorism Risk Insurance Act (TRIA), which created a temporary federal program that provides public and private compensation due to terrorism-related losses, which is set to expire in December 2020. And while the traditional issues of insurance were discussed, cybersecurity, data breaches and even autonomous vehicles were also included.


Regarding autonomous vehicles, Hair said, “Certainly, access to data is going to be important on decisions regarding ‘who’s going to take the liability [in the event of a crash]?’ This could lead to a huge push to reform our liability system. We’re engaging in the risk of [commercial and taxi driver] licenses right now.”

### **Midterm Election: Insider Update**

Mike Gula, co-founder of Gula Graham, the largest Republican fundraising firm in the U.S., discussed how attendees, members and their companies can strategically position themselves with upcoming midterm elections in November.

Gula said that because dozens of congressional seats are up for grabs in the election, companies and insurers may need to prepare for changes to laws that will impact their policies and coverage.





# Rep. Ross Discusses NFIP and FEMA at Legislative Summit

by Justin Smulison

WASHINGTON, D.C.—With Hurricane Florence heading for landfall in the Carolinas, it is no surprise that the main topic at the RIMS Legislative Summit 2018 earlier this month was the National Flood Insurance Program (NFIP). Keynote speaker Congressman Dennis Ross (R-FL) addressed the issue, outlining his displeasure with the NFIP program, echoing the sentiments of RIMS members in the audience.

Ross serves Florida's 15th Congressional District, which includes the eastern area and suburbs of Tampa including Brandon, Plant City, Lakeland and Bartow, which felt the effects of Hurricane Irma last year. He also served on the Financial Services Committee (FSC) and as a Senior Deputy Majority Whip.

A former trial lawyer who handled insurance litigation, workers compensation defense and general liability defense claims, Ross said he has attended RIMS events in the past and directed his comments to the risk management profession.

"I worked with a lot of risk managers and I have an affection for what you do," he said. "The risk managers of the world don't bring in dollars, they keep dollars from going out. And they are always the unsung heroes of [their] corporations."

At the end of the day, he added, "The NFIP should be one thing—a market of last resort, until we get rid of those repetitive loss properties. The only way to do that is to engage the private market. There will be allegations of cherry picking, no doubt. But once the markets stabilize, over the long-run, those arguments will not hold water."

Ross, who announced his anticipated retirement from Congress in April, said part of his final agenda is amending the Robert T. Stafford Disaster Relief and Emergency Assistance Act (DART) to require a report on risk transfer in order to change the agency's strategy from reactive to proactive. He said that an area not expected to be impacted by a storm is less likely to have fast

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action from FEMA even if it is directly hit and noted that he witnessed this first-hand in Florida in the aftermath of Hurricane Irma.

"We don't budget for disasters and during [Hurricane Irma] we had to go through the retracted process of getting disaster relief through the federal government, even though we knew it was going to happen," he said. "Although my district was right in its bullseye, we had to [plead our case] to FEMA because it wasn't in the projected path. If we empowered FEMA with the mechanisms it could use for risk transfer instruments, reinsurance and cat bonds in order to minimize the exposure, we'd do so much better for the taxpayers and so much better in terms of mitigation."

Ross had more to say regarding flood risk, NFIP and cybersecurity. RIMS members can access his entire speech in a [members-only episode of RIMScast](#), the society's new podcast. Visit [www.rims.org/resources/Pages/RIMScast-MembersOnly.aspx](http://www.rims.org/resources/Pages/RIMScast-MembersOnly.aspx).



# Legislative Meetings with Members of Congress

On Sept. 13, 2018, RIMS members visited the Senate and House office buildings to meet with more than 60 members of Congress and their staff to discuss the NFIP reauthorization and other issues affecting their companies.

Rep. Ted Lieu (D-CA)  
Rep. John Lewis (D-GA)  
Rep. Randy Hultgren (R-IL)  
Rep. Bill Pascrell (D-NJ)  
Rep. Josh Gottheimer (D-NJ)  
Rep. Rodney Frelinghuysen (R-NJ)  
Rep. Carolyn Maloney (D-NY)  
Rep. Ryan Costello (R-PA)  
Rep. Keith Rothfus (R-PA)  
Rep. Lloyd Smucker (R-PA)  
Rep. David Joyce (R-OH)  
Rep. James Renacci (R-OH)  
Rep. Ted Yoho (R-FL)  
Rep. Val Demings (D-FL)  
Rep. Al Lawson (D-FL)  
Rep. Lois Frankel Wasserman (D-FL)  
Rep. Debbie Schultz (D-FL)  
Rep. Dennis Ross (R-FL)  
Rep. David Schweikert (R-AZ)  
Rep. Raja Krishnamoorthi (D-IL)  
Rep. Janice Schakowsky (D-IL)  
Rep. Brenda Lawrence (D-MI)  
Rep. John Larson (D-CT)  
Rep. Cedric Richmond (D-LA)  
Rep. Bill Posey (R-FL)  
Rep. Frank LoBiondo (R-NJ)  
Rep. Brian Fitzpatrick (R-PA)  
Rep. Steny Hoyer (D-MD)  
Rep. John Delaney (D-MD)  
Rep. Stephanie Murphy (D-FL)  
Rep. Donald Beyer (D-VA)

Sen. Kamala Harris (D-CA)  
Sen. Dianne Feinstein (D-CA)  
Sen. David Perdue (R-GA)  
Sen. John Isakson (R-GA)  
Sen. Tammy Duckworth (D-IL)  
Sen. Richard Durbin (D-IL)  
Sen. Cory Booker (D-NJ)  
Sen. Robert Menéndez (D-NJ)  
Sen. Charles Schumer (D-NY)  
Sen. Kirsten Gillibrand (D-NY)  
Sen. Patrick Toomey (R-PA)  
Sen. Robert Casey (D-PA)  
Sen. Robert Portman (R-OH)  
Sen. Sherrod Brown (D-OH)  
Sen. Marco Rubio (R-FL)  
Sen. Bill Nelson (D-FL)  
Sen. Jon Kyl (R-AZ)  
Sen. Jeff Flake (R-AZ)  
Sen. Gary Peters (D-MI)  
Sen. Debbie Stabenow (D-MI)  
Sen. Christopher Murphy (D-CT)  
Sen. Richard Blumenthal (D-CT)  
Sen. John Kennedy (R-LA)  
Sen. Bill Cassidy (R-LA)  
Sen. Chris Van Hollen (D-MD)  
Sen. Benjamin Cardin (D-MD)  
Sen. Timothy Kaine (D-VA)  
Sen. Mark Warner (D-VA)

