

Congress of the United States
Washington, DC 20515

September 18, 2023

The Honorable Deanne Criswell
Administrator
Federal Emergency Management Agency
500 C Street, S.W.
Washington, D.C. 20024

Dear Administrator Criswell:

On May 1, 2023, a bipartisan group of fifty-one Members of Congress including those on the Committee on Oversight and Accountability (the Committee) sent a request for documents and information to inform oversight efforts of the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP).¹ More than three months later on August 4, 2023, FEMA finally responded with a preliminary production; however, the response falls far short of expectations and appears to consist entirely of publicly available information already known to the requestors. At this point, the Committee is considering whether compulsory process is necessary to gain compliance with the May 1 oversight request.

After three months of waiting, on August 4, 2023, FEMA provided a production comprised entirely of publicly available documents. In fact, Committee and Leadership staff had prior knowledge of and used the public information to craft the May 1 document requests.² In light of correspondence indicating that FEMA has identified actually responsive documents, on August 24, Committee staff informed FEMA legislative affairs staff of the expectation that "those documents [] be produced to us immediately. If FEMA fails to provide a production early next week [the week of August 28], the Chairman will consider other appropriate measures to gain compliance."³ Thank you for at least finally scheduling the requested staff-level briefing to be held on September 20, 2023.

This oversight initiative is important to provide transparency to the rate setting process, inform policy and appropriations decisions, assess the overall marketplace for flood insurance, and evaluate impacts on program sustainability, affordability and housing markets. Recent media reports show that NFIP's rising premiums are indeed negatively effecting homeowners and having negative impacts on home values and housing markets. On August 25, 2023, the *Wall Street Journal* reported that the soaring flood insurance prices, which in one Florida location have increased from \$1,791 to \$4,728 a year, are depressing the real estate market.⁴ One real estate expert in southern California said: "the cost [of flood insurance] "is laying a damp towel" on buyer enthusiasm."⁵ The population most effected by the premium increases are those with lower incomes in some cases 30 miles from the coast.⁶ As you know, Louisiana is also feeling

¹ Letter from Hon. James Comer, Chairman, H. Oversight & Accountability Comm. et. al. to Hon. Deanne Criswell, Administrator, Federal Emergency Management Agency (May 1, 2023).

² Email from FEMA staff to H. Oversight & Accountability staff (Aug. 16, 2023).

³ Email from H. Oversight counsel to FEMA legislative affairs staff (Aug. 24, 2023).

⁴ Jeanne Eaglesham, *Rising Insurance Costs Start to Hit Home Sales*, WALL ST. J. (Aug. 25, 2023).

⁵ *Id.*

⁶ *Id.*

the affects of the increases in insurance costs. A New Orleans *Fox News* affiliate reported on August 29 that thousands of Louisianians are dropping their coverage due to the cost. This creates concerns about the solvency of the NFIP.⁷

To expedite production and as an accommodation to FEMA, the Committee will prioritize request numbers 1, 3, 4, 5, 6, 8, 9, 10, and 11. Please collect documents covering the time period January 20, 2021, to the present unless otherwise indicated. As an additional accommodation, the Committee will accept iterative document productions so long as these productions start as soon as possible. Since FEMA was on notice in Committee counsel's August 24 email that compulsory process could follow, we expect a substantive production by September 25, 2023. If we do not receive a production of responsive documents not already publicly available, we will consider the use of the compulsory process to gain compliance:

1. All relevant documents and communications regarding calculating risk ratings under the Risk Rating 2.0 program;
2. All relevant documents and communications relating to Milliman, Inc.'s ("Milliman") utilization of historical losses and exposures from January 1, 1992 to June 30, 2018;
3. All relevant documents and communications regarding the catastrophic modeling used by Milliman and its affiliates or vendors for inland flood and storm surge;
4. All relevant documents and communications regarding FEMA's consultation with the United States Army Corps of Engineers to develop the definition of leveed areas, the probability of overtopping, and the probability of failure prior to overtopping that could inform the catastrophe modeling;
5. All relevant documents and communications regarding the consideration of unaccredited levees and levee quality data gaps in the National Levee Database;
6. All relevant documents and communications regarding calculations of state base rates;
7. All relevant documents and communications regarding Milliman's modeling for New Orleans and Louisiana, Texas, Florida and New Jersey Storm Surge;
8. All relevant documents and communications regarding consideration of elevation of homes relative to Base Flood Elevations;
9. All relevant documents and communications regarding how many U.S. households' rates increased under the Risk Rating 2.0 program;
10. Any relevant internal reports, authored by FEMA and/or its partners, consultants, vendors, or affiliates regarding changes to the premium calculation of NFIP policies and

⁷ Sabrina Wilson, *Rising Costs Forcing some Homeowners to Forego Flood Insurance*, FOX 8 NEWS (Aug. 29, 2023) (available at <https://www.fox8live.com/2023/08/29/rising-costs-forcing-some-homeowners-forego-flood-insurance/>).

Administrator Criswell

September 18, 2023

Page 3 of 3

the changes' effects on policyholders;

11. All relevant documents and communications regarding FEMA's evaluation of the economic impacts of Risk Rating 2.0;
12. All relevant documents and communications regarding the decision to release state profiles that only accounted for year one implementation of Risk Rating 2.0; and
13. All relevant documents and research FEMA conducted or considered regarding the impacts of Risk Rating 2.0 would have or has had on low- and moderate-income Americans and minority communities.

To ask any related follow-up questions, please contact the Committee on Oversight and Accountability Majority Staff at (202) 225-5074. Attached are instructions for producing the documents and information to the Committee.

The Committee on Oversight and Accountability is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. The Committee also maintains legislative jurisdiction over the "Overall economy, efficiency, and management of government operations and activities" under House Rule X. Thank you in advance for your cooperation with this inquiry.

Sincerely,



James Comer
Chairman
Committee on Oversight and Accountability



Steve Scalise
Majority Leader
U.S. House of Representatives

cc: The Honorable Jamie Raskin, Ranking Member
Committee on Oversight & Accountability

Enclosure