



BETTER UNDERSTANDING THE THREAT

The Department of Homeland Security (DHS) is committed to relentless resilience, striving to prevent future attacks against the United States and our allies, responding decisively to natural and man-made disasters, and advancing American prosperity and economic security long into the future. As such, one of the six overarching homeland security missions that make up the Department's strategic plan is to *Strengthen Preparedness and Resilience*.

Flooding continues to be an important concern due to an increase in the number of flooding events and the associated personal and financial costs borne by residents and communities across the country. Multiple independent studies have reached the same conclusion: flooding causes more death and destruction than any other natural disaster. Recognizing the impact of these studies, the DHS Science and Technology Directorate (S&T) is conducting evaluation research to better understand threats to public safety following flooding.

CLOSING FLOOD INSURANCE GAPS

The National Flood Insurance Program (NFIP) was created by Congress through the National Flood Insurance Act of 1968. It provides affordable insurance to property owners, renters, and businesses by encouraging communities to adopt and enforce floodplain monument regulations. NFIPs policies are government-backed but are not purchased directly from the federal government. These are purchased through an insurance company or private sector insurance agent. This extra step in the process provides a unique set of challenges for product purchases and customer service, including claims. S&T is exploring new product offerings and pricing models and new delivery mechanisms and technologies to enhance business processes. DHS ultimately seeks to close the insurance gap and meet customer expectations more effectively.

MILESTONES & DELIVERABLES

- FY22 Q1: Technological advancement assessment
- FY22 Q2: Formative assessment
- FY22 Q3: Actionable recommendations report
- FY22 Q4: Insurance innovation report

METHODOLOGY

Technological advancements have led the insurance industry to embrace digitization and automation. S&T seeks to understand how insurance companies adapt their business processes with these technologies, how they have realized effectiveness, and determine how they have passed these savings on to customers. Finally, S&T seeks to determine what the NFIP can learn from new technology offerings and how it can assist in developing flood insurance for the future.

Landscape Assessment: Will be conducted to address how insurance companies, the marketplace, and customers have incorporated technology for innovation. Through a Push-to-Web method, our researcher will recruit respondents in the initial sample through Address Based Sample (ABS). The ABS sampling frame uses the U.S. Postal Security Computerized Delivery Sequence File and contains over 158 million business and residential addresses covering nearly 100% of all households in the U.S. The research team will then identify approximately 20 different localities (zip codes) and pick approximately 100 (randomly selected) households in flood zones as our sample frame.

In addition, an Export Advisory Panel will be organized from a range of industries, including civil engineers, insurance agencies, credit/risk industry, the real estate industry, and government stakeholders. The panel will conduct reviews of the project plan, assess the effectiveness of the knowledge products and outcomes, and address ethical issues that may or may not arise.

Data Collection: Ensures that the right information is being collected for the evaluation. There will be two mixed methods studies, one based on the data from the Attitudes & Usage analysis for those who live in a flood zone, and the second drawn from populations who live in Federal Emergency Management Agency (FEMA) Special Flood Hazard Areas. Finally, a focus group will be used to develop consumer pain points and better understand consumer-centric language.

PERFORMERS & PARTNERS

- FEMA, Washington, DC
- Growth Focused Insights & Research, Cincinnati, OH

