FLASH
Strengthening Homes & Safeguarding Families

Partners in Prevention

Volume 20, Issue 4, April 2018

Partner Spotlight – Roy E. Wright

Editor's Note: On April 5, the Insurance Institute for Business & Home Safety announced that Roy E. Wright has been selected as the next IBHS President and Chief Executive Officer. Mr. Wright will leave his current role at FEMA to assume this new position during April, and you can read more details here in the official FEMA statement.

Q: What is your background, education, and experience?

A: I grew up in Northern California, in the Sacramento area. Attended college in Southern California (studying political science) and then came to The George Washington University's graduate program in public management. I began my career in public policy here in Washington, DC and have served as served as a strategy consultant, a policy advisor to the Secretary of the Interior focused on land conservation measures, and as the program executive for FEMA's Risk MAP program. In 2013, I was appointed to the Federal Senior Executive Service. Since 2015, I've served as the chief executive of FEMA's National Flood Insurance Program and the agency's leader on disaster resilience.

Q: How did you get interested in disaster safety?

A: I've always been drawn toward endeavors that meet people at their point of greatest need. I'm involved with a non-profit social services agency here in DC that addresses homelessness. And I see how the impacts of disasters drive people out of their homes – creating another type of homelessness.

Too many people don't know the risks to their homes – wind, fire, earthquake, and flood. And too many people who have a hint of their exposure don't take the actions to reduce that risk. So, disaster safety work drives me to help homeowners take the specific steps to mitigate their risks to natural hazards, and then transfer the balance of that risk through insurance.

When Americans take these actions and, their communities experience the "worst day they can remember," these folks will be able to withstand many events and recover more quickly and more fully from the damages they do experience.

Q: Can you tell us about specific projects or programs you are working on in the risk reduction and resilience field?

A: When President Kennedy addressed a joint session of Congress in May 1961, he announced a dramatic and ambitious goal: send an American to the moon and bring him safely home by the end of the decade. To some, that seemed impossible. But, eight years later, Neil Armstrong set foot on the moon. Last year, FEMA set two “moonshots” for insurance and mitigation. These moonshots are ambitious goals for dramatically increasing insurance coverage and mitigation investments for the nation by the year 2023. We will double flood insurance coverage for the nation and, we will quadruple mitigation investments in the nation. These are not FEMA moonshots.

These are national moonshots. And we need everyone’s help to achieve them. The moonshots help us to cut through the noise and clarify our focus. They are expansive goals that require us to reevaluate everything that we do to deliver on our mission to achieve these results. They are also at the core of the Administrator’s priorities for FEMA, and will be how Federal Insurance and Mitigation deliver on FEMA’s strategic priorities.

What are these two moonshots? Let’s start with our insurance moonshot – t to double insurance coverage for the nation – 8 million structures. Experience has shown time and again that individuals, communities, and business that responsibly manage risk through insurance recover faster and more fully after a disaster. The average premium for a flood insurance policy is just $700 a year. The average claims payout from the National Flood Insurance Program is $43,000. While FEMA Individual Assistance supports survivors in the immediate aftermath of a Presidentially-declared disaster, this Federal support only serves as a temporary safety net for immediate needs and does not provide for complete financial recovery. That’s why we have set such a bold vision to close the insurance gap across the nation. While it may sound as audacious as President Kennedy saying we’ll go to the moon, we believe it is achievable- with your support.

FEMA also believes that the best way for us to prepare the nation for catastrophic events and reduce the personal and financial costs of disasters is through mitigation. We can buy down our risks, and we need to do more of it before disaster strikes. Our mitigation moonshot is just as bold as our insurance moonshot. We will quadruple the nation’s investment in mitigation by 2023. That doesn’t mean FEMA is asking for four times as much money from Congress. This is a national moonshot. To achieve it, we must incentivize and increase mitigation investments across all levels of government and with a broader array of partners.

Q: What do you think are the driving forces that are advancing the cause of resilience today, especially after last year’s hurricane and wildfire disasters

A: I can boil down the lessons from last year's disasters into 3 points:

- People and communities need to understand their risks better than they do right now
- As a nation, we need to do more to mitigate our risks before a disaster, and
- More people need to have insurance. And not just flood insurance. But insurance for all the perils they face.

Since his first day on the job at FEMA last summer, our new Administrator Brock Long's top priority is to build a culture of preparedness in this country. The recent floods, hurricanes, wildfires, and mudslides have demonstrated to all of us just how important it is for us as a nation to create a *true* culture of preparedness. Individuals are the true first responders, and need to be empowered with the tools to know how to respond to a disaster. True preparedness means much more than a family communications plan and a 3-day supply of water and food.

Are they financially prepared to deal with the impacts of disasters in their communities, including having the right insurance for the disasters they face – be they flood,

earthquakes, tornadoes, etc.? Financial resources are critical for individuals in impacted communities as they are the first responders. That's why FEMA is focused on working with communities and insurers to close the insurance gap across the nation. Managing risk through insurance, including the National Flood Insurance Program, helps communities to recover faster following disasters and reduces costs for taxpayers.

Flood insurance is the best way for homeowners, renters, and businesses to financially protect themselves from losses caused by floods.

We shouldn't be surprised when large number of homes/business outside high hazard area are flooded. The high-hazard area – known as the Special Flood Hazard Area – is tied to the <u>*minimum*</u> federal standard and any storm over minimum limit will result in flooding in those areas. So, we need to quit focusing on lines….in/out of flood maps….and whether insurance is required to buy or not…It's painfully obvious that in Houston, and elsewhere, Nature pays no attention to the lines drawn on a map. For far too long our culture has focused on removing the requirement to buy flood insurance. That's not the issue. The issue is: We have to do a better job convincing them that proper insurance is a critical investment in protecting what matters to them. And we have to convince them that there is a risk of flooding whether it shows up on a map or not, or whether they've never flooded there before. It's becoming more and clearer how important flood insurance is as a recovery tool. And not only for the insured survivor, but the communities they call home.

Q: What do you see in the future of resilient building?

A: FEMA is exploring ways to incentivize investments in mitigation that reduce risk, including pre-disaster mitigation, to help reduce disaster costs at all levels. The recent Mitigation Saves 2.0 study commissioned by the National Institute of Building Science shows that mitigation grants funded by FEMA, EDA, and HUD, on average, provided a savings of $6 dollars in future disaster costs for every $1 dollar spent. (We had been understating the value of mitigation: The original study cited a $4 to $1 benefit.) This was not simply an update to the original study. But with the benefit of 10+ years of experience, data, and an expanded set of partners and stakeholders, we had an opportunity – and responsibility – to build upon the first study and expand the scope. We need this new study and report to help us broaden the conversation.

10-12 years ago, we were using the study to show Congress and our State partners how valuable mitigation is and to convince them to invest in and support mitigation, particularly before a disaster. They got it. Now we all have to broaden the conversation further, particularly with the private sector and new partners. As states and communities recover from the recent catastrophic hurricanes, we must incorporate mitigation into the rebuilding so that we don't have to pay for the same damages again in the future. And as the nation begins to sharpen its focus on infrastructure investments, we need this study to help inform the conversation, so that mitigation is fully incorporated into all infrastructure repairs and any new initiatives.

In addition to this Mitigation Saves 2.0 study, FEMA released a draft National Mitigation Investment Strategy. The Mitigation Framework Leadership Group (MitFLG), which includes federal, state, local, and tribal representatives, developed this draft Investment Strategy to help align pre- and post-disaster mitigation investments. The Investment Strategy provides an opportunity to be more intentional about setting resilience and

mitigation investment priorities. It will increase the ability of federal departments and agencies to plan and justify budgets and resources that invest in mitigation and resilience due to the amount of disaster loss reduction anticipated from these investments. This study and the new National Mitigation Investment Strategy, coupled with the fresh memories of the recent hurricanes and floods, can be a tipping point, shifting from conversation to action. Making informed investments in mitigation isn't just good government; It is smart business that can saves lives.

Q: How can the FLASH Partnership support your efforts at FEMA?

A: While the federal government and others will invest tremendous amounts of money in post-disaster mitigation as a result of last year's storms, we must use that momentum to catalyze additional private and non-profit sector mitigation investments and innovation. FLASH has a powerful voice on this front, and I need you as an organization to keep using it to drive more mitigation actions and investments.

I encourage you to read and share widely the newly released *Natural Hazards Mitigation Saves 2.0 Report*. Share with your colleagues – those in the business of mitigation and most importantly, those who are not. As an example, you might talk with members of the private sector in your community; understand what their concerns are and form a partnership, perhaps working together to develop a playbook of best practices, potential funding mechanisms or opportunities to implement mitigation. Cross-pollinate agencies within your community to have a meaningful discussion regarding mitigation, the value of mitigation, and make the connection between their work and mitigation. You are in a position to provide a forum for these types of discussions, to hear what others are experiencing, and explore ways to work collectively to develop a mitigation solution. We have most appreciated your partnership for well over a decade. Now is the time for all of us to lean in and do even more.

Q: Do you have any other comments or additional words of wisdom to offer our readers?

A: I can imagine a day – hopefully in the not so distant future – maybe when a Fortune 100 company is searching for its new Headquarters, when companies like that make mitigation and resiliency part of their search and evaluation criteria. A true culture of preparedness – across individuals, businesses, and communities – is what will make this country resilient. Closing the insurance gap and increasing our investments in mitigation are how we get there.