

8. (3 points)

a. (1 point)

Identify and briefly describe the two types of arrangements that the Federal Emergency Management Agency (FEMA) has established with the private insurance industry for day-to-day operations of the National Flood Insurance Program (NFIP).

b. (1 point)

Describe the potential impact of private insurers writing more flood insurance on each of the following:

- i. Federal expenditures on disaster relief following a flood
- ii. Home owners who desire flood insurance

c. (1 point)

Describe two barriers to increased private insurer participation in flood insurance.