

National Flood Insurance Program (NFIP)

National Flood Insurance Act

- Lower federal disaster relief expenditures
- Communicate risk
- Improve disaster response
- Get local governments to manage flood-prone areas to decrease flood damages
- **...and provide insurance assistance**



NFIP ≠ PRIVATE



- FEMA cannot refuse coverage – for individuals or for a given area
- Cannot drop repetitive claims policyholders
- Considers risk AND timing
- Plans for average expected losses, not catastrophic losses
- Until recently, relies solely on the Treasury for reinsurance
- Has caps (and minimums) for price increases
- No in-house agents

2017

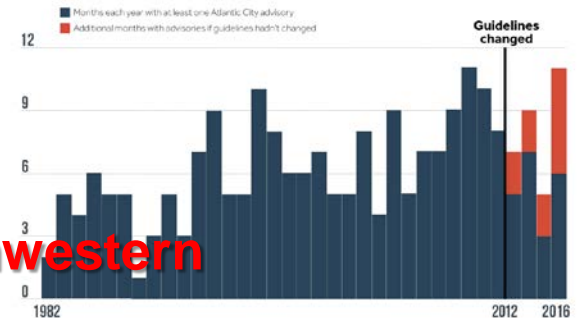
MAY 2017: FLOODING PROMPTS
STATE OF EMERGENCY Why Lake
Ontario levels are like a slow-motion
car crash

Roads Completely Destroyed In
Southern Colorado Flooding
May 11, 2017 10:53 PM



Atlantic City Flood Advisories

Flooding became so common that guidelines for issuing advisories were changed



Severe flooding hits southwestern
Wisconsin

NC asks for \$900M in flood relief,
feds give \$6.1M, Cooper says



NFIP...50 years



~\$26 B in debt
2016: 3rd highest payout year

Flood insurance subsidies waste taxpayers' billions

12/20/2017, 10:00 AM

RECENT HURRICANE CYCLES

In the United States, the
the newspaper, the great
Participation of 2000 was more than
and the

The National Hispanic Journal has been published by the National Hispanic Media Coalition, Inc. since 1975. The magazine is published by the National Hispanic Media Coalition, Inc. 1000 17th Street, N.W., Washington, D.C. 20036.

© 1992 American Bar Endowment, a nonprofit United Methodist organization, Inc. 100-10-1044-1001. The photo at Washington Post Online shows that President Bill and Hillary Clinton, U.S. Rep. Jim Cooper, R-N.C., the bill's sponsor, and U.S. Sen. Jesse Helms, R-N.C., the bill's opponent, are in support of the bill.

20. Any person, the newspaper, the
board, or the school board, shall be
liable for the costs of the suit. If the
board or the school board is found
liable, the costs of the suit shall be
paid by the board or the school board.

6A SUNDAY, FEBRUARY 12, 2006

THE COST OF COASTAL LIVING

FEMA unable to stem flood insurance red ink

NORFOLK, Va.—The National Flood Insurance Program is in

Flood-prone structures tax insurance program

Three million U.S. homes and buildings in flood-prone areas are insured through the National Flood Insurance Program. Approximately 50,000 (1 percent) are so close to water that they flood repeatedly*.

A collage of newspaper clippings. A large, bold, black banner with white text is placed diagonally across the center. The banner reads: "Taxpayers underwriting risky development". The background consists of several newspaper articles. One article on the left is titled "THE COST OF COASTAL LIVING" and has a large headline "m drowning in debt". Other articles are partially visible, including one about "Housing in Washington" and another about "The state of Oregon". The overall tone is one of financial strain and risk.

Taxpayers underwriting risky development

THE COST OF COASTAL LIVING

m drowning in debt

Too High

**Rallies to protest
flood insurance hikes**

Plain wrong

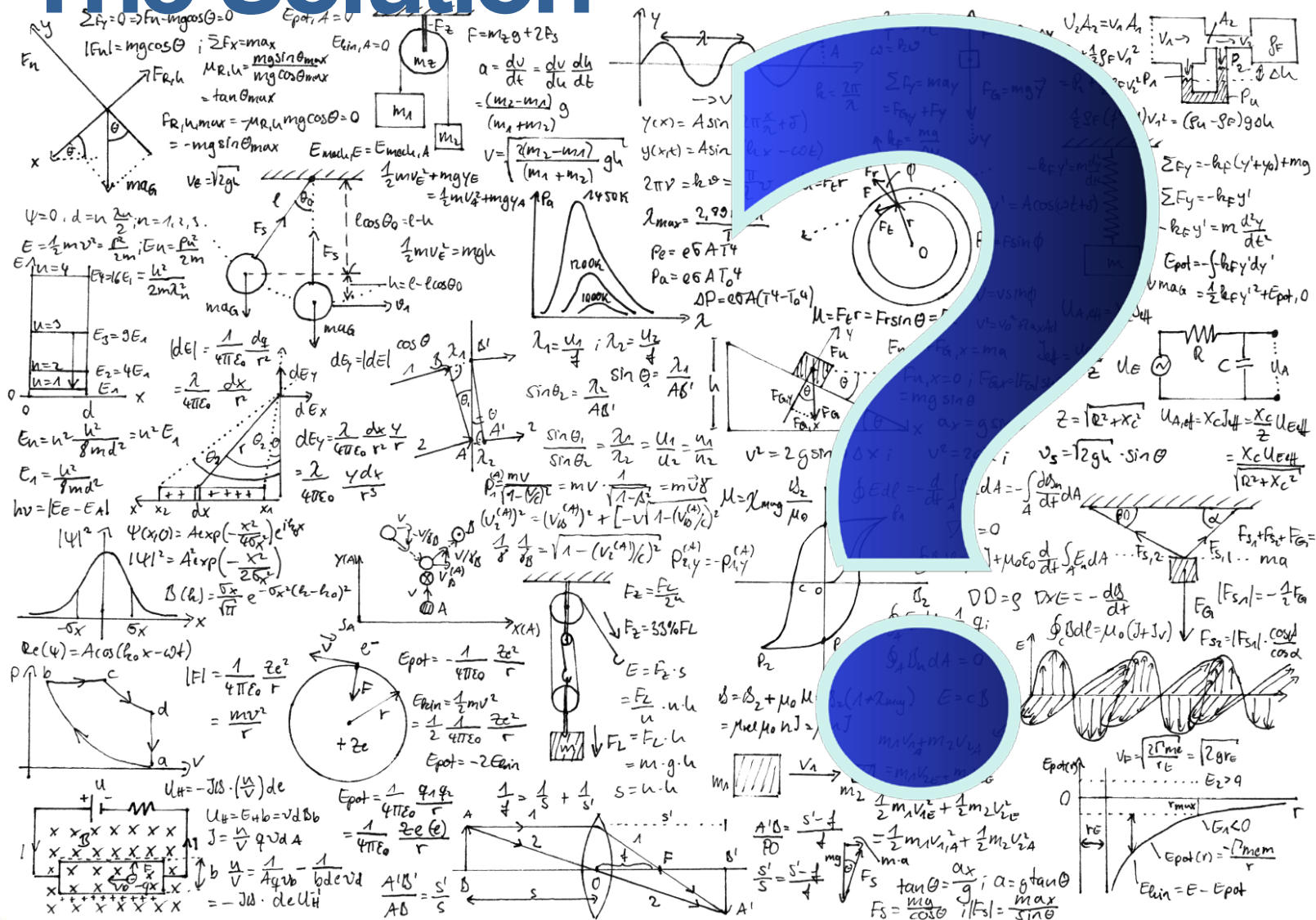
Flood map mistake costs
homeowners in insurance premiums

Millions are facing
higher premiums
for flood insurance

Increases of up to 18% to aid
national program's solvency

Flood insurance rate hike could affect home sales

The Solution





- H.R. 879, Flood Insurance Integrity Act
- H.R. 1401, Flood Insurance Fairness Act
- H.R. 1422, Flood Insurance Market Parity & Modernization Act
- H.R. 1423, National Flood Insurance Program Reauthorization & Improvement Act
- H.R. 1558, Repeatedly Flooded Communities Preparation Act
- H.R. 1929, Empowering Homeowners to Mitigate Flood Damage Act
- H.R. 2170, Flood & Agriculture Risk Management Cost Reduction Act
- H.R. 2246, Taxpayer Exposure Mitigation Act
- H.R. 2565, untitled amendments to NFIP
- H.R. 2874, 21st Century Flood Reform Act
- H.R. 2875, National Flood Insurance Program Administrative Reform Act
- H.R. 2877, PARIS Act
- H.R. 3135, Community Flood Insurance Savings Act
- H.R. 3285, Sustainable, Affordable, Fair, & Efficient (SAFE) National Flood Insurance Program Reauthorization Act
- H.R. 2868, National Flood Insurance Program Policyholder Protection Act



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- **H.R. 2246, Taxpayer Exposure Mitigation Act**
- **H.R. 2565, untitled amendments to NFIP**
- **H.R. 2874, 21st Century Flood Reform Act**
- **H.R. 2875, National Flood Insurance Program Administrative Reform Act**
- H.R. 2877, PARIS Act
- H.R. 3135, Community Flood Insurance Savings Act
- H.R. 3285, Sustainable, Affordable, Fair, & Efficient (SAFE) National Flood Insurance Program Reauthorization Act
- **H.R. 2868, National Flood Insurance Program Policyholder Protection Act**



- **S. 563, Flood Insurance Market Parity & Modernization Act**
- **S. 1313, Flood Insurance Affordability & Sustainability Act**
- **S. 1368, Sustainable, Affordable, Fair, & Efficient (SAFE) National Flood Insurance Program Reauthorization Act**
- **S. 1445, Repeatedly Flooded Communities Preparation Act**
- **S. 1507, State Flood Mitigation Revolving Fund Act**
- **S. 1571, untitled bill to reauthorize the National Flood Insurance Program, and for other purposes**





Rates

Private insurance

Repeat Flooding

Disclosure

Mitigation \$

Flood maps

Claims management

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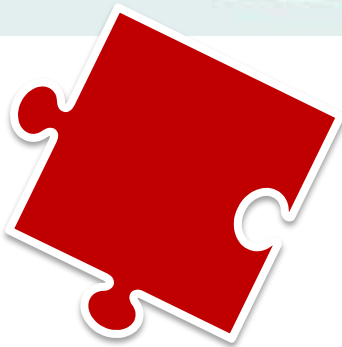
Mitigation \$

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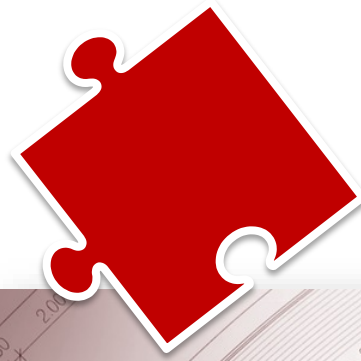
1%

25-30%



H.R. 1558 – Royce/Blumenauer

S. 1445 – Scott/Schatz



Disclosure



On average,

\$1 spent on
HAZARD MITIGATION

provides the
NATION
approximately

\$4 IN FUTURE
BENEFITS



THE PEW CHARITABLE TRUSTS

pewtrusts.org

Rates

Private insurance

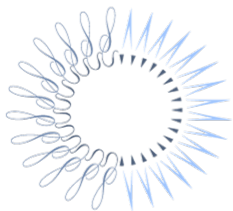
Repeat Flooding

Disclosure

Mitigation \$

Flood maps

Claims management



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