

## [A Flood of \(tightening the\) Belt\(way\) Attention](#)



Reforming and/or re-authorizing the National Flood Insurance Program (NFIP) has moved front and center in our nation's Capitol in the past month, and was mentioned prominently in the [budget proposal](#) recently issued by the White House. The NFIP is basically a privatized government program created by Congress through which insurance companies and vendors get paid to sell flood insurance and process claims in coordination with a small staff of public employees who work for the Federal Emergency Management Authority. The program expires this coming September 30, 2017. Up until 2005, the program was in the black, but a series of events led to a \$24 billion deficit, which in turn has created a storm of [frustration](#), [litigation](#), and [controversy](#).

United Policyholders is [weighing in](#) to help restore integrity to the program by providing suggested reforms and reauthorization priorities to Congressional representatives, [State Insurance Regulators](#), and media outlets. We are coordinating with [partner organizations](#) and the [Coalition for Sustainable Flood Insurance](#). We are promoting damage reduction through mitigation. We must put partisan politics aside and strengthen and preserve the NFIP to allow households to be resilient to adversity, preserve local

property tax bases and communities and sustain a critical source of recovery funding for our increasingly flood-prone nation.

With very few exceptions, flood damage is excluded in home insurance policies sold in the U.S. today. So if you need or want to insure your home for that risk, you have to pay for a separate policy on top of your home insurance. If your home is not in an officially mapped flood zone, the decision to buy or not buy that separate policy is yours. You can choose to pay an insurance company to assume the risk of your home being flood-damaged or you can carry that risk yourself. But if your home is in an officially mapped flood zone, you won't be able to get (or keep) a mortgage unless you also pay for flood insurance. In that scenario, you can buy flood insurance through the NFIP. The coverage they sell and their operational structure is far from ideal, but it's an absolutely fixable program.

Our non-profit organization's 25 years of experience working through insurance challenges with households and officials in flood-ravaged communities makes us uniquely qualified to contribute to the debates that are going on in Washington D.C. and throughout the country as the program's sunset date approaches. Climate change and coastal development have increased the number of homes at risk for serious flood damage, and insurance funds remain the most important source of recovery financing for those households. We need more homes to be insured for flood damage in high *and* low-risk areas so the pool of insured risks is diverse and healthy. We need a simplified and less combative NFIP claim process. Consumers need more options for buying flood insurance. But we need the NFIP. That much is clear.

#### Selected references:

- [United Policyholders' Freedom of Information Act request and enforcement lawsuit related to NFIP/Sandy documents](#)
- [Testimony of the Floodplain Managers Association in support of](#) reauthorizing the NFIP and appropriating ample resources to allow accurate flood-risk mapping efforts.
- [Testimony of March 16, 2017, by Melissa Luckman, Touro Law Center Disaster Relief Clinic](#)