

## [Toomey, Menendez clash on flood insurance](#)

The Philadelphia Inquirer

WASHINGTON – A debate over the federal flood insurance program sparked cross-river crossfire today, with New Jersey Democratic Sen. Bob Menendez clashing with Pennsylvania Republican Sen. Pat Toomey over a plan to hold down premiums. Toomey, using procedural rules, blocked a plan to delay federal flood insurance rate hikes of up to 25 percent that could hit homeowners in high-risk flood areas. He said federal subsidies that keep rates down put taxpayers at risk, and urged the Senate to stick to rate increases approved last summer. “Ten months we put in place a mechanism to diminish subsidization where homeowners in low-risk areas subsidize homeowners in high-risk areas by the nature of the way premiums are set,” Toomey said on the Senate floor. “The existing law is designed to diminish significantly that unfair subsidy.” He said the issue has been “litigated and adjudicated in this body” and that reversing course “would cause, I think, considerable risk to taxpayers.” Federal pay-outs from major storms such as Hurricane Katrina and Sandy have run into the billions of dollars. Fiscal conservatives have often objected to the government’s role in flood insurance, arguing that market forces should take hold. Advocates for residents in high-risk areas say homeowners are facing sticker shock, including in New Jersey, as they try to rebuild from superstorm Sandy. Federal subsidies have helped hold down rates in an effort to get more people to buy insurance. “Republicans insisted on ending an affordable flood insurance program and now one Republican from a neighboring state blocked a vote to simply delay devastating insurance rate increases on residents trying to rebuild after Superstorm Sandy,” Menendez said in a news release. The same GOP “obstructionism,” he said, “forced steep premium increases on homeowners, without any regard for people’s safety or government’s public responsibility. It is time we come together to help rebuild, not extend the suffering from this devastating storm.” Louisiana Sen. Mary Landrieu, a Democrat who has tried to delay the rate increases that will also affect many in her home state, said Toomey’s actions may also hurt Pennsylvanians who face steep rate hikes. “I think this is going to come back to cause him because the people of his own state are going to be negatively affected by his actions today,” Landrieu said. She said 74,000 Pennsylvanians, including 4,000 in Philadelphia, have flood insurance through the federal program. New Jersey has nearly 241,000, fifth most in the country. (Not all of those homes would face the largest rate increases, which will primarily hit those in

high-risk areas). Landrieu said the rate change, intended to bring the rates up toward normal market level and insisted upon by Republicans, was tucked into an unrelated transportation bill last year, and so was never fully debated. She also said Toomey was preventing a vote on her plan to block the rate increases for five years for some homeowners. “I want the record to show that he’s just saying, ‘no we can’t even have a vote,’” she said. After Sandy, which exposed the flood risks in New Jersey, the state’s lawmakers and Gov. Christie have generally supported the idea of delaying rate hikes. Christie wrote a letter saying it could be “financially devastating,” according to the Bergen Record. Read more at <http://www.philly.com/philly/blogs/capitolinq/Toomey-Menendez-clash-on-flood-insurance.html#MYshPGhUm0BHy3Ta.99>