

For Immediate Release:  
July 16, 2010

## House Passes Flood Insurance Extension Reauthorizes Program for 5 Years and Makes Key Reforms

Washington, DC – The House of Representatives yesterday passed H.R. 5114, legislation introduced by Congresswoman Maxine Waters (D-CA) to improve the National Flood Insurance Program (NFIP) and reauthorize the program for 5 years.

NFIP is the primary source of reliable, affordable flood insurance coverage for more than five million American homes and businesses.

“Reauthorizing and improving the flood insurance program helps homeowners, businesses and communities throughout the country,” said Congresswoman Waters. “This legislation restores stability to NFIP which it lacked while subject to lapses and only temporary extensions. During lapses in the flood insurance program over the past year, FEMA was not able to write new policies, renew expiring ones or increase coverage limits.”

H.R. 5114 makes additional improvements to the flood insurance program by phasing in actuarial rates for pre-FIRM properties – those built before the effective date of the first Flood Insurance Rate Map (FIRM) for a community. It also raises maximum coverage limits, provides notice to renters about contents insurance and establishes a Flood Insurance Advocate, similar to the Taxpayer Advocate at the Internal Revenue Service.

Last month both the House and Senate passed legislation (H.R. 5569) introduced by Congresswoman Maxine Waters (D-CA) to extend NFIP until September 30th. This was the most recent of several short-term extensions and followed a one month lapse during which new policies were not issued. Approximately 1200 homebuyers a day were unable to close on their homes while NFIP had expired according to the National Association of Mutual Insurance Companies.

Flood insurance helps American families rebuild their lives after a devastating flood. The importance of flood insurance is underscored by a number of major floods which have occurred this year in various regions of the country, including in Rhode Island, Tennessee, Arkansas and Oklahoma. Currently, hurricane season has officially started in the U.S., and Texas is still recovering from Hurricane Alex.

In addition, the U.S. has in recent years experienced increased flooding in areas not designated as special flood hazard areas so FEMA has been revising and updating flood

insurance maps to better reflect the risk of flooding in additional areas. Many homeowners now find themselves in flood zones and required to purchase insurance. H.R. 5114 delays the implementation of new rate maps so homeowners in a neighborhood newly classified as a flood zone will not be immediately burdened with insurance costs.

Congresswoman Waters said, “This legislation addresses the challenges posed to communities nationwide by the imposition of new flood maps. I saw these challenges in my home city of Los Angeles, and earlier this year, I was able to assist homeowners in the Park Mesa Heights area of Los Angeles who had been mistakenly placed in a flood zone. In this case, FEMA acted quickly to respond to new data and correct the mistake. However, there are thousands of homeowners nationwide who now find themselves in flood zones and subject to mandatory purchase requirements. H.R. 5114 will protect them.”

Organizations including the National Association of REALTORS, the National Association of Homebuilders, the American Insurance Association, the Property Casualty Insurers Association, and the Independent Insurance Agents and Brokers of America support Congresswoman Waters’ legislation.

The House Financial Services Subcommittee on Housing and Community Opportunity, which Congresswoman Waters chairs, passed H.R. 5514 in April. Congresswoman Waters also presided over a subcommittee hearing in April which featured testimony from several Members of Congress with an interest in flood insurance issues. Officials from the Federal Emergency Management Administration (FEMA) – which administers the flood insurance program -- and the Government Accountability Office, real estate professionals, representatives of insurance companies, flood plain managers, and environmentalists were among the other witnesses who testified.

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