

Press Release



Gauging the Latest Reform Proposals for the National Flood Insurance Program

ANDREW EVANS | JUNE 26, 2019

The House Financial Services Committee recently passed two bills to reauthorize and reform the National Flood Insurance Program (NFIP). How do these bills measure up against the program's needed fixes? AAF's Director of Financial Services Policy Thomas Wade notes that while the bills would make needed changes, they fail to address a root problem: low insurance premiums.

An excerpt:

The unanimous passing of both H.R. 3111 and H.R. 3167 indicate that the Financial Services Committee wants flood insurance to be reauthorized and reformed, especially considering that the bills include several substantive changes: Mapping is improved, beneficial programs are strengthened, and the NFIP is reauthorized for five years.

But the legislation takes insufficient action regarding premiums. While the proposed reform would likely decrease taxpayer liability while providing targeted and effective relief, without fundamentally restructuring the NFIP's approach to setting premiums the reforms would likely not staunch the flow of taxpayer money out of the program. Factor in another environmental catastrophe, and the prospects of NFIP solvency become even more bleak.

[Read the analysis.](#)