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**NCOIL URGES DELAY OF BIGGERT-WATERS FLOOD INSURANCE RATE HIKES**

**Nashville, TN, November 24, 2013**—Legislators at the NCOIL Annual Meeting here overwhelmingly urged Congress to delay controversial flood insurance rate increases prescribed by the *Biggert-Waters Flood Insurance Reform Act of 2012*. The decision—expressed in a resolution endorsed by lawmakers from both coastal and non-coastal states—aligns NCOIL with a host of other stakeholders concerned with the law’s impact on homeowners and communities, and is part of a continuum of NCOIL efforts to encourage flood insurance availability and affordability.

The *Resolution Requesting United States Congress to Pass the Homeowners Flood Insurance Affordability Act* specifically supports bipartisan H.R. 3370 and its Senate companion, SB 1610, which would suspend the National Flood Insurance Program (NFIP) rate increases until two years after the Federal Emergency Management Agency (FEMA) completes its *Biggert-Waters*–mandated affordability study on the impact of those increases.

According to Louisiana State Senator Dan “Blade” Morrish, who introduced the resolution:

What NCOIL has done is to recognize that there is a better way than *Biggert-Waters* to reform the flood program—and that until Congress figures out what that is, homeowners should not suffer needlessly. I don’t think that anyone is opposed to a financially sound flood insurance program or doesn’t believe that some higher rates are appropriate. Despite *Biggert-Waters*’ best intentions, though, the rate increases that too many property owners are facing are simply unfair and are a threat to communities and real estate markets throughout the U.S.

Property-Casualty Insurance Committee Chair Rep. Matt Lehman (IN) stressed that “Weighing in on how to fix the NFIP may be one of the most important things that NCOIL does now and in 2014. While it’s a big step to support delaying certain higher rates, it is a decision that we undertook thoughtfully and with knowledge that suspending rates is not a long-term solution.”

The resolution asserts that *Biggert-Waters* substantially and immediately devalued the investments made in all properties endowed with flood damage mitigation measures, as well as properties receiving subsidize rates. The resolution predicts that consumer confidence and the nation’s economy, including the banking and mortgage industries, will suffer—and says that a violent rise in premium costs may lead to financial distress for residents and property owners around the nation.

The resolution also, among other things, urges Congress and FEMA to actively and expeditiously explore the use of private reinsurance to protect against catastrophic losses and to stabilize the National Flood Insurance Program’s (NFIP) results and financial position.

*Biggert-Waters* reauthorized the NFIP until 2017 and phased out subsidies, required repetitive loss properties and businesses to pay actuarially sound rates, eliminated “grandfathered” and usually less expensive rates based on prior flood maps, and required people who bought properties after July 6, 2012—the date that *Biggert-Waters* was signed into law—to pay updated prices. Renewing a lapsed policy or purchasing a new one triggers new prices as well.

The Property-Casualty Insurance Committee adopted the resolution on November 22, followed by Executive Committee adoption on November 24. The Annual Meeting took place in Nashville, Tennessee, from November 21 to 24.

NCOIL is an organization of state legislators whose main area of public policy interest is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at [www.ncoil.org](http://www.ncoil.org).

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