

# FOR IMMEDIATE RELEASE

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## ILF TO HOLD HEARING ON NATIONAL FLOOD INSURANCE

### Albany, New York, July 3, 2001  How can states increase business, individual, and community awareness of flood risk and of the availability and importance of flood insurance?  What challenges does the National Flood Insurance Program face at the state level?  What are the current and emerging federal and state funding sources available for flood prevention, mitigation, and post-disaster relief and recovery?  What can state legislators do to make the flood programs work better?

The Board of Directors of the Insurance Legislators Foundation (ILF), a research and educational arm of the National Conference of Insurance Legislators (NCOIL), will hold a hearing to address these and related flood insurance questions at the Hotel Inter-Continental Chicago, North Michigan Avenue, Chicago, Illinois, on July 13, 2001, from 8:00 to 10:30 a.m.

Testimony offered at the hearing will assist the ILF in preparing a state legislators’ guide on flood risk and insurance, to be published later this year.  The guide is part of an agreement between the ILF and the Flood Insurance Administration (FIA) of the Federal Emergency Management Agency (FEMA).

According to Texas State Rep. Craig Eiland, moderator of the event and chair of the NCOIL subcommittee on natural disaster insurance legislation, the hearing will be “an important step in advancing flood insurance protection and sound floodplain management.”  The event will be held in conjunction with the NCOIL summer meeting, to be held on July 12 through 15.

FEMA administers the National Flood Insurance Program (NFIP), making federally backed flood insurance available in communities that adopt and enforce floodplain management ordinances aimed at reducing flood losses.  Over 19,000 communities across the country participate.  Currently, more than 4.2 million flood insurance policies, representing in excess of $525 billion in coverage, are in effect nationwide.  According to FEMA, some of these policies are held in the recently flooded states of Illinois (over 45,000), Iowa (more than 10,000), Wisconsin (nearly 12,900), and Minnesota (approximately 8,000).  In Texas and Louisiana alone, FEMA expects 25,000 flood insurance claims, amounting to over $350 million in payments, to be filed as a result of Tropical Storm Allison, which caused floods on the Gulf Coast in early June.

The Agency reports, however, that only 25 percent of families in floodplains carry flood insurance, and much of the coverage they have is inadequate.  Numerous businesses, government agencies, and health care, educational, and transportation facilities around the country are likewise unprepared for flood damage.

Rep. Eiland explained that the ILF understands the degree to which state legislators can effectively help promote sound land use management and building practices, as well as the role the legislators can have in assisting state and local governments, and victims, during flood disasters.  He said the ILF welcomes comments on issues including:

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|         how flood insurance is available through the NFIP; |
|         how state legislators can interact with the NFIP and other stakeholders; |
|         how states can support disaster resistant communities and participate in *Project Impact*; |
|         how states can educate insurance agents, adjusters, and real estate professionals on the NFIP; |
|         what the mandatory purchase provisions of the National Flood Insurance Reform Act of 1994 are and their effects on state-regulated banks; and |
|         how the insurance claims process relates to the disaster relief process. |

Scheduled to testify at the hearing are Paul A. Osman, Illinois state NFIP coordinator; Ronald E. Cox, city manager of Friendswood, Texas; Jose Montemayor, insurance commissioner in the Texas Department of Insurance; Tim Tucker, senior state government affairs representative with the Independent Insurance Agents of America (IIAA); John Ashenfelter, counsel for State Farm Insurance Companies; and Patty Templeton-Jones, assistant vice president for the Bankers Insurance Group of the Flood Insurance Servicing Companies Association of America (FISCAA). The ILF will accept written testimony from those unable to testify at the hearing until August 15, 2001.  More information is available on the NCOIL Web site at [www.ncoil.org](http://www.ncoil.org/).

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