



September 12, 2024

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

Re: National Flood Insurance Program (NFIP) Reauthorization

Dear Speaker Johnson, Minority Leader Jeffries, Majority Leader Schumer, and Minority Leader McConnell:

As we enter what is anticipated to be another historically active hurricane season, the National Association of Insurance Commissioners (NAIC)¹ urges action on a long-term reauthorization of the National Flood Insurance Program (NFIP) before it expires on September 30, 2024. A long-term extension will help provide certainty for policyholders in their efforts to prepare for flood disasters. A continuation of temporary extensions will only impair consumers' ability to plan ahead, particularly when considering that most flood insurance policies do not take effect until 30 days after purchase.

We would encourage Congress to utilize NFIP reauthorization as an opportunity to facilitate greater growth in the private flood insurance market to help provide consumers with additional choices for flood insurance products. Over time, this additional competition and shift of risk from a federal program to the private market could help lessen the exposure of U.S. taxpayers to the types of catastrophic flood losses that now reside as unpaid debt on the NFIP's books. It is critical to ensure that private flood insurance meets the continuous coverage requirement,

¹ As part of our state-based system of insurance regulation in the United States, the National Association of Insurance Commissioners (NAIC) provides expertise, data, and analysis for insurance commissioners to effectively regulate the industry and protect consumers. The U.S. standard-setting organization is governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer reviews, and coordinate regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. For more information, visit www.naic.org.



so policyholders have a choice to return to the NFIP without penalty, including not losing any subsidy they previously had with the NFIP.

It is also imperative that reauthorization legislation include measures to encourage investment in prevention and preparedness to help minimize the impact of flood damage and economic loss. It is estimated that for every dollar we invest in mitigating against future natural hazards like flooding we save six dollars. We support the inclusion of mitigation discounts, such as premium discounts or insurance rate reductions to persons who build, rebuild, or retrofit their properties to better resist flood events, and allowing individuals to set aside funds in a tax-preferred savings account for disaster mitigation and recovery expenses. We also urge the inclusion of legislation, such as the Disaster Mitigation and Tax Parity Act of 2023 (S. 1953 / H.R. 4070) in any final legislation, which would ensure that state-based disaster mitigation grants receive the same federal tax exemptions as federal mitigation grants and help provide greater incentives for homeowners to take action to protect their homes from natural disasters. We appreciate legislative efforts to develop strategies to help reduce the number and vulnerability of repetitive loss properties. These actions along with building and maintaining structures that incorporate mitigation strategies have the potential to reduce future program losses and improve the financial condition of the program.

Finally, we support legislative reforms to ensure accurate flood mapping and increased transparency around developing and updating flood maps. Any reauthorization legislation should include strategies to increase flood insurance take up rates, including facilitating opportunities to educate consumers about flood insurance policy options, and encouraging the purchase of flood insurance for those outside of special flood hazard areas. Thank you for your attention to this important issue and we look forward to working with you to ensure prompt passage of long-term NFIP reauthorization legislation.

Sincerely,



Andrew N. Mais (*He/Him/His*)
NAIC President
Commissioner
Connecticut Insurance Department

Jon Godfread
NAIC President-Elect
Commissioner
North Dakota Insurance Department

Scott White
NAIC Vice President
Commissioner
Virginia Insurance Department

Elizabeth Kelleher Dwyer
NAIC Secretary-Treasurer
Director
Rhode Island Department of Business
Regulation

Gary D. Anderson (*He/Him/His*)
Chief Executive Officer
National Association of Insurance
Commissioners



CC:

The House Committee on Financial Services

The Senate Committee on Banking, Housing, and Urban Affairs

The House Committee on Appropriations

The Senate Committee on Appropriations

The House Committee on Appropriations' Subcommittee on Homeland Security

The Senate Committee on Appropriations' Subcommittee on Homeland Security

The Honorable Patrick McHenry

The Honorable Maxine Waters

The Honorable Sherrrod Brown

The Honorable Tim Scott

The Honorable Tom Cole

The Honorable Rosa DeLauro

The Honorable Patty Murray

The Honorable Susan Collins

The Honorable Mark Amodei

The Honorable Henry Cuellar

The Honorable Chris Murphy

The Honorable Katie Britt