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Members of the House of Representatives,

On behalf of the R Street Institute, I write to strongly encourage you to include the bipartisan Flood Insurance Market Parity and Modernization Act into the Federal Aviation Administration (FAA) reauthorization package under consideration this week.

Originally introduced by Reps. Dennis Ross, R-Fla., and Kathy Castor, D-Fla., the Flood Insurance Market Parity and Modernization Act makes a technical correction that will, if passed, provide consumers with more the choices and certainty necessary to further develop a nascent private flood insurance market.

The National Flood Insurance Program (NFIP) is set to expire on September 30, 2017. The program is nearly \$25 billion in debt and has nearly exhausted its statutory borrowing capacity, not including the billions of dollars of claims it will pay out as a result of Hurricanes Harvey, Irene and Maria. One way to alleviate burdening American taxpayers with future payouts is to strengthen the private flood insurance market.

With narrow exception, property owners are currently limited to purchasing flood insurance policies from NFIP due to regulatory uncertainty. Specifically, and most problematically, clarity is needed to determine whether private flood insurance is an acceptable alternative to NFIP for lending and continuous coverage requirements. The Ross-Castor Flood Insurance Market Parity and Modernization Act is a crucial step toward providing the clarity necessary to begin developing larger private flood insurance markets across the country.

The R Street Institute looks forward to working with Congress on making significant reforms to NFIP, but urges members, in the meantime, to seize this opportunity to make technical changes that would expand private flood insurance markets.

Sincerely,

Clark Packard

Outreach Manager
R Street Institute

