

June 11, 2019

The Honorable Maxine Waters
Chairwoman
House Financial Services Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
House Financial Services Committee
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Waters and Ranking Member McHenry:

SmarterSafer, a broad-based coalition focused on fiscally sound, environmentally responsible disaster policy, is pleased to support your efforts to reform and reauthorize the National Flood Insurance Program (NFIP). The Committee bill is a positive step towards updating maps, mitigating risk, and allowing consumer choice in policies.

As you know, NFIP provides insurance coverage for more than 5 million American properties as well as providing a structure to map and maintain the nation's flood plains. Unfortunately, over the last several years, Congress has extended NFIP through a string of short-term extensions rather than reforming the program to ensure it is sustainable for the future. While NFIP provides critical insurance coverage to millions of Americans, it has not lived up to its promise of protecting Americans from nature's wrath. NFIP has for too long masked risk and encouraged development in environmentally-sensitive areas that could provide protection from flooding, resulting in the program borrowing almost \$40 billion from US taxpayers.

As floods become more common and more severe, Congress must take steps to ensure NFIP better protects those at risk, the environment, and taxpayers. To do this, SmarterSafer has long advocated for reforms to ensure more accurate mapping, incentives for mitigation, means tested assistance for low-income policyholders, consumer choice in insurance policies, and increased transparency so people and communities can understand their risks.

We are pleased to see that your bill contains a number of the coalition's priorities. We support provisions in the bill that modernize FEMA's mapping program to ensure that maps include property level information using LiDAR or similar technology. SmarterSafer is pleased to see a focus on mitigation with state revolving loan funds, reforms to Increased Cost of Compliance, and a pilot for community based flood insurance. SmarterSafer is also pleased to see provisions designed to ensure that low-income families can afford their flood insurance rates. In addition, we support continuous coverage requirements that will allow policyholders to move from private flood back to NFIP without penalty, as well as a study of increasing participation rates. Closing the protection gap is critical—whether through private flood or NFIP coverage. In recent flooding events, a majority of those who suffered losses did not have flood insurance, making it much harder to rebuild after a storm. While disaster assistance is usually available after such storms, the payouts to uninsured homeowners are well below the cost of rebuilding.

The Coalition looks forward to working with you to include a number of items not in the Committee bill including measures to promote nature-based, community wide mitigation, including for urban flooding where appropriate. In addition, we would like to see additional provisions on transparency included. While homeowners who would receive means tested subsidies under your bill would be told their full risk-based rates, other policyholders may still not know their real risk. We urge you to broaden the full rate transparency to all policyholders as well as to require that homeowners and homebuyers have a right to information on risks, including past flooding.

SmarterSafer is pleased to see the Committee's efforts to move a comprehensive NFIP reform proposal and we look forward to working with you on this critical issue.

Sincerely,

SmarterSafer