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On March 13, the House Financial Services Committee held a hearing on the reauthorization of the National Flood Insurance Program (NFIP). NFIP was last reauthorized by Congress on December 21, 2018, authorizing the program through May 31, 2019. The program has long struggled with fiscal sustainability, due in part to the escalating costs of major storms in recent years. Since fiscal year 2017, NFIP has been reauthorized ten times and has experienced several brief lapses in authorization, especially during the government shutdowns of 2018. According to the Federal Emergency Management Agency (FEMA), NFIP reauthorization gives Congress the chance to simplify this program and strengthen it financially so that it can effectively help individuals and communities to secure flood insurance.

The Financial Services Committee's hearing memo states that NFIP is currently the main provider of primary flood insurance in the U.S., covering over 5 million households, or about 93% of U.S. the population. During the hearing, Congressman Bill Pascrell (D-NJ-9) highlighted the importance of modernizing this program that affects so many citizens, and discussed the SAFE NFIP Act (H.R. 3285), which proposed changes to NFIP by allowing for flood prevention investments and insurance claim updates. Maria Cox Lamm, from the Association of State Floodplain Managers, agreed with these sentiments, calling for outdated flood maps to be updated immediately due to their critical importance in circumventing flood-related disasters. Lamm stressed that current flood maps are dangerously outdated, with many hazard areas remaining unmapped, making it difficult to identify areas of risk or create guides for flood-safe development in these communities.

Raymond J. Lehmann, director of finance, insurance, and trade policy at the Street Institute, spoke about NFIP's past troubles and the tensions between government programs and the private sector. Lehmann pointed to the program's lack of sustainability and insufficient mitigation incentives, and noted that the program discourages the adoption of private alternatives. Lehmann argued that private insurance can help close the protection gap for those whose needs fall outside of NFIP's coverage.

With multibillion-dollar flood-related disasters striking many regions of the United States in the last few years, many legislators have intensified their focus on flooding. Charlie Crist (D-FL-13) recently introduced the State Flood Mitigation Revolving Fund Act of 2019 (H.R.1610) to allow FEMA to provide states with grants to fund flood risk reduction activities by amending the National Flood Insurance Act of 1968, which itself led to the creation of NFIP. Meanwhile, several other members of the Financial Services Committee have also proposed flood-related legislation, including Maxine Waters (D-CA-43) and Nydia Velázquez (D-NY-7).

Congress has until 11:59 pm on May 31, 2019 to reauthorize NFIP.

Sources: E&E News; Federal Emergency Management Agency; Library of Congress; U.S. House, Committee on Financial Services.
