

## Senate subcommittee examines future of the National Flood Insurance Program

July 23, 2014

The Senate Homeland Security Appropriations Subcommittee held a hearing on July 23 to discuss the National Flood Insurance Program (NFIP), which is up for reauthorization in 2017. The NFIP provides homeowners in participating communities the opportunity to purchase insurance against flood losses. The program, however, faces substantial solvency issues, with over \$1 trillion in loss exposure and \$24 billion in debt to the federal treasury. The hearing covered recent changes to legislation aimed at increasing the NFIP's solvency and plans to update Flood Insurance Rate Maps (FIRMs) across the country.

Congress passed the Biggert-Waters Flood Insurance Act of 2012 to help create a more stable funding structure for the NFIP through increased premiums, among other things, but delayed changes by passing the Homeowner Flood Insurance Affordability Act of 2014. Sen. Robert Menendez (D-NJ) praised the recent legislation because it protects his constituents, many of whom live and work in flood-prone places.

Members expressed particular concern over slow progress on updating FIRMs that identify flood hazards in individual communities. Gathering data and getting community approval for the maps proves to be a time-consuming and expensive process. Federal Emergency Management Agency (FEMA) Administrator Craig Fugate said that roughly half of FEMA's maps are "correct with good data," but doubts that map updates will be complete by 2017. Sen. Mary Landrieu (D-LA) agreed, saying "it's basic data you have to have," but expressed frustration at delays in producing the maps.

Sources: E&E News, Federal Emergency Management Agency, Senate Appropriations Committee

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