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Following months of debate on the floor continuing late in the day on November 14, the House of Representatives passed legislation that would reauthorize the National Flood Insurance Program (NFIP) for five more years, while making several operational changes. According to the Office of Management and Budget (OMB), the NFIP is not fiscally sustainable in its present form, and is currently set to expire on December 8.

The 21st Century Flood Reform Act (H.R.2874), introduced in the House on June 12 by Representative Sean Duffy (R-WI-7) seeks to extend the program through fiscal year (FY) 2022. The bill changes annual minimum premiums and the limits on premium increases for specified policies subsidized through NFIP. Additionally, it requires the Federal Emergency Management Agency (FEMA) to provide financial assistance through state programs for low-income families to purchase NFIP insurance. Though House lawmakers agreed to remove some of the reforms that were initially proposed in order to move the 21st Century Flood Reform Act to the floor for a vote, the approved legislation retained certain measures sought by Representative Jeb Hensarling (R-TX-5), Chairman of the Committee on Financial Services, that would make it easier for private companies to compete with the NFIP in the flood insurance market, and prohibit FEMA from offering coverage to certain homes that experience extreme, repetitive flooding loss if the property owner does not implement flood mitigation measures.

During his remarks on the floor, Representative Hensarling urged his colleagues to support the bill, expressing his belief that the proposed revisions to the program will help protect taxpayers, while allowing the opportunity to find more affordable options beyond those offered by the federal government. However, other lawmakers have argued the bill includes too many provisions that would make flood insurance unavailable or unaffordable to constituents in their districts.

The NFIP reform bill now moves to the Senate for consideration.

Sources: Library of Congress, Politico
