



NATURAL RESOURCES DEFENSE COUNCIL

February 25, 2014

Dear Representative,

The Natural Resources Defense Council (NRDC), and our 1.4 million members and activists, urge you to oppose H.R. 3370, which gut badly needed flood insurance reforms adopted just a year and a half ago under the Biggert-Waters Reform Act (Biggert-Waters).

NRDC has opposed similar attempts to delay or repeal premium increases, including S. 1926 introduced by Senator Robert Menendez. H.R.3370 represents the most extreme of these efforts as it would not only delay important Biggert-Waters reforms but permanently extend discounted flood insurance rates to property owners living in flood-prone areas. Both H.R.3370 and S.1926 have been advanced as proposals to address issues of flood insurance affordability, but both measures fail to deal directly with assisting policyholders who truly cannot afford the increased premiums, and instead reinstate subsidized rates for hundreds of thousands of at-risk properties, many of which are second homes and not primary residences.

As the climate continues to change, our nation's risk of flooding will increase. For coastal communities, rising sea level, coupled with stronger and more frequent hurricanes, will put these communities at greater risk of destructive flooding events. Along our inland waterways, the risk of flooding is also expected to increase due to more severe precipitation patterns as a result of climate change. According to a recent Federal Emergency Management Agency (FEMA) analysis of climate change and the National Flood Insurance Program (NFIP), by the year 2100, coastal communities are expected to see, on average, a 55% increase in high-risk flood areas, mainly along the Eastern seaboard. High-risk flood areas along the nation's rivers are also projected to increase by 45% by the year 2100, with increases as high as 100% in some riverine areas of the Northwest and along tributaries near the Great Lakes.

Unfortunately, by offering subsidized and grandfathered insurance rates that do not reflect the true risk of flooding, the NFIP has actually *increased* the nation's flood risks by failing to provide a disincentive for people to live in floodplains and vulnerable coastal areas. In light of our nation's increasing vulnerability to flooding, we cannot keep offering subsidies that incentivize property owners to remain and rebuild in the same flood-prone areas. Instead, substantial reforms are needed to ensure that property owners understand the true risks and costs of where they live so as to improve communities'

resilience to future flooding. More importantly, however, we need to make sure that these reforms be enacted as planned.

H.R. 3370 repeals Section 207 of Biggert-Waters, which phases out grandfathered rates for properties that have been re-mapped into higher risk flood zones, and thus permanently reinstates the rates that had previously been grandfathered from earlier laws. The House bill also repeals the provision under Section 205 of Biggert-Waters that eliminates subsidies for homeowners who sell their homes or buy new policies. This would allow a new homeowner to maintain the same subsidized flood insurance rate as the old homeowner, regardless of whether the property is a primary residence, business, secondary home, or severe repetitive loss property.

While we recognize the need to address the affordability concerns surrounding Biggert-Waters, there are more responsible ways for Congress to address these challenges than to permanently repeal long-sought reforms of the NFIP. Allowing property owners to retain subsidized and grandfathered rates in perpetuity will keep people and properties in harm's way, exacerbate the insolvency of the NFIP, and continue to leave U.S. taxpayers to bear the escalating costs of future damage.

Thank you for considering our views.

Sincerely,

Scott Slesinger
Legislative Director
Natural Resources Defense Council