

Summary of Proposed Reforms

Below is a summary of proposals to reform the National Flood Insurance Program (NFIP) that the Administration urges Congress to enact:

Sound Financial Framework

Proposal 1: Findings in Support of a Sustainable National Flood Insurance Program – Clarifies legislative intent that is implicit throughout the National Flood Insurance Act of 1968 (NFIA) in support of full-risk rates and other measures to ensure a sound financial framework.

Legislative text:

SEC. ____ . FINDINGS IN SUPPORT OF A SUSTAINABLE NATIONAL FLOOD INSURANCE PROGRAM.

Section 1302 of the National Flood Insurance Act of 1968 (42 U.S.C. 4001) is amended by adding at the end the following:

“(g) FINDINGS IN SUPPORT OF A SUSTAINABLE NATIONAL FLOOD INSURANCE PROGRAM.— The Congress further finds that (1) the long-term sustainability of the National Flood Insurance Program depends on the establishment of a sound financial framework, (2) growth in the private market and improvements to the NFIP are both key to expanding coverage across the nation, and (3) the National Flood Insurance Program needs flexibility to make customer-centric changes that encourage community resilience efforts that reduce disaster suffering and minimize federal expenditures on flood disasters.”

Analysis:

The statutory language below would add a new congressional finding to the National Flood Insurance Act of 1968 (NFIA). The provision does not change FEMA’s authorities under the Act, but rather clearly articulates the legislative intent that is implicit throughout the NFIA. FEMA will be able to draw on this statement as a basis for exercising the authorities granted by the Act.

Change to current law:

NATIONAL FLOOD INSURANCE ACT OF 1968

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SEC. 1302. CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSE.

(a)- (f) * * * * *

(g) FINDINGS IN SUPPORT OF A SUSTAINABLE NATIONAL FLOOD INSURANCE PROGRAM.—The Congress further finds that (1) the long-term sustainability of the National Flood Insurance Program depends on the establishment of a sound financial framework, (2) growth in the private market and improvements to the NFIP are both key to expanding coverage across the nation, and (3) the National Flood Insurance Program needs flexibility to make customer-centric changes that encourage community resilience efforts that reduce disaster suffering and minimize federal expenditures on flood disasters.

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