



ASSOCIATION OF STATE FLOODPLAIN MANAGERS

ASFPM Suggests 9 Principles Related to Flood Insurance Affordability

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The Biggert–Waters Flood Insurance Reform Act was passed last year with overwhelming bipartisan support from Congress and signed by President Barack Obama in July 2012. The bill included difficult but needed provisions to reduce longstanding premium subsidies and discounts -- starting with those for vacation homes, business properties and repeatedly flooded properties -- and move the National Flood Insurance Program onto more sound financial footing. At the time the NFIP was more than \$17 billion in debt; today that number has increased to more than \$24 billion. However, the legislation largely did not address a key issue – flood insurance affordability – and this has many elected leaders and property owners worried.

“The October 1, 2013 rate changes have gotten a lot of people’s attention” says Chad Berginnis, Executive Director for the Association of State Floodplain Managers (ASFPM). “Unfortunately, the legislation contained only a study on flood insurance affordability but had no mechanism for implementing a pilot or other actions to address this critical issue.” During the legislative hearings that preceded BW-12, ASFPM cautioned that affordability had to be addressed in tandem with any changes to make the NFIP more actuarially sound. “ASFPM and many of the floodplain managers that I have talked to recognize that the NFIP had to change and become more financially stable, the questions then become how much, and how fast? BW-12 tries to accomplish a lot of reform in a very short timeframe which has a direct impact on affordability.” added Berginnis.

The Association of State Floodplain Managers (ASFPM) has updated and re-released its [Flood Insurance Affordability paper](#) with nine policy recommendations for Congress and Federal agencies to consider. They include new ideas coming from academia, recommend changes to existing programs, and even suggest some adjustments to BW-12 itself. “There is no magic bullet that is going to solve the affordability problem; rather, there are many solutions that can be brought to bear to help ease the transition of the NFIP to a more actuarially sound, and sustainable program.” says Berginnis. Many of the recommendations by ASFPM focus on mitigating or reducing the long term risk of flood prone properties through a variety of mechanisms and several program already exist that can be of assistance. One recommendation not in the paper is delaying implementation of the phase in of phase-in of rates. “Delaying the phase-in until the affordability study is complete does absolutely nothing – it stops obvious reforms that are needed. Instead, why don’t we consider altering the implementation schedule? Instead of rate increases of 20-25% per year, what about something more reasonable over a longer period of time? This buys property owners more time to mitigate and Congress more time to address affordability while getting important reforms underway.” added Berginnis.

In the meantime, the nation’s floodplain managers are focusing on providing information and recommendations to affected property owners. Says Berginnis, “The most important thing local floodplain managers are doing right now is to provide information and options to affected property owners and solid recommendations to elected officials for reducing flood insurance premiums and overall flood risk. While the Federal government needs to do its part to address affordability, states and communities have a role too.”

The Association of State Floodplain Managers (ASFPM) is an organization of professionals involved in floodplain and flood risk management, flood hazard mitigation, flood data analysis and sharing, flood mapping, the National Flood Insurance Program, and flood preparedness, warning and recovery. ASFPM has 35 chapters and more than 15,000 members working to reduce the risk of loss of life and property in flood disasters, and to restore and protect naturally functioning floodplains. For more information, please visit us at www.floods.org.

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