Resolution on Reducing Repetitive Flood Losses

WHEREAS,

- Repetitive loss claims have been shown to represent a significant drain on the National Flood Insurance Fund, involving some $200 million in average annual claims to the fund.
- About 2% of flood insurance policies result in repetitive loss claims of which about 10,000 properties have been identified as particular problem properties.
- The FEMA FY 2002 budget proposes to save some $12 million by canceling the flood insurance policies of repetitive loss claimants after one more claim;
- Eliminating a property owner’s ability to obtain flood insurance does not reduce the risk of future flood damage;
- Congress intended that the NFIP not only insure individual properties, but also reduce flood risk; and
- Legislative proposals have been introduced in the Congress which would both address the problem of repetitive losses to the National Flood Insurance Fund and offer a means of reducing flood losses.

THEREFORE, the Board of ASFPM resolves:

1. That any program to address the effect of repetitive losses on the National Flood Insurance Fund should include an offer of assistance so owners can mitigate flood risks, if reasonable, feasible and cost effective measures are identified;

2. That property owners who refuse a mitigation offer under repetitive loss should be required to pay the full actuarial cost of insurance through elimination of any “subsidy” on the flood insurance premium rate, and should not be eligible for taxpayer funded disaster relief; and

3. That FEMA actively pursue the opportunity to address repetitive losses through the funded insurance mechanism known as Increased Cost of Compliance using the authority granted the Director in Sec. 1304(c)(3).

Adopted June 2, 2001
Attested by Mike Howard, ASFPM Secretary