

April 25, 2016

Dear Representative:

**SmarterSafer--a broad based coalition of taxpayer advocates, environmental groups, insurance interests, housing organizations, and mitigation advocates—urges you to vote in support of H.R. 2901, the Flood Insurance Market Parity and Modernization Act.** This bipartisan legislation, sponsored by Reps. Dennis Ross (R-FL) and Patrick Murphy (D-FL), passed the House Financial Services Committee with unanimous support.

This bill clarifies that consumers can choose to purchase private flood insurance, ensuring that they have additional choices about flood insurance and are not forced to purchase coverage through the federal flood program. Though the recent flood reform laws made clear that the private sector should be encouraged to offer flood coverage, there are regulatory burdens that are making the acceptance of this coverage by lenders difficult.

For many years, the federal government has been the primary provider of flood coverage in the United States through the National Flood Insurance Program (NFIP). Though NFIP has provided critical coverage, because of deep subsidies embedded in the program for decades, it has done so at great expense to taxpayers, it has harmed the environment, and it has provided the wrong market signals, actually encouraging people to build in harm's way. To combat these problems, Congress made changes to the program including phasing in risk-based rates for a segment of policies and clarifying that the private sector could write flood policies in addition to other reforms.

Since the passage of flood reform, private insurers have started to offer flood policies, but regulatory barriers remain to ensuring that lenders accept private coverage for those properties required to purchase flood insurance. Competition should be encouraged and consumers should be able to choose insurance policies that meet their needs. NFIP policies are one-size-fits-all; federal flood policies do not provide choice—they have standard terms, coverage limits, and deductibles. Private insurance policies could have terms and coverage tailored to the interests of the consumer, as well as better incentives for mitigation and resiliency. In fact, private flood policies could allow property owners to purchase enough coverage to ensure they can rebuild after a storm, not constrained by NFIP limits or by the amount of a mortgage.

**We urge your support for H.R. 2901, the Flood Insurance Market Parity and Modernization Act.** Private insurance options with NFIP reforms focused on mapping and mitigation will help better protect more Americans.

Sincerely,

SmarterSafer

## **MEMBERS**

### **Environmental Organizations**

American Rivers  
Center for Climate and Energy Solutions (C2ES)  
Ceres  
ConservAmerica  
Defenders of Wildlife  
Natural Resources Defense Council  
National Wildlife Federation  
Sierra Club

### **Consumer and Taxpayer Advocates**

Coalition to Reduce Spending  
R Street  
National Taxpayers Union  
Taxpayers for Common Sense  
Taxpayers Protection Alliance

### **Insurer Interests**

Allianz of America  
Association of Bermuda Insurers and Reinsurers  
Liberty Mutual Group  
National Association of Mutual Insurance Companies (NAMIC)  
National Flood Determination Association  
Reinsurance Association of America  
SwissRe  
USAA

### **Mitigation Interests**

Natural Hazard Mitigation Association  
National Fire Protection Association

### **Housing**

National Housing Conference  
National Leased Housing Association

### **ALLIED ORGANIZATIONS**

American Consumer Institute  
Center for Clean Air Policy  
Friends of the Earth  
Institute for Liberty  
Property Casualty Insurers Association of America  
Union of Concerned Scientists