



FIRM 2018 Federal Legislative Priorities Flood Insurance: 2017 NFIP Reauthorization

FIRM supports reauthorization of the National Flood Insurance Program (NFIP) with legislative, policy and programmatic modifications to improve the affordability and transparency of the program through reforms in the following areas:

- **Affordability/Rate Structure**
 1. Maintain a focus on affordability; however, if rates must rise, provide a more reasonable glide path for all properties. (Apply the provision set forth in federal law that requests that FEMA strive to minimize the number of policies with annual premiums that exceed 1% of the total coverage provided by the policy (*Section 7 of the Homeowner Flood Insurance Affordability Act of 2014 (HIFAA) (P.L. 113-89)*)
 2. Ensure rates are consistent for all properties, including second homes and businesses;
 3. Ensure NFIP rates are not excessive or unfair by making the rate-setting process more transparent to the public.

- **Programmatic Modifications to Enhance NFIP's Financial Sustainability**
 1. Consider Write-Your-Own reforms including reducing commissions while further incentivizing NFIP policy sales efforts;
 2. Encourage greater participation by those outside of the 100-year floodplain via expanded use of the Preferred Risk Policy;
 3. Further strengthen enforcement responsibilities to ensure those in the 100-year floodplain have and maintain flood insurance;
 4. Permit reinvestment and support re-insurance;
 5. Privatization that maintains affordability and requires whole profile of risk (no cherry picking).

- **Mitigation**
 1. Increase funding for existing flood mitigation programs;
 2. Establish tax credits for mitigation efforts;
 3. Consider voucher/loan programs to further emphasize mitigation, particularly for lower-income participants;
 4. Enable residential properties to apply flood-proofing techniques and qualify for mitigation credits (similar to that allowed for commercial properties).

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