



Flood insurance rate hike delay passes House

House, Senate bills go to conference committee

By Trey Garrison

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The House on Tuesday evening passed a bill that would delay flood insurance rate hikes and derail reform efforts passed just two years ago with the Biggert-Waters act.

The bill in Congress, H.R. 3370, the Homeowner Flood Insurance Affordability Act of 2014, rolls back reforms in place and crucial planned rate hikes.

Groups like **Smartersafer.org**, **Taxpayers for Common Sense** and a coalition of others from both the left and right said the delays in the [bill before Congress](#) would debilitate the **National Flood Insurance Program** and put the costs on the back of the American taxpayer, but they lost an overwhelming vote Tuesday night.

“Passage of this legislation is a significant victory for the thousands of Americans who are facing unaffordable flood insurance premiums. As we committed to many months ago, Democrats have worked tirelessly to fix this problem. I’m pleased we could come together and provide relief for working families dealing with skyrocketing insurance premiums, depressed home prices and the inability to buy or sell their home,” said U.S. Rep. Maxine Waters, D-Calif., who backed the bill.

On a conference call Tuesday, NFIP reformists reiterated that they have support from both liberal and conservative groups and restated their position that taxpayers shouldn’t have to finance subsidized insurance rates for people who want to build or buy homes in high-risk areas, especially expensive homes and secondary vacation homes.

Steve Ellis, vice president of Taxpayers for Common Sense, said the bill before Congress subsidizes rates permanently and subsidizes damage due to bad planning.

“That’s an enormous government subsidy encouraging people to live in harm’s way and make the rest of the country pick up the tab,” Ellis said.

Groups who have come out against the legislation include: **Club for Growth, Heritage Action, the Cato Institute, Taxpayers for Common Sense, the R Street Institute, the National Taxpayers Union, the National Resources Defense Council, the National Wildlife Federation, and the Union for Concerned Scientists.**

The bill the House passed imposes a four-year delay on premium hikes for some homeowners. FEMA would have that time to conduct and complete a study on making the increased rates affordable.

The rate increases are part of the Biggert-Waters Flood Insurance Reform Act of 2012. The reforms were intended to help make the government's flood insurance program financially solvent. The program is \$24 billion in debt.

The proposed rate hikes would bring rates for the 5.5 million homeowners and commercial property owners insured through NFIP in line with true flooding risk cost.

Opponents, like the **National Association of Federal Credit Unions**, say they support the delay in rate increases.

“As you know, this important legislation would help stop drastic premium increases under the National Flood Insurance Program and help to stabilize real estate markets, while still gradually moving to true risk premium rates,” said Vice President of Legislative Affairs Brad Thaler, in an open letter to the Speaker of the House and the Minority Leader. “Should Congress fail to act, it will mean that premiums continue to skyrocket for many American families. Furthermore, some local housing markets will be severely impacted as properties become more and more expensive to maintain for current and prospective homeowners.”