

# Member Alert:

*Potential Delay of Biggert-Waters Implementation*

January 16, 2014

Hello,

**You are receiving this alert because the US Congress is acting on key legislation on the National Flood Insurance Program that will affect you, your community, state or program. We ask that you read this alert and contact your senator or representative to inform them how their action on this matter will impact effective flood loss reduction efforts.**

**S. 1846, introduced by Senators Menendez (D-NJ), Isakson (R-GA) and Landrieu (D-LA), could come up for a vote on the Senate floor as soon as today.** There is considerable pressure from proponents to consider the measure this week, but if that does not occur, it will be delayed until the week of Jan. 27 because Congress is in recess the week of Jan. 20.

It is likely that an amendment or alternative legislation will be introduced to provide for a much longer phase-in glide path for premium rate increases resulting from many of the subsidy removals called for in the Biggert-Waters flood insurance reform bill enacted July 6, 2012. Specifically, S. 1846 and any alternative would apply to Section 207 (grandfathered rates and rate increases due to map changes), and to the provision in Section 205 moving rates on primary residences to actuarial rates at the point of sale.

S. 1846 provides for at least a four-year delay in implementation, pending completion of the study of affordability issues, development of legislation to address affordability concerns and certification by FEMA that all flood maps are accurate. This latter requirement could result in indefinite delay. Biggert-Waters provides a five-year authorization for the NFIP and one year has already elapsed. In effect, S. 1846 would negate the removal of subsidies (discounts) for the entire current authorization for the NFIP.

ASFPM has provided testimony to Congress urging consideration of a much longer phase-in glide path rather than a delay. We note the critical need to respond to the significant difficulties resulting from anticipated dramatic premium rate increases and are working with Congressional offices to develop alternatives as well as with agencies to identify other programs that can use to help with affordability issues. But, we also recognize the benefits BW-12 is having with increased interest in risk reduction through mitigation that is occurring due to realistic risk messaging resulting from knowledge of actuarially sound rates. ASFPM has heard from members across the country that the reality of current or future rate increases is driving interest in hazard mitigation like never before. In order to promote hazard mitigation - at the property owner and community levels - it is important to retain the impetus that Biggert-Waters provides, while offering an alternative means of addressing the pain of rate increases. ASFPM also strongly supports completion of the affordability study and subsequent development of other means of addressing affordability issues. A link to ASFPM's Nov. 19 testimony is [here](#).

Contact with your senator's offices today to express preference for a phase-in glide path alternative, if one is offered. For those who cannot initiate contact with senate offices, it is hoped that you will express this view if asked for your opinion.

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