



NATIONAL FLOOD INSURANCE PROGRAM (NFIP) REAUTHORIZATION

MONROE COUNTY SUPPORTS THE REAUTHORIZATION OF THE NATIONAL FLOOD INSURANCE PROGRAM WITH REFORMS THAT PROTECT AFFORDABILITY AND PROMOTE MITIGATION.

The National Flood Insurance Program provides insurance to property owners who may be at risk for flooding. The federal program must be authorized every five years; the current authorization expired on September 30, 2017. Congress has extended this expiration date several times, with the most current extension expiring in September 2021.

The State of Florida has 1.7M policyholders, more than any other state, with \$430B in insured value. Monroe County has 30,268 policyholders, with over \$7B in insured value.

Coastal communities generate **80% of the State of Florida's GDP** and **46% of the entire national GDP**. NFIP is important because it is protective of the economic engines that coastal communities represent to the State of Florida and nationwide.

Monroe County supports reauthorization of the National Flood Insurance Program with the following reforms:

- Maintain focus on affordability; provide a more reasonable glide path of 10% or under for all properties
- Ensure rates are consistent for all properties, including second homes and businesses
- Ensure NFIP rates are not excessive or unfair by making the rate-setting process more transparent
- Reduce commissions for Write-Your-Owns, while further incentivizing NFIP policy sales efforts
- Encourage greater participation by those outside of the 100-year floodplain via expanded use of the Preferred Risk Policy
- Strengthen enforcement responsibilities to ensure those in the floodplain have and maintain flood insurance
- Privatization that maintains affordability and requires whole profile of risk (no cherry picking)
- Increase funding and incentives for mitigation (6:1 return on investment)
- Support prohibition of the issuance of flood insurance for new development on properties in the Florida Keys that contain known or suitable habitat for federally-listed endangered species

With regard to proposed legislation, Monroe County:

- **Supports** legislation that include:
 - Limits premium rate increases on all properties to 10% annually.
 - Caps administrative costs paid to WYO private insurance companies.
 - Expands the Increased Cost of Compliance to encourage individual policyholder mitigation.
 - Authorizes \$1B in new mitigation funding.
- **Opposes** legislation that would be detrimental to policyholders and local governments, that include:
 - Actions that increase premiums to policyholders, such as Risk Rating 2.0
 - Maintaining steep 18%-25% annual premium increases and increases annual surcharges.
 - Encouraging privatization without addressing consumer protections like affordability.
 - Decreasing participation in NFIP and undermining the integrity of the program, by eliminating mandatory coverage and disallowing high value homes, and privatizing least risky properties.
 - Failing to adequately fund or incentivize mitigation.